

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2006

Agriculture, Fisheries and Forestry

Question: F&A01

Division/Agency: Food and Agriculture

Topic: Sugar: Regional Advisory Group Reports

Hansard Pages: 24 and 25 (24/05/06)

Senator O'Brien asked:

For each region there has been one report lodged to date?

Mr Souness—I understand so, with the industry oversight group.

Senator O'BRIEN—Were they all lodged in December?

Mr Souness—I understand so. I could not give an exact answer on that, but I understand they have been.

Senator O'BRIEN—Could you take that on notice and give us the details of when the plans were lodged for each region?

Answer:

The first reports on progress in achieving reform in regional industry operations were provided to the Industry Oversight Group on 9 December 2005 from the Herbert Regional Advisory Group, 21 December 2005 from the South Regional Advisory Group and Burdekin Regional Advisory Group, 30 December 2005 from the New South Wales Regional Advisory Group, 12 January 2006 from the Bundaberg Regional Advisory Group and the Far North Queensland Regional Advisory Group, and 17 January 2006 from the Mackay Regional Advisory Group.

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Agriculture, Fisheries and Forestry

Question: F&A02

Division/Agency: Food and Agriculture

Topic: Sugar Package Review

Hansard Pages: 25 and 26 (24/05/06)

Senator O'Brien asked:

Are there formal reviews scheduled of the effectiveness of the package?

Mr Souness—Not that I am aware of. The industry oversight group has that role in terms of advising the minister on progress of the reforms.

Senator O'BRIEN—So you are spending just short of half a billion dollars and there is no plan to undertake a formal review of how the money has been spent and the outcomes that have flowed from the expenditure?

Mr Souness—I think it was intended that the industry oversight group would provide that role and report to the minister.

Senator O'BRIEN—Is that the only review? The review by the industry oversight group is the review?

Mr Souness—It is more a constant assessment process than a single review.

Mr Banfield—I do not think your comment that a \$440 million package would not be reviewed is correct. It is normal process of government that packages are reviewed. My expectation is—I do not have the details with me—that the program would be reviewed.

Senator O'BRIEN—I am happy for you to take it on notice but I got a different impression from the answer earlier.

Answer:

The Department of Agriculture, Fisheries and Forestry is currently conducting an internal audit of the Sugar Industry Reform Programme (SIRP) 2004 programme management and administration, ongoing monitoring and performance assessment and compliance with relevant programme guidelines, Chief Executive Instructions, relevant legislation and better practice documented in the Australian National Audit Office's (ANAO) *Better Practice Guide Administration of Grants*. This internal audit and review will be used in preparation of Terms of Reference for the formal review of the SIRP 2004 programme in the 2008 calendar year. In addition, the ANAO has indicated in its Draft Performance Audit Work programme for 2006-07, the administration and strategic programme management of major components of SIRP 2004 may be examined in the next financial year.

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Question: F&A03

Division/Agency: Food and Agriculture

Topic: Sugar Regional Advisory Group Reports

Hansard Page: 27 (24/05/06)

Senator O'Brien asked:

Will the Minister inquire beyond the reports? Will the Minister determine and advise the public if the plans do not achieve the restructuring that the government requires?

Answer:

It is always open for the Minister for Agriculture, Fisheries and Forestry to seek further information on the progress with regional reform from a number of sources - including from the Department of Agriculture, Fisheries and Forestry. The Department will respond promptly to any enquiry made by the Minister to investigate the reports if he is not completely satisfied the plans will achieve genuine restructuring of the industry. In 2006 and 2008 reviews of the Sugar Industry Reform Programme 2004 will be conducted. The public release of these reports will be at the discretion of the minister for Agriculture, Fisheries and Forestry.

Question: F&A04

Division/Agency: Food and Agriculture

Topic: Far North Queensland Regional Advisory Group Projects

Hansard Page: 29 (24/05/06)

Senator McLucas asked:

So is it true that three of four major projects that were rejected by the FNQ RAG were approved by the IOG?

Mr Souness—I am not aware of those that were rejected. The minister announced the 21 successful ones but I am not aware of any that may have been rejected in the IOG process.

Senator McLUCAS—Who can I ask that question of?

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Answer:

The application assessment process for Regional and Community Projects is competitive and is designed to provide a filtering mechanism to ensure that project proposals that are funded are those of the greatest national and regional significance, of the highest priority and endorsed by industry.

Applications are assessed by the relevant Regional Advisory Group which is responsible for determining the extent to which each proposal meets its respective regional priorities. The Regional Advisory Group then provide to the Industry Oversight Group a “priority ranking” of projects against regional plan priorities. The Industry Oversight Group then considers applications at an overall industry and regional level and makes funding recommendations to the Minister for Agriculture, Fisheries and Forestry. The Industry Oversight Group is not bound by the recommendations of the Regional Advisory Groups on the ranking of projects but is conscious of the Regional Advisory Group’s viewpoint.

In Round 2 of the Regional and Community Projects the Far North Queensland Regional Advisory Group provided to the Industry Oversight Group its “priority ranking” of projects against regional plan priorities. As every project received a ranking it is difficult to conclude that any projects were rejected by the Far North Queensland Regional Advisory Group.

The Minister for Agriculture, Fisheries and Forestry makes the decision on which proposals receive funding.

Question: F&A05

Division/Agency: Food and Agriculture

Topic: Coverage of the Horticulture Code of Conduct

Hansard Page: 34 (24/05/06)

Senator O’Brien asked:

Mr Phillips—In the election document ‘Investing in our farming future’ the reference is to wholesalers. In the case of negotiations with industry for a voluntary code not working, the election commitment said:

If these negotiations do not result in an outcome which satisfies the requirement for greater transparency in fresh fruit and vegetable markets, a re-elected Coalition Government, as a last resort, will put in place a new mandatory Code of Conduct specifically tailored for the grower/markets sector of the horticulture supply chain.

Senator O’Brien—For the ‘grower market sector’. Does that mean wholesalers?

Mr Phillips—That is the way it has been interpreted by some people.

Senator O’Brien—Apparently it has been interpreted in that way by the minister; is that right? The minister is interpreting it in that way?

Mr Phillips—The government is yet to make a decision as to what the coverage of the code will be. In the lead-in to that particular paragraph it talks about disputes that arose, and the context is that it is about ‘*operating in the fresh fruit and vegetable markets*’. So there is context around that particular sentence I read out to you earlier. I can provide you with a copy if you wish.

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Answer:

A copy of the relevant extract from *'Investing in our Farming Future'* 2004 election document is attached. The full document can be downloaded from www.liberal.org.au.

Question: F&A 06

Division/Agency: Food and Agriculture

Topic: AWI levy income

Hansard Page: 35 (24/05/06)

Senator O'Brien asked:

Clarification of the different figures in PBS tables 2.3 and 2.7 in respect of the wool industry?

Answer:

Table 2.3 records estimated levy income:

2005-06	2006-07
\$36.7m	\$43.268m

The expected increase in 2006-07 is based on industry's estimates of an increase in wool production.

Table 2.7 records estimated expenses (payments to AWI):

2005-06	2006-07
\$49.0m	\$52.0m

These figures include anticipated Government matching funding of \$11.5m in each year. The figures will be reviewed regularly on the basis of industry advice on the expected flock size and wool clip.

It should be noted that, due to timing reasons, levy revenue for June each year is usually recorded as income in the current year figures, but is usually not expensed until July and is therefore recorded in the figures for the subsequent year. This explains why the annual expenses figures do not always equate with levy income and Government matching funding.

Table 2.7 shows expenses recorded against each relevant section in the legislation; five items are shown for the *Australian Meat and Livestock Corporation Act 1997* because payments to MLA and to LiveCorp for marketing and R&D, and Government matching funding, are each mentioned in separate sections of the Act. Only one figure is shown against the *Wool Services Privatisation Act 2000* because the payment of levy revenue and Government matching funding are both covered by s31(4) of that Act.

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Question: F&A 07

Division/Agency: Food and Agriculture

Topic: Australian Wool Services Ltd

Hansard Page: 35 (24/05/06)

Senator O'Brien asked:

How many people work for AWS?

Answer:

Australian Wool Services (Ltd) has advised it has 215 employees.

Question: F&A08

Division/Agency: Food and Agriculture

Topic: Q-Fever Vaccine

Hansard Page: 40 (25/05/06)

Senator O'Brien asked:

Mr Banfield—Another issue Senator O'Brien raised in the discussion last night related to Q vacs. You will recall there was a discussion last night about the prioritisation of the remaining Q vacs supplies. I have now got, and again I am happy to table, an indicative list of the people who received Q vacs based on a lower priority, mid-priority and highest priority category. In very brief terms, the highest priority of course goes to the likes of abattoir workers. The mid-priority includes special risk groups outside of the abattoirs, including people like veterinarians, veterinary students, laboratory personnel, shearing teams et cetera. The lowest priority relates to agricultural communities on a state-by-state basis in descending order. Hopefully that will answer the questions you had. If you want any further details, I am happy to provide further elaboration either now or on notice.

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Answer:

Prioritisation of Q-Fever vaccine drawn from Appendix 1 of CSL Ltd's March 2006 QVAX™ Action Plan.

Extract, communication from Professor Barrie Marmion (Australia's leading expert on Q-fever).

In my view, given the different actual or perceived intensities of risk in various "exposed" groups, I suggest the following order of priorities for (determining access to Q-fever vaccine):

- **Lowest priority.** Agricultural communities in the following ascending order:- Northern Territories < Western Australia < Victoria = South Australia < southern NSW < northern NSW < southern and central Queensland.
- **Mid priority.** Special risk groups outside of abattoirs:- Veterinarians, veterinary students and ID laboratory personnel, shearing teams, kangaroo/pet food processors, feed-lot and stock-sale yard workers, animal truckers and marine shippers of cattle and sheep, hide and fleece sorters and scourers etc.
- **Highest priority.** Abattoir workers (including meat inspectors) and trades on the same abattoir campus, or any other persons visiting abattoirs, eg., for maintenance work on machinery, building fabric or services, enforcement of regulations or administrative or sales purposes, communications or equipment, insurance inspectors etc. The underlying identifier for those "at risk" persons is that they have not worked in the meat processing or related trades before and are unlikely to have immunity from previous infection. Such persons may be infected even by a brief exposure if an infected animal happens to have been processed at the time of the visit or in the recent past.