

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2010

Agriculture, Fisheries and Forestry

Question: APD 01

Division/Agency: Agricultural Productivity Division

Topic: R&D Tax credit

Hansard Page: 29 (25/05/2010)

Senator Colbeck asked:

Senator COLBECK—Were you concerned on the government's changes to the R&D tax laws? Do you have a view on the impact, particularly on the food manufacturing sector, of the proposed R&D tax laws?

Mr Glyde—I will have to take that one on notice in terms of the first part of your question in relation to the extent of the consultation that we had during that process. My recollection of that was that it was a cabinet process and so, in that sense, we would have been consulted but I would have to refresh my memory.

Senator COLBECK—That is all right.

Senator Sherry—It is a Treasury tax policy.

Mr Glyde—Yes, and I would have to refresh my memory to the extent of the consultation.

Senator COLBECK—I understand that, Senator Sherry, but one of the major impacts, according to the evidence that I have seen over the last month or so, is that one of the major areas of impact will be in manufacturing. Obviously that has an impact on the food sector and the concern from those in the manufacturing industry and the unions and the consultants who assist companies with their R&D work is that we will have a major negative impact on manufacturing. I just want to know what work or consultants that this agency had had in respect of that work. Have we had any?

Mr Glyde—That is why I said I will have to take that question on notice to know the extent of it. But I

think the other thing to be aware of is the Productivity Commission inquiry into agricultural R&D, which is underway at the moment, and I suspect that—

Senator COLBECK—I understand that, and I will be talking to the Productivity Commission later on, but that is a separate issue

Answer:

The Tax Laws Amendment (Research and Development) Bill 2010 and the Income Tax Rates Amendment (Research and Development) Bill 2010 were introduced to Parliament in May 2010. The intent of the bills is to implement the Australian Government's decision to replace the existing R&D tax concession with a new, more streamlined R&D tax incentive. The department understands that the proposed new arrangements aim to provide higher rates of assistance for a more targeted range of activities.

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ANSWERS TO QUESTIONS ON NOTICE

Budget Estimates May 2010

Agriculture, Fisheries and Forestry

Question: APD 02

Division/Agency: Agricultural Productivity Division

Topic: Horticulture Code of Conduct Committee

Hansard Page: 85/86 (25/05/2010)

Senator Colbeck asked:

I thought I might try and tease some sort of response out of you in a different format but obviously that is not going to happen, so we will just have to wait and see what the government decides to do, I suppose. Is the government continuing to get representations from industry to provide a response? What is the current status of representation from industry on this? Are they asking what is going on?

Mr Grant—The government continues to meet with the industry as part of normal business. I am not aware that there has been a strong lobby about the timing of the release of the government's response to the code but I can take that on notice, if you like.

Senator COLBECK—You mention the continued consultation, so could you take on notice to provide us a list of meetings that have been undertaken between the department and/or the minister and industry on the matter.

Answer:

The Horticulture Code of Conduct Committee was re-established in October 2008 to advise the government on the implications of implementing the ACCC recommendations. The committee comprised growers, wholesalers, market operators, packers, a retailer representative, processors and exporters.

The committee held four meetings from December 2008 to June 2009. The committee released its report to Minister Burke, the then Minister for Agriculture, Fisheries and Forestry, on 14 September 2009. The report was made publicly available on 1 November 2009. In the preparation of this report, the committee consulted widely with industry representatives. The committee received 17 submissions from industry; each industry sector made a submission. The committee also invited five representatives from industry to speak at its March 2009 meeting to elaborate on their submissions.

Since the committee reported, departmental officers have met with the Horticulture Australia Council, the Australian Chamber of Fruit and Vegetable Industries and the Produce and Grocery Industry Administration Committee. The then Minister for Agriculture, Fisheries and Forestry met with the Horticulture Australia Council on this matter. Between the period of 14 September 2009 and the 2010 election, the department has prepared seven responses to correspondence concerning the code. Since the election, the Minister has received one further item, which is currently under consideration.

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ANSWERS TO QUESTIONS ON NOTICE

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Question: APD 03

Division/Agency: DAFF

Topic: State R&D Expenditure and Facility Closures

Hansard Page: Written

Senator Colbeck asked:

At the last Estimates, I asked some questions State Government agriculture R&D efforts including what data DAFF had on State Government expenditure and the number of personnel employed at such facilities.

1. The answers to me indicated DAFF didn't have any information whatsoever on State expenditure. Is this still the case?
2. Is DAFF aware of industry and community concerns about closure or downgrading of such agriculture R&D facilities in recent years by State Governments? Does DAFF share these concerns? (e.g. Temora, Griffith and Condobolin agricultural research stations in NSW, Elliott Research Station in Tasmania, Walpeup Research Station in Victoria)

Answer:

1. The department does not collect data on state government research and development expenditure and staffing and the information provided to the committee in previous estimates hearings was the latest Australian Bureau of Statistics data available at that time.
2. DAFF is aware of industry and community concerns regarding closures and downgrading of some state R&D facilities.

The Australian Government is working with state and territory governments through the Primary Industries Ministerial Council (PIMC) to ensure national R&D priorities are addressed effectively and efficiently.

National research capability is being strengthened through PIMC via the National Primary Industries Research, Development and Extension Framework. The framework is being jointly developed by Commonwealth, state and territory agencies, industry peak bodies, CSIRO, the university sector and the research and development corporations. To date, PIMC has endorsed the research, development and extension strategies of eight industry sectors – pork, wine, dairy, beef, sheepmeat, poultry, fish and aquaculture and the forest and wood products sector.