

**Rural and Regional Affairs and Transport Legislation Committee**

ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

**Agriculture**

**Question: 1**

**Division/Agency:** ABARES

**Topic:** Modelling on impact to Australian producers and exporters

**Proof Hansard page:** 43

**Senator BACK asked:**

**Senator BACK:** Did the department undertake any modelling that might have suggested what the impact might be on Australian producers and exporters as a result of the ESCAS to be introduced?

**Mr Glyde:** ABARES undertook a study at the time to do their best to try and pull together the impact that would occur on both exporters and producers as a result the suspension of the trade. I will have to again go back and check what analysis, if any, was done in relation to the introduction of ESCAS itself, but there were certainly some economic studies about the impact of the suspension of the trade in 2011.

**Senator BACK:** Is that information publicly available or can it be made available to the committee?

**Mr Glyde:** As far as I am aware, the ABARES report is publicly available.

**Senator BACK:** And that was produced when? 2011-12?

**Mr Glyde:** 2011. As I said, I will take that on notice and provide the material if it is not available or if it has been taken down from our website.

**Senator BACK:** I also wonder whether there has been any update or review subsequent to the original ABARES report that we could have a look at to see whether their predictions were accurate or whether, in fact, the impact was more or less.

**Mr Glyde:** I do not think so. I think the only thing that would have been published by ABARES would have been its routine reports in terms of what it does for its quarterly and annual forecasts in terms of commodity outlooks, but I will double-check that to make sure. We may well have done some specific work, possibly internally, for the live animal trade.

**Answer:**

ABARES did not undertake economic analysis of the likely impact of the introduction of ESCAS.

**Question: 1** (continued)

ABARES did undertake a survey of beef cattle producers in northern live cattle export regions between 24 June and 1 July 2011 following the suspension of trade to Indonesia of cattle intended for slaughter. This survey was aimed at determining the effects on farm businesses of the suspension of trade. The survey sought information on the current reliance of farm businesses on the sale of live export cattle to Indonesia, the immediate impacts of the trade suspension in place at that stage, the livestock management and marketing options being considered by producers, the constraints producers faced in managing the situation and changes required to farm management had the trade suspension extended beyond the end of July. The published report of this survey is located at:

[http://www.liveexports.gov.au/\\_\\_data/assets/pdf\\_file/0010/1954396/ABARES-survey-of-beef-cattle-producers-in-northern-live-cattle-export-regions.pdf](http://www.liveexports.gov.au/__data/assets/pdf_file/0010/1954396/ABARES-survey-of-beef-cattle-producers-in-northern-live-cattle-export-regions.pdf)

ABARES has not undertaken specific surveys of the live cattle industry subsequent to the July 2011 report.

ABARES released the report 'Australian beef: Financial performance of beef cattle producing farms, 2010-11 to 2012-13' on 24 July 2013 that contains information on the financial performance of farms reliant on live cattle exports.

The report is located at:

[http://www.daff.gov.au/ABARES/pages/publications/pubs.aspx?url=http://143.188.17.20/anrdl/DAFFService/pubs.php?seriesName=AustBeef%26sort=date%26sortOrder=desc%26showIndex=true%26outputType=list%26indexLetter=\\_](http://www.daff.gov.au/ABARES/pages/publications/pubs.aspx?url=http://143.188.17.20/anrdl/DAFFService/pubs.php?seriesName=AustBeef%26sort=date%26sortOrder=desc%26showIndex=true%26outputType=list%26indexLetter=_)

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Additional Estimates February 2014

**Agriculture**

**Question: 2**

**Division/Agency:** ABARES

**Topic:** Funding arrangements for ABARES

**Proof Hansard page:** Written

**Senator STERLE asked:**

Can you update the committee on current funding arrangement for ABARES, breakdown of funding?

**Answer:**

ABARES is funded through two sources:

- Direct departmental appropriation and
- Fee-for-service revenue under s31 of The Financial Management and Accountability Act 1997 sourced throughout the year from within the department for specific projects, including administered projects and from external sources including research and development corporations, industry bodies, other government departments and the private sector.

The revenue forecast for 2013-14 as at end February 2014 is:

Revenue type	Forecast \$'000m
Departmental appropriation	\$19.770
Fee-for-service revenue	\$9.047
Other revenue	\$0.307
<b>Total</b>	<b>\$29.124</b>

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ANSWERS TO QUESTIONS ON NOTICE

Additional Estimates February 2014

**Agriculture**

**Question: 3**

**Division/Agency:** ABARES

**Topic:** Research relating to drought issues

**Proof Hansard page:** Written

**Senator STERLE asked:**

Is ABARES undertaking any research relating to drought issues e.g. the effectiveness of drought assistance, whether projections and forecasting?

**Answer:**

ABARES published 'Effect of the Queensland drought on livestock and crop production' in the 2013 December quarter issue of *Agricultural Commodities* (pages 22-24 refer); with an updated analysis 'Drought in eastern Australia' in the 2014 March quarter issue of *Agricultural Commodities* (pages 24-30 refer). In addition, the article 'Farm performance: broadacre and dairy farms, 2011-12 to 2013-14' in the 2014 March quarter issue of *Agricultural Commodities* contains information on the impact of drought conditions on farm performance (pages 116-161 refer).

In addition, ABARES provides regular updates to the relevant division of the department on drought conditions in Queensland, New South Wales and nationally, as well as providing guidance on identifying and monitoring extreme climatic and weather events in the agricultural context.

ABARES has not undertaken any research to assess the effectiveness of drought assistance.