

Senate Rural and Regional Affairs and Transport Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
Supplementary Budget Estimates October 2009
Agriculture, Fisheries and Forestry

Question: CC 01

Division/Agency: Climate Change Division

Topic: Name of Parliamentary Inquiry

Hansard Page: 90-91 (19/10/2009)

Senator Colbeck asked:

Dr O'Connell—Chair, I have some information on the member for Forrest's letter, if that is helpful. I am told that the response has been slightly delayed as the issues are also subject to a parliamentary inquiry. But we expect that the response will be sent very soon.

CHAIR—Would that be a federal parliamentary inquiry?

Dr O'Connell—That is my sense of it.

Senator COLBECK—You do not know which parliamentary inquiry we are talking about?

Dr O'Connell—We will have to get that as further information to you, if we could. That is the limit of my knowledge at the moment.

CHAIR—That is fine, Dr O'Connell, but it might be helpful if you can find out which government it is.

Answer:

The inquiry is the *Inquiry into matters relating to the gas explosion at Varanus Island, Western Australia* undertaken by the Senate Standing Committee on Economics.

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Question: CC 02

Division/Agency: Climate Change Division

Topic: Farm Gas Calculator

Hansard Page 69-70 (19/10/2009)

Senator Colbeck asked:

There is another calculator on the market. Is that correct? And where does that emanate from. Also is there one that was developed in New Zealand as well.

Mr Gibbs—I am unaware of one at this time. We could undertake to get back to you.

Answer:

Melbourne University has developed a Decision Support Framework for Greenhouse Accounting on Australian Dairy, Sheep, Beef or Grain Farms.

This calculator is based on state and national-level estimates of greenhouse gas emissions from agriculture and is prepared using the methodology set out in the National Inventory Report 2007. The calculator can be found at

<http://www.greenhouse.unimelb.edu.au/site/Tools.htm>

Another calculator is the Dairy Greenhouse Gas Abatement Strategies Calculator and is an R&D project being conducted by the Tasmanian Institute of Agricultural Research. The calculator allows farm managers to calculate the impact of adopting different abatement strategies on their total farm GHG emissions and help them work out the strategies best suited to their farming system. The calculator can be found at

<http://www.dairyingfortomorrow.com/index.php?id=47>

Lincoln University in New Zealand developed a calculator to determine emissions from livestock, farm energy use, and the use of fertiliser and feed, to arrive at totals for methane, nitrous oxide and carbon dioxide emissions. These are then converted and expressed as total CO₂ equivalents. The calculator can be found at

<http://www.lincoln.ac.nz/story26274.html>

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Question: CC 03

Division/Agency: Climate Change Division

Topic: Farm Gas Calculator

Hansard Page: 71 (19/10/2009)

Senator Nash asked:

Is the department aware that the calculator, as I understand it, is weighted, if you like, to gearing farmers to burning stubble and using those practices, because there are actually other rules which count the methane emissions of the natural breakdown of the stubble? Of itself, it is steering farmers to burning stubble in terms of the financial implications.

Dr O'Connell—I would certainly have to take on notice the specifics around the issue that you raise, but I do understand that there is the issue of the potential for some methane emissions from the breakdown and of course that would be a legitimate thing to have some regard to.

Answer:

The Farm Gas calculator uses the methods and calculations prescribed in the Department of Climate Change publication: Australian Methodology for Estimation of Greenhouse Gas Emissions and Sinks 2006.

In relation to emissions from crop production:

- the Methodology (and consequently, Farm Gas Calculator) calculations are based on internationally agreed accounting rules
- estimates of the GHG emissions include whether the crop residues (stubble) are left to break down naturally or are burnt
- if crop residues are left to break down, the resulting emissions are calculated using the IPCC default (Tier 1) method and factors
- if crop residues are burnt, the resulting emissions are calculated using the IPCC method and country-specific factors (i.e. residue-crop ratios specific to Australia).

According to the Methodology/IPCC rules, if the stubble is burnt, the resulting emissions are 45 per cent of the emissions which result from retention of the stubble.

Whether the Methodology, and consequently the Farm Gas Calculator, has the potential to encourage farmers to burn stubble is a difficult question to answer. Farmers may choose to burn stubble, or retain it, depending on a number of factors in crop management decisions. Farmers recognise that there are many benefits for soil health and soil moisture that result from retention of stubble. However, there may be occasions where crop disease and/or crop machinery constraints require that the stubble be burnt. Burning also has different direct cost implications to alternative stubble management practices.

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Question: CC 04

Division/Agency: Climate Change Division
Topic: Estimation of agricultural emissions
Hansard Page: 71-72 (19/10/2009)

Senator Nash - I have one last question. It is really just to clarify this for me, and it is a different issue. It seems to be there is some confusion here in terms of the actual methane emissions from animals. The minister recently talked about including agriculture, and he said:

The problem with agriculture is that the science is not where we need it to be to make that final call.

The CSIRO last week was very clear and definitive in saying that 10 to 11 per cent of the methane emissions come from animals. Why, on the one hand, is the minister saying that the science is not there to make these deliberations and, on the other hand, the CSIRO is claiming quite definitively that they do believe they have the science to measure it?

Dr O'Connell—I am not sure precisely which is the quotation you are referring to from the minister.

Mr Quinlivan—I think you might be talking about the measurement of two separate things, Senator. On the one hand, CSIRO is talking about the measurement of emissions from the sector generally and totally, whereas the minister is talking about translating that into what is essentially a commercial transaction which needs to be on a property or a per animal basis. He is saying at that point the science and the measurements are not sufficiently precise that you can turn it into what is a financial transaction. They are quite different things.

Senator NASH—So the actual emissions that the CSIRO is talking about that they can measure are not what you need to say, 'This much is coming out the back end of an animal'? That is not the measurement you need. Is that what you are saying?

Mr Quinlivan—I do not think that is what they are saying. They are saying the practices—

Senator NASH—The CSIRO is saying exactly that.

Mr Quinlivan—They are talking about emissions from ruminates generally, as I understand it, and they talk about 16 per cent, which is quite different to saying, 'Animals on this property are emitting X tonnes,' which—

Senator NASH—True. But to get to this—

Dr O'Connell—Senator, my preference anyway would be to be very clear as to which reference to the minister you are making before we go and head off on explaining what the minister has said or not.

Senator NASH—It is quite a long extraction from the interview. So why do I not supply that to you? Then you can give me an answer on notice.

Dr O'Connell—That is not a problem

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Question: CC 04 (continued)

Answer:

The CSIRO released the report “An analysis of GHG Mitigation and Biosequestration Opportunities from Rural Land Use Final Report” on 18 August 2009 which states that:

“Methane from ruminants is a significant proportion (about 67%) of agricultural emissions in Australia and agriculture accounts for about 14% of total GHGs.”

These figures are taken from Australia’s National Greenhouse Accounts. The Accounts have been developed to meet Australia’s reporting obligations under the United Nations Framework Convention on Climate Change and the Kyoto Protocol. The estimation methods are documented in the National Inventory Report <http://www.climatechange.gov.au/en/climate-change/emissions.aspx>.

National methane emissions from livestock are derived using state level data on animal numbers and information on average animal, feed and management characteristics.

As stated in the CSIRO report, methane is a by-product of rumen microbial fermentation and is an inevitable consequence of ruminant production, accounting for between approximately 3 and 12% of the gross energy consumed by ruminants (Johnson and Johnson, 1995).

This variation is driven largely by the nature and quality of the diet; generally the higher the diet quality, the lower the methane emissions per unit of intake.

Further, it has been established that methane emissions can vary within the same cattle breeds on similar diets.

Therefore, farm methane emissions can vary from the national average approach adopted in National Inventory Report. Consequently, ongoing research is needed to better understand actual farm emissions.

Further research is underway as part of the \$46.2 million Climate Change Research Program to help better understand the variation in emissions from individual animals on farm.

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Question: CC 05

Division/Agency: Climate Change Division

Topic: Exceptional Circumstances claims in Tasmania

Hansard Page: 72 (19/10/2009)

Senator Colbeck asked:

Senator COLBECK—I just want to go quickly back to EC, but I will be back to climate change. In fact, to save time I will put the EC stuff on notice. That will save that problem. The visit that you had or the department had to Tasmania last week—and I think it was Mr Murnane who was down there—related to the service provided effectively in administering EC through Centrelink and that process. The concern that has been raised with me is that it is taking 12 or 13 weeks to assess claims. Obviously, in the current circumstances that exist that have found politicians, ministerial staff and members of departments trotting around the countryside to talk to these people, circumstances are quite dire. The reason people are fronting up to make claims for these support payments is that they bloody need them, yet they are being told when they get there that it is going to take 12 or 13 weeks. They will get their payments after Christmas. They are in doo-doo right now and it is deep. Is there any way that can be mitigated? I understand it is complicated. I spent some time working with Centrelink on a lot of their forms and stuff, so I understand that. But can additional resources be thrown at this or what can be done so that they are not waiting until after Christmas to receive support payments that are, without question—and I do not think anybody is doubting—desperately needed?

Mr Mortimer—We will follow up on that. We will take it on notice and get you an answer. I would be surprised if it is taking that long, but I cannot really say anything more than that. If you like, we will come back to you.

Answer:

The benchmark agreed between the Department of Agriculture, Fisheries and Forestry and Centrelink is that at least 80% of Exceptional Circumstances Relief Payment claims are assessed within 42 days of their receipt. Centrelink advise that as at 4 November 2009, the performance against this benchmark for 2009-10 is that 99% of claims are being assessed within that timeframe. Centrelink also advise that as at 4 November 2009, there were no outstanding Exceptional Circumstances Relief Payment claims pending for any reason for any farmer or small business operator in Tasmania.

If any farmer claiming Exceptional Circumstances Relief Payment wishes to make enquiries about the progress of their claim they can contact the National Drought Assistance hotline on 13 2316 or speak to a Centrelink Rural Services Officer.

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Question: CC 06

Division/Agency: Climate Change Division

Topic: Estimation of agricultural emissions

Hansard Page: 74 (19/10/2009)

Senator NASH—I am sorry; I should have asked this when we were on the questions before about the measurement issue and saying how the overall 10 and 11 per cent that the CSIRO was talking about is not the same as individual emissions. Do you not have to have a baseline figure per animal for CSIRO to come out with an overall figure of the 10 to 11 per cent that it is talking about?

Mr Gibbs—There are certain accounting rules and measurement techniques that the CSIRO use for the national number—the 10 per cent number that you are referring to. What we are trying to do over the course of the research over the next few years is to try to understand the different breeds of cows in the different regions of Australia and what sort of emissions come out of that and how you ingrain that into the accounting rules. At the moment, the accounting rules encapsulate an average across the nation, but they have difficulty going down to specific types of animals, what they may eat and how old they are. So that is the difference between—

Senator NASH—Just stop there, because this might be the easiest way to describe it. So that 10 per cent is rough calculations from, say, the cattle emissions across the country?

Mr Gibbs—Yes.

Senator NASH—And you are saying that, because they are rough calculations, it is a ballpark sort of figure. You cannot then drill that down to the accounting necessary for each individual animal on a farm because of all the different scenarios that might be in place for that animal.

Mr Gibbs—That is correct.

Senator NASH—So that 10 per cent should probably not be put as a definitive figure should it? If it is just this rough ballpark figure, how does the CSIRO say so definitively, ‘This is what it is?’

Senator NASH—That slightly clears it up for me, but not terribly well. Perhaps you would like to take that on notice and in more detail supply to the committee exactly how that CSIRO figure is arrived at. That would be very useful.

Mr Gibbs—Absolutely

Answer:

Please refer to response for CC 04.

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Question: CC 07

Division/Agency: Climate Change Division

Topic: Food processors and the CPRS

Hansard Page: 76 (19/10/2009)

Senator Colbeck asked:

What are the risks to the system? We will have to go on to that later, Bill. I will come back to food processing and manufacturers. Does the department have a sense of how many food processors might be considered large emitters under the scheme?

Mr Gibbs—We do not have an exact number. I think the number ranges from about 100 to 200. At the end of the day, it depends on what the threshold is for the emissions trading scheme, if we go down that path. If it is a 25,000-kilotonne threshold, I think the number is in the order of 100 to 200. I can check that for you and come back to you on that.

Answer:

Based on a Scheme threshold of 25 000t CO₂-e, the department estimates that between 60 and 80 food processors which may have a liability for direct emissions under the CPRS.

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Question: CC 08

Division/Agency: Climate Change Division
Topic: National Carbon Accounting Tool Box
Hansard Page: 80 (19/10/2009)

Senator Adams asked:

Senator ADAMS—So the farmers are going to use the national carbon accounting toolbox to try to estimate what is going on.

Mr Gibbs—The Department of Climate Change has been given \$16 million to refine that model and look at developing it. If you want to go into the detail about that model and how it works, or the program they have in store for that, I would suggest that you ask them at their hearing.

Senator ADAMS—This particular toolbox was raised at the last seminar I was at a couple of weeks ago. They were asking how long it was going to take for it to be completely developed. They were told that there are more discussion papers to come out on it. How long is it going to take to get a toolbox that really does work and that farmers can actually use practically?

Mr Gibbs—I do not have the answer to that question. It would be best put to the Department of Climate Change.

Mr Mortimer—Mr Gibbs is entirely right on that.

Dr O'Connell—We can take that on notice and ask the Department of Climate Change to provide us with information and provide it to you.

Answer:

The government will invest \$16.1 million over four years from 2009/10 to develop a National Carbon Accounting Toolbox (NCAT) which includes agriculture emissions.

The government will make the NCAT operational for forestry within the Carbon Pollution Reduction Scheme and will continue to work with the agriculture sector in developing NCAT for a voluntary reporting trial of agricultural emissions by 2011.

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Question: CC 09

Division/Agency: Climate Change Division

Topic: Preparing for climate change

Hansard Page: 82 (19/10/2009)

Senator Milne asked:

Senator MILNE—Are you looking at plantation blue gums and other monocultures as feedstock for biochar?

Mr Gibbs—I would have to take that on notice. I know we are looking at different wastes. But I am not sure about the blue gum side of it.

Senator MILNE—Any forestry plantation—softwood or hardwood? I would be interested to know if you are doing any work on using forest plantations as biochar.

Mr Gibbs—There will certainly be work done on plantations. The detail of which plantations I do not have with me at the moment.

Senator MILNE—If you could provide that for me, I would appreciate it.

Answer:

Under the Australia's Farming Future initiative, the Climate Change Research Program has funded the Biochar project (CCRP \$1.4 million, partner contributions \$1.8 million). The primary purpose of the Biochar project is to address some of the uncertainties surrounding the use of biochar and to subsequently form a basis for policy decisions.

It is likely that biochar would only be economically viable using wastes as feedstocks for pyrolysis. The Biochar project is analysing a wide variety of potential feedstocks. These include woodwaste from several sources including pine sawdust and hardwoods such as oil mallee plantations, *Acacia saligna* and jarrah. Bluegum is not being tested in the project. Other feedstocks to be tested are: wheat, wheat chaff, greenwaste, chicken manure, dairy manure, corn, food waste, nut shells, rice husks, oak, paper mill waste, woodchips, biochar-mineral complex, biosolids, grass, bagasse, millmud and cane trash.

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Question: CC 10

Division/Agency: Climate Change Division

Topic: Tasmanian Community Forest Agreement Industry Development Program

Hansard Page: 85-86 (19/10/2009)

Senator Milne asked:

Senator MILNE —...At the estimates hearing last year I asked in particular in relation to the Tasmanian Forest Industry Development Program, the Tasmanian Softwood Industry Development Program and the Tasmanian Country Sawmills Assistance Program. I asked for the details of how the money was disbursed and whether it was on the website. Mr Mortimer, you indicated that you did not have a full list at that time, that it is not on the website and that you could take it on notice and provide that to me.

As far as I can find amongst all my records I have never received the full list of the grants that were made—the disbursement of moneys under that program. What I did get back was at 30 June how much was left over from those three programs and where that money went—that \$2.9 million was later disbursed to Caring for our Country and Landcare and so on. But what I actually wanted in addition to that was a list of the grants—how that money was disbursed, not as a generic or a large figure; I want to know specifically who got the grants and how much under those programs. Would you please be able to make that list available to me? I apologise if you have made it available to me. We have been right back through our records and I cannot find ever having received it.

Mr Mortimer—Senator, I will have to go and check our records. My apologies if we have not done it, or if the question has been misinterpreted. I did not come briefed on that issue, so—

Senator MILNE—Maybe if you can just take it on notice, but I would like to see a list of who got the money and how much under those three programs, because they have all been concluded now. It has been finalised. That would be extremely useful.

Answer:

The attached tables provide a full list of the disbursement of funds under the Tasmanian Community Forest Agreement Industry Development Program. There were three separate sub-programs: the Tasmanian Forest Industry Development Program; the Tasmanian Country Sawmills Assistance Program; and the Tasmanian Softwood Industry Development Program.

In most cases, the final disbursements included an additional 30 per cent payment to compensate grantees for tax liabilities incurred in receiving their grants. Grantees were required to separately invoice for this final payment.

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Question: CC 11

Division/Agency: Climate Change Division
Topic: International forest carbon partnerships
Hansard Page: 86 (19/10/2009)

Senator Milne asked:

Senator MILNE—Thank you. The next question is in relation to Minister Burke's announcement in relation to two particular programs on carbon. One is the Indonesia-Australia Forest Carbon Partnership. That is dated June 2008. The other was the Papua New Guinea-Australia Forest Carbon Partnership. Apart from the announcement of the partnerships, we have not been able to get a copy of the actual partnership agreements. Are you in a position to make that available publicly? Can somebody explain to me where we can get the text of those two partnership agreements?

Answer:

The Department of Climate Change (DCC) and AusAID have shared responsibility for the Indonesia-Australia Forest Carbon Partnership and the Papua New Guinea-Australia Forest Carbon Partnership. Copies of the partnership agreements are publicly available on the DCC website at: www.climatechange.gov.au.

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Question: CC 12

Division/Agency: Climate Change Division

Topic: Sawlogs

Hansard Page: 88 (19/10/2009)

Senator Milne asked:

Senator MILNE—If you were to aggregate the legislated sustainable yield of sawlog against the aggregate mature plantations, would you still say there is not enough sawlog out of plantations to be able to displace native forest sawlogs around the country?

Dr O’Connell—I would probably want to take that on notice, but I think my answer would be yes.

Senator MILNE—I would appreciate your taking it on notice because I would like to know what your assessment is of the shortfall.

Senator Sherry—I think in taking that on notice we could indicate there are a range of timbers—and I think you would be aware of this, Senator Milne—that are unable to be sourced from plantations that are used by the sawlog industry. We can provide you with a list of timbers that are unobtainable from plantations that are used by the sawlog industry, for example.

Answer:

In the 2007-2008 year, the total volume of sawlogs harvested in Australia was 12.59 million cubic metres (m³)¹. Of that, 9.44 million m³ was from coniferous sources (largely pine plantations) and 2.97 million m³ came from native forests. The remainder—186 000 m³—was from broadleaved plantations (largely eucalypt plantations). This indicates that there is not currently enough sawlog grown in plantations to replace that volume harvested from native forests.

The sawlogs provided from native forests are mostly timbers that are unable to be provided from the plantation estate, or which are only produced in very small quantities in plantations. The statistics indicate that most of the plantation sawlogs are from coniferous forests.

Most of the broadleaved plantations have been established with the intention of being harvested for woodchips. The supply of plantation grown hardwood sawlogs is low compared to the supply from native forests and is not expected to increase significantly in the near future².

¹ Australian Bureau of Agricultural and Resource Economics (2009) *Australian forest and wood products statistics*, September and December quarters 2008

² Bureau of Rural Sciences (2007) *Australia’s plantation log supply 2005-2049*

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Question: CC 12 (continued)

Plantations cannot supply the volume of various species of hardwoods that are currently supplied from native forests and used by the sawmilling industry for flooring, furniture and heavy structural timbers. A number of examples are given below:

Western Australia:	jarrah, karri, marri
Victoria:	alpine ash, mountain ash, messmate, silvertop ash
Tasmania:	alpine ash, mountain ash, messmate, blackwood, sassafras
New South Wales:	spotted gum, flooded gum, black butt, stringy bark species, iron bark species, red gum, turpentine, grey gum
Queensland:	spotted gum, cypress

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Question: CC 13

Division/Agency: Climate Change Division
Topic: Forestry Industry Database
Hansard Page: 89 (19/10/2009)

Senator Colbeck asked:

Senator COLBECK—I want to go to some things that we have covered before. We were told at the last estimates in respect of the forestry database that you are in the final stage of contractual negotiations with a successful tenderer. Can you tell us where that is up to at this stage?

Mr Talbot—Yes, I can. The successful tenderer was URS. It has started the database project. There are a number of things that have already been done. It has already circulated a consultation paper to industry. It has also completed a series of workshops around the country. These were held over the last month in Canberra, Melbourne, Hobart, Mount Gambier and Albany. It has already started identifying key information gaps relating to the industry workforce and options for addressing these gaps. So it has made a start.

Senator COLBECK—Are there any key milestones in the contract? Can you tell us what they are and what the dates are?

Mr Talbot—There are key milestones in the contract. I do not have the contract with me, so I will take that on notice and provide the information to you.

Senator COLBECK—How are we looking as far as our September 2010 deadline for completion is concerned?

Mr Talbot—The project is to be completed in July 2010. So we would be looking at the delivery of a database portal and a final project report to industry by 30 June 2010.

Senator COLBECK—So that has come forward?

Mr Talbot—I will have to check that. My notes say it is July 2010.

Answer:

The original timeline for the Forestry Industry Database had final delivery in September 2010. The project is progressing well and milestones have been met so the final delivery has been brought forward to July 2010.

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Question: CC 13 (continued)

Key milestones

BRS Wood Flow Statistics (Complete)

- March 2009 - Initiation of contract
- July 2009 - Delivery of draft project report
- September 2009 - Delivery of final project, including report and data delivery

URS Database (On-going)

- May 2009 - Initiation of contract (complete)
- October 2009 - Data review and industry consultation (complete)
- Draft industry profiles (complete)
- February 2010 - Delivery of draft project report
- March 2010 - Delivery of draft database
- July 2010 - Delivery of final project, including report and database

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Question: CC 14

Division/Agency: Climate Change Division

Topic: Regional Forest Agreements Reviews and Illegal Logging Policy

Hansard Page: 90 (19/10/2009)

Senator Colbeck asked:

Because we are running out of time, could you take on notice the progress on the reviews of the RFAs?...I know that, for example, Tasmania's was done at the beginning of last year, so that is a fair while back. Perhaps you could inform the committee on notice of where we are at with the respective processes on all the RFAs so that we can get an update on the review programs, when the responses are likely to occur and what the current program is. I have some stuff on illegal logging. I notice that the minister made a comment last week in respect of illegal logging. Where are at in the overall program as far as timing is concerned?

Answer:

The current status of review processes for the Regional Forests Agreements is listed below.

- **Tasmania** has undertaken its five and second five year reviews on time.
- **New South Wales** –the public consultation period on a report titled *A draft report on progress with implementation of the New South Wales Regional Forest Agreements* closed on 7 September 2009. The Independent Assessor is now preparing a report in relation to his findings.
- **Victoria** – a scoping agreement for the first two 5-year reviews of the Victorian Regional Forest Agreements was signed on 23 September 2009. A draft report on progress with implementation of the Victorian RFAs is currently being prepared by the Australian and Victorian governments.
- **Western Australia** – a Scoping Agreement was signed on 21 September 2007 and a draft report on progress of implementation of the WA RFA is currently being prepared.

With regard to the question on illegal logging, public comments on the draft Regulation Impact Statement (RIS) will close on 30 November 2009. The Centre for International Economics will then prepare a final report and Consultation Statement for the Department of Agriculture, Fisheries and Forestry. These two documents will be provided to the department by 8 January 2010. This information will be used to prepare a final RIS for consideration by the government.

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Question: CC 15

Division/Agency: Climate Change Division
Topic: Forest Industry Leaders Ministerial Roundtable
Hansard Page: 90-91 (19/10/2009)

Senator Milne asked:

Senator MILNE—I have just a couple more questions, and you may want to take these on notice. I am interested in these new committees, councils or advisory groups that the minister has set up in relation to forestry. I think there are two of them; is that correct?

Mr Talbot—There is the forest industry round table.

Senator MILNE—Yes, that is one of them. Is there another one? Maybe there is just the round table.

Mr Talbot—I think there is just the round table, because the Forest and Wood Products Council has been going for a while now.

Senator COLBECK—What about Senator Carr's group?

Mr Talbot—Yes, there is the Pulp and Paper Industry Strategy Group, which is being run by Senator Carr.

Senator MILNE—So in this department it is the round table?

Mr Talbot—That is correct.

Senator MILNE—Would you be able to provide me with a list of people involved in the round table, the meetings that have been held to date and any other information about agendas and what has actually happened with that council—unless you can give me an update now?

Mr Talbot—I will take that one on notice. There has been one meeting to date.

Answer:

The members of the Forest Industry Leaders Ministerial Roundtable are:

Mr Tony Burke, MP (Chair)
Minister for Agriculture, Fisheries, and Forestry

Mr Vince Erasmus
Chief Executive Officer
Integrated Tree Cropping

Mr Milo Foster
General Manager
Kimberly-Clark Australia (Family Care Division)

Mr Bob Gordon
Managing Director
Forestry Tasmania

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Question: CC 15 (continued)

Mr Michael Hartman
Chief Executive Officer
ForestWorks

Mr Greg L'Estrange
Chief Executive Officer
Gunns Ltd

Mr John McNamara
Managing Director
Hyne

Mr John Murphy
Chief Executive Officer
Visy Paper

Mr Michael O'Connor
National Secretary
Forestry and Furnishing Products Division
Construction, Forestry, Mining and Energy Union (CFMEU)

Mr Rod Pearse
Managing Director
Boral Timber

Ms Linda Sewell
Chief Executive Officer
HVP Plantations Pty Ltd

Mr Jim Snelson
Chief Executive Officer
Carter Holt Harvey Woodproducts Australasia

People from the Minister's office and the department who are or have been involved are:

Mr Troy Bramston
Advisor
Office of the Australian Government Minister for Agriculture, Fisheries and Forestry

Mr Phillip Glyde
Deputy Secretary and Executive Director ABARE
Australian Government Department of Agriculture, Fisheries and Forestry
(attended first meeting to make ABARE presentation).

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Question: CC 15 (continued)

Mr John Talbot
General Manager
Forestry Branch
Australian Government Department of Agriculture, Fisheries and Forestry

Mr Ian Ruscoe
Secretariat, Forest Industry Leaders Ministerial Roundtable
c/- Australian Government Department of Agriculture, Fisheries and Forestry

The Roundtable has met once, on 16 July 2009.

The agenda for the first meeting was:

1. Welcome and Agenda
2. State of the Forest Industries
3. Preparing Australian Forest Industries for the Future – policy update
4. Discussion of issues of concern and importance to industry
 - Global economic environment
 - Domestic economic outlook
 - Business investment outlook
 - Jobs and training outlook
5. Closing remarks and next meeting

The actions arising from the meeting are:

- Industry leaders to provide information, or propose ideas regarding managed investment schemes either to the Department of Agriculture, Fisheries and Forestry (DAFF) or the Minister's office.
- DAFF to provide updates to members on progress of international negotiations for the crediting of carbon stored in harvested wood products.
- Industry leaders to provide information on forest certification, or propose actions that could be undertaken to promote recognition of the Australian Forestry Standard, either to DAFF or to the Minister's office.
- DAFF to discuss with the Department of Education, Employment and Workplace Relations assistance available for projects that support forestry jobs and the forest industry.
- DAFF to finalise a date for the next meeting of the Roundtable with the Minister's Office and send an invitation to members as soon as possible.

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Question: CC 16

Division/Agency: Climate Change Division

Topic: Tasmanian Community Forest Agreement Industry Development
Programs Evaluation

Hansard Page: 91 (19/10/2009)

Senator Milne asked:

Senator MILNE—In relation to the three programs I asked about earlier in terms of the disbursement of the funds, now that those three programs have concluded, what evaluation was done about the success of the program against the objectives of the program? It is stated clearly that the objectives of the program were to help the industry adjust to higher levels of conservation and get the industry retooled in order to take advantage of more plantations, regrowth et cetera. What evaluation was done, who did the evaluation and is that publicly available?

Mr Talbot—Is this the TCFA, Senator?

Senator MILNE—This is the Tasmanian Forestry Industry Development Program, the Tasmanian

Softwood Industry Development Program and the Tasmanian Country Sawmills Assistance Program and the \$42 million that was spent under those three programs.

Mr Talbot—I will take that one on notice.

Senator MILNE—Can you tell me whether any evaluation has been done?

Mr Talbot—My understanding is that to date it has not been done, but I would like to take it on notice because we would be working with colleagues in Tasmania to start this evaluation process.

Senator MILNE—Will there be an evaluation?

Mr Talbot—I would like to take it on notice.

Answer:

There has not yet been an evaluation of the Tasmanian Forestry Industry Development Program, the Tasmanian Softwood Industry Development Program and the Tasmanian Country Sawmills Assistance Program. The programs ceased on 30 June 2009.

These were programs under the Tasmanian Community Forest Agreement (TCFA). There were a number of other programs funded by the Australian Government under the TCFA, several of which will not be finalised until 30 June 2010. DAFF and Tasmanian officials have started discussions on reviewing the projects under the TCFA.

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Question: CC 17

Division/Agency: Climate Change Division

Topic: Export native forest woodchips

Hansard Page: 91 (19/10/2009)

Senator Milne asked:

Senator MILNE—Because we have spent \$42 million; I think the community would like to know whether it actually achieved any of the objectives set out in the program, or the extent to which it did. Finally, on notice, I asked before about sawlog. I would now like to ask for an aggregate figure on export native forest woodchips from around the country. I would like to know whether there is a sufficient plantation resource to displace that entire amount of export woodchips. Finally, what is the volume of Tasmanian native forest logs that are going to Japan to be burnt in furnaces? I would be interested to know the volume of that in the last year.

Mr Talbot—I will take those on notice, Senator

Answer:

Woodchip exports data is collected by the Australian Bureau of Statistics (ABS). The ABS data does not distinguish between hardwood woodchips sourced from native forests and that from plantations, but it does include woodchips sourced from sawmill residues. According to the ABS data, total exports of hardwood (broadleaved) woodchip exports were 5.03 million bone dry tonnes in 2007-08. (**Source:** ABARE 2009, *Australian forest and wood products statistics*, September and December quarters 2008, Australian Bureau of Agricultural and Resource Economics, Canberra).

The Department collects additional statistics about the volume of logs harvested for woodchip exports and by forest type. However, these figures do not include sawmill residues exported as woodchips. According to this data, a total of 5.1 million cubic metres of native hardwood forest logs were harvested for woodchip exports in 2007-2008. The amount of hardwood plantation logs that were harvested for woodchip exports in 2007-08 was 4.1 million cubic metres. Therefore, in total 9.2 million cubic metres of logs harvested from Australian forests were destined for woodchip export. (**Source:** ABARE 2009, *Australian forest and wood products statistics*, September and December quarters 2008, Australian Bureau of Agricultural and Resource Economics, Canberra).

The Bureau of Rural Sciences forecasts hardwood plantation pulp log supply to increase to an average 13.8 million cubic metres per year for the period 2010-14. (**Source:** Parsons, M, Frakes, I and Gavran, M, 2007, *Australia's Plantation Log Supply 2005-2049*, Bureau of Rural Sciences, Canberra).

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Question: CC 17 (continued)

The department is unable to determine how much of this additional volume will be available for the export woodchip market. The export of pulpwood from plantations and public native forest is determined by commercial decisions made by forest owners and managers.

The department is unable to provide any information about the volume of native forest logs being burnt in furnaces in Japan as that information is not collected.

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Question: CC 18

Division/Agency: Climate Change Division

Topic: Climate Change

Hansard Page: Written

Senator Williams asked:

1. It depends who you talk to as to what work is being done on livestock emissions. What programmes are your Department undertaking?
2. How will methane expulsion be measured from livestock?
3. How long will the project cost and how long will it take?
4. How many applications were received for the first round of the FARMREADY grants and how much was handed out?
5. How many applications were received for Round 2 which closed on September 30?
6. Treasury has forecast a 40 percent drop in greenhouse gas emissions from sheep and cows between 2015 and 2020, yet the sheep and cattle population is actually forecast to increase. Have you done any modelling on this?
7. What modelling has been done on carbon off-sets for farmers?
8. The Government is setting aside \$200 million for structural adjustment to assist those communities hardest hit by a CPRS in NSW. Based on your modelling, will that be enough?

Answer:

1. Under the Australia's farming future initiative, the Climate Change Research Program (CCRP) is funding the Reducing Emissions from Livestock Research Program (RELRP). This is a collaborative research project coordinated by Meat and Livestock Australia and aims to develop practical on-farm options to achieve a reduction in methane emission from livestock without loss of productivity.
2. The RELRP includes work to develop improved and more accurate measurement techniques to enable methane reduction management strategies to be quantified and tested.

Techniques under examination include electronic gas sensor technologies for measuring gas concentrations (methane, carbon dioxide) from individual ruminants. Further, laser-based monitoring techniques to validate results of laboratory experiments in extensive and more intensive farming systems, including emissions from waste in feedlots.

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Question: CC 18 (continued)

3. The RELRP is worth \$26.8 million, including \$11.3 million from the CCRP, with the balance contributed by rural research and development corporations, industry bodies and state government agencies. The project runs from 2008-09 to 2011-12.
4. There were 157 applications received in the first round of FarmReady Industry Grants. 46 grants were approved worth up to \$6.274 million over the life of the program (2008-09 through 2011-12).
5. There were 168 applications received in the second round of FarmReady Industry Grants.
6. The Treasury modelling shows that over the projection period output of beef and sheep increases. Emissions for beef and sheep production increase over the same period but will be lower by 2020 than what would have occurred in the absence of the CPRS (business as usual). The emission reductions of 35 per cent by 2020 is based on emissions improvements per animal.

ABARE has conducted some modelling of the Treasury CPRS-5 scenario. The findings of the modelling are published in:

Ford, M, Gurney, A, Tulloh, C, McInnis, T, Mi, R and Ahammad, H 2009, 'Agriculture and the Carbon Pollution Reduction Scheme (CPRS): economics issues and implications', in Issues, insights, ABARE, Canberra.

7. ABARE has not conducted any modelling of carbon offsets.
8. ABARE has not conducted any modelling of structural adjustment costs associated with the CPRS.

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Question: CC 19

Division/Agency: Climate Change Division

Topic: Exceptional Circumstances

Hansard Page: Written

Senator Colbeck asked:

1. Can the Department please provide a list of all regions currently under Exceptional Circumstances (EC) and the expiry date for each of these regions?
2. Which EC regions is the Department and/or the National Rural Advisory Council (NRAC) currently reviewing to determine whether a region's EC status is renewed?
3. What has NRAC's touring schedule been since 1 July 2009?
4. What is NRAC's touring schedule up to the end of 2009-2010?
5. How many completed NRAC EC reports are with the Department for advice to the Minister?
6. How many completed NRAC EC reports have been provided by the Department to the Minister for his approval?
7. How many NRAC EC region recommendations did the Minister agree to in 2008-2009? And since 1 July 2009?
8. Which regions are these?
9. How many NRAC EC region recommendations did the Minister not agree to in 2008-2009?
10. And since 1 July 2009?
11. Which regions are these?

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Question: CC 19 (continued)

Answer:

1. Regions currently under Exceptional Circumstances (EC) declarations

EC areas due to expire 31 March 2010	
State	EC Area
NSW	Braidwood
	Condobolin
	Condobolin-Narrandera
	Dubbo Revised
	Forbes
	Goulburn-Yass
	Gundagai
	Hay
	Hume
	Nyngan Revised
	Majority Western Division
	Molong Revised
	Riverina
	South West Slopes and Plains
	Young
Victoria	Central Victoria North Revised
	Central Victoria South Revised
	Mallee - Northern Wimmera Revised
	Northern Victoria Revised
	North East Victoria
	South Western Victoria
South Australia	Central and Eastern Mount Lofty
	Central Eyre Peninsula
	Clare Light and Barossa
	Fleurieu Peninsula
	Kangaroo Island
	Lower Eyre Peninsula
	Mid-North
	Murray-Mallee
	River Murray and Lower Lakes Corridor
	Upper North District including Annex
	Upper South East
Western Eyre Peninsula	
	Yorke Peninsula

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EC areas due to expire 30 April 2010	
State	EC Area
NSW	Cooma-Bombala-ACT
Victoria	Central and East Gippsland Revised
	South and West Gippsland
Tasmania	Central Midlands
	Flinders Island (Formerly North East and Flinders Island)
EC areas due to expire 15 June 2010	
State	EC Area
Queensland	Central Darling Downs Revised
	Far West Queensland
	Northern Darling Downs Revised
	South West Queensland Revised
	Western Downs-Maranoa Revised
South Australia	Central North East including Annex
	North West Rangelands
EC areas due to expire 30 April 2011	
State	EC Area
NSW	Bega Valley

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2. There are currently 47 EC declared areas. 46 EC declarations are scheduled to expire in 2010, and one is scheduled to expire in 2011. The National Rural Advisory Council will provide advice to the Minister on all areas prior to their expiry.

Of the 46 areas due to expire in 2010, 34 areas are due to expire on 31 March 2010, 5 areas are due to expire on 30 April 2010 and seven areas are due to expire on 15 June 2010.

One area is due to expire on 30 April 2011.

3. Inspections undertaken by NRAC between 1 July 2009 and 6 November 2009

Proposed EC Areas		
State	Area	Inspection date^s
Queensland	Gulf Country	19-21 October 2009
EC areas due to expire 31 March 2010		
State	EC Area	Inspection date
NSW	Condobolin	26-29 October 2009
	Nyngan Revised	26-29 October 2009
	Majority Western Division	26-29 October 2009
Victoria	Central Victoria South Revised	4-6 November 2009
	South Western Victoria	4-6 November 2009
South Australia	Clare, Light and Barossa	2-6 November 2009
	Mid-North	2-6 November 2009
	Murray-Mallee	28-30 October 2009
	Upper North District including Annex	2-6 November 2009
	Upper South East	28-30 October 2009
	Yorke Peninsula	2-6 November 2009

* Date range indicates the period of NRAC inspections which may include the inspection of neighbouring areas.

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4. Inspections have been scheduled, or are under consideration by NRAC for the EC areas due to expire 31 March 2010, 30 April 2010 and 15 June 2010. No conclusions should be drawn from NRAC's inspection schedule and how NRAC may recommend.

Areas scheduled for inspection by NRAC during the 2009-10 financial year

Proposed EC Areas		
State	Area	Inspection date**
Queensland	Gulf Country	19-21 October 2009
EC areas due to expire 31 March 2010		
State	EC Area	Inspection date
NSW	Braidwood	9-10 December 2009
	Condobolin	26-29 October 2009
	Condobolin-Narrandera	Week beginning 7 December 2009
	Dubbo Revised	10-12 November 2009
	Forbes	10-12 November 2009
	Goulburn-Yass	9-10 December 2009
	Gundagai	Still being considered by NRAC
	Hay	Week beginning 7 December 2009
	Hume	1-3 December 2009
	Nyngan Revised	26-29 October 2009
	Majority Western Division	26-29 October 2009
	Molong Revised	10-12 November 2009
	Riverina	Week beginning 7 December 2009
	South West Slopes and Plains	Still being considered by NRAC
Young	10-12 November 2009	
Victoria	Central Victoria North Revised	14-17 December 2009
	Central Victoria South Revised	4-6 November 2009
	Mallee - Northern Wimmera	14-17 December 2009
	Northern Victoria Revised	Week beginning 7 December 2009
	North East Victoria	1-3 December 2009
	South Western Victoria	4-6 November 2009

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EC areas due to expire 31 March 2010 (cont.)		
State	EC Area	Inspection date
South Australia	Central and Eastern Mount Lofty	23-27 November 2009
	Central Eyre Peninsula	16-20 November 2009
	Clare Light and Barossa	2-6 November 2009
	Fleurieu Peninsula	23-27 November 2009
	Kangaroo Island	23-27 November 2009
	Lower Eyre Peninsula	16-20 November 2009
	Mid-North	2-6 November 2009
	Murray-Mallee	28-30 October 2009
	River Murray and Lower Lakes	Still being considered by NRAC
	Upper North District including	2-6 November 2009
	Upper South East	28-30 October 2009
	Western Eyre Peninsula	16-20 November 2009
	Yorke Peninsula	2-6 November 2009
EC areas due to expire 30 April 2010		
State	EC Area	Inspection date
NSW	Cooma-Bombala-ACT	Scheduled for early 2010. Inspection dates yet to be settled by NRAC
Victoria	Central and East Gippsland	
	South and West Gippsland	
Tasmania	Central Midlands	
	Flinders Island (Formerly North	
EC areas due to expire 15 June 2010		
State	EC Area	Inspection date
Queensland	Central Darling Downs Revised	Scheduled for early 2010. Inspection dates yet to be settled by NRAC
	Far West Queensland	
	Northern Darling Downs Revised	
	South West Queensland Revised	
	Western Downs-Maranoa Revised	
South Australia	Central North East including	
	North West Rangelands	

² Date range indicates the period of NRAC inspections which may include the inspection of neighbouring areas.

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5. As at 6 November 2009, there were no completed NRAC reports with the Department for advice to the Minister.
6. In the period 1 July 2009 to 6 November 2009, 2 completed NRAC reports had been provided to the Minister. These concerned the EC applications for the Bega Valley in NSW and the Latrobe and Macalister Irrigation District in Victoria.
7. In the 2008-09 financial year, the Minister agreed to all of the 120 EC area recommendations made by NRAC.

Since 1 July 2009 the Minister agreed to 2 recommendations on new EC applications made by NRAC.

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8. Table 1. NRAC recommendations agreed to by the Minister during 2008-09.

Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
New South Wales		
Armidale	Cease on 30 September 2008	19 August 2008
Bourke (formerly Bourke and Brewarrina)	Cease on 15 June 2009	27 May 2009
Braidwood	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Casino	Cease on 30 September 2008	19 August 2008
Central Mudgee – Merriwa	Cease on 31 March 2009	12 February 2009
Central North North-West ^{††}	Cease 30 September 2008	19 August 2008
	Revise and extend to 31 March 2009	19 August 2008
	Revise and extend to 30 April 2009	13 November 2008
Central North North-West Coonabarabran Revision	Extend to 30 April 2009	13 November 2008
	Cease on 30 April 2009	24 March 2009
Central North North-West Coonamble Revision	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
Central North North-West Northern New England Revision	Extend to 31 March 2009	19 August 2008
	Extend to 15 June 2009	12 February 2009
	Cease on 15 June 2009	27 May 2009
Central North North-West Northern Slopes Revision	Extend to 30 April 2009	13 November 2008
	Cease on 30 April 2009	24 March 2009
Central Tablelands	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
Condobolin	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Condobolin–Narrandera	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009

^{††} Revised areas known as Central North North-West Coonamble Revision and Central North North-West Northern New England Revision announced on 19 August 2008, and Central North North-West Coonabarabran Revision and Central North North-West Northern Slopes Revision announced on 13 November 2008.

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Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
New South Wales (cont.)		
Cooma–Bombala–ACT	Extend to 31 March 2009	19 August 2008
	Extend to 30 April 2010	12 February 2009
Dubbo ^{††}	Extend to 31 March 2009	19 August 2008
	Revise and extend to 31 March 2010	12 February 2009
Forbes	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Hunter Maitland	Cease on 31 March 2009	12 February 2009
Goulburn–Yass	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Gundagai	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Hay	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Hume	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Majority Western Division	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Molong ^{§§}	Extend to 31 March 2009	19 August 2008
	Revise and extend to 31 March 2010	12 February 2009
Mudgee–Merriwa	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
Northern New England	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
North-East Northern New England ^{***}	Revise and extend to 31 March 2009	19 August 2008
North-East Northern New England Revised	Cease on 31 March 2009	12 February 2009
Northern Tablelands Small Areas ^{†††}	Extend to 31 March 2009	19 August 2008
	Revise and extend to 15 June 2009	12 February 2009

^{††} Revised area known as Dubbo Revised

^{§§} Revised area known as Molong Revised.

^{***} Revised area known as North-East Northern New England Revised.

^{†††} Revised area known as Northern Tablelands Small Areas Revised.

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Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
New South Wales (cont.)		
Northern Tablelands Small Areas Revised	Cease on 15 June 2009	27 May 2009
Nyngan ⁺⁺⁺	Extend to 31 March 2009	19 August 2008
	Revise and extend to 31 March 2010	12 February 2009
Riverina	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
South Coast – Moss Vale	Cease on 30 September 2008	19 August 2008
South West Slopes and Plains	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Walgett–Coonamble	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
Young	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Queensland		
Burnett	Cease on 15 June 2009	27 May 2009
Burnett Addendum Revised	Cease on 15 June 2009	27 May 2009
Central Darling Downs ^{§§§}	Revise and extend to 15 June 2010	27 May 2009
Duarina–Bauhinia	Cease on 15 June 2009	27 May 2009
Far West Queensland	Extend to 15 June 2010	27 May 2009
Mount Morgan	Cease on 15 June 2009	27 May 2009
North West Ashy Downs Second Revision	Cease on 15 June 2009	27 May 2009
Northern Darling Downs ^{****}	Revise and extend to 15 June 2010	27 May 2009
Southern South-East Revised (Lockyer Valley)	Cease on 15 June 2009	27 May 2009
South-West Queensland ^{††††}	Revise and extend to 15 June 2010	27 May 2009

⁺⁺⁺ Revised area known as Nyngan Revised.

^{§§§} Revised area known as Central Darling Downs Revised.

^{****} Revised area known as Northern Darling Downs Revised.

^{††††} Revised area known as South-West Queensland Revised.

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Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
Queensland (cont.)		
Waggamba	Cease on 15 June 2009	27 May 2009
Western Downs – Maranoa ^{****}	Revise and extend to 15 June 2010	27 May 2009
South Australia		
Central and Eastern Mt Lofty Ranges	Extend to 31 March 2010	12 February 2009
Central Eyre Peninsula	Extend to 31 March 2010	12 February 2009
Central North-East including Annex	Extend to 15 June 2010	27 May 2009
Clare, Light and Barossa	Extend to 31 March 2010	12 February 2009
Fleurieu Peninsula	Extend to 31 March 2010	12 February 2009
Kangaroo Island	Extend to 31 March 2010	12 February 2009
Lower Eyre Peninsula	Extend to 31 March 2010	12 February 2009
Lower South East	Cease on 31 March 2009	12 February 2009
Mid North	Extend to 31 March 2010	12 February 2009
Murray–Mallee	Extend to 31 March 2010	12 February 2009
North West Rangelands	Extend to 15 June 2010	27 May 2009
River Murray and Lower Lakes Corridor	Extend to 31 March 2010	12 February 2009
Upper North District including Annex	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Upper South East	Extend to 31 March 2010	12 February 2009
Western Eyre Peninsula	Extend to 31 March 2010	12 February 2009
Yorke Peninsula	Extend to 31 March 2010	12 February 2009

^{****} Revised area known as Western Downs–Maranoa Revised.

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Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
Victoria		
Central and East Gippsland ^{§§§§}	Cease on 30 September 2008	19 August 2008
	Revise and extend to 30 April 2009	1 October 2008
Central and East Gippsland Revised	Extend to 30 April 2010	12 February 2009
Central Victoria	Extend under other EC declarations*	19 August 2008
Central Victoria North Revised	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Central Victoria South Revised	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Goulburn–Loddon–Campaspe	Extend under other EC declarations*	19 August 2008
Mallee – Northern Wimmera ^{*****}	Revise and extend to 31 March 2009	19 August 2008
Mallee – Northern Wimmera Revised	Extend to 31 March 2010	12 February 2009
Murray	Extend under other EC declarations*	19 August 2008
North-East Victoria	Extend to 31 March 2009	19 August 2008
	Extend to 31 March 2010	12 February 2009
Northern Victoria ^{††††}	Revise and extend to 31 March 2009	19 August 2008
Northern Victoria Revised	Extend to 31 March 2010	12 February 2009
South-East Mallee	Extend under other EC declarations*	19 August 2008
South and West Gippsland	Extend to 30 April 2010	12 February 2009
South Western Victoria	Extend to 31 March 2010	12 February 2009

^{§§§§} Revised area known as Central and East Gippsland Revised.

^{*****} Revised area known as Mallee – Northern Wimmera Revised.

^{††††} Revised area known as Northern Victoria Revised.

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Area	NRAC Recommendations on EC Extensions, Cessations and Revisions	Announcement Date
Western Australia		
Northern Wheatbelt	Cease on 31 March 2009	12 February 2009
North Eastern Wheatbelt	Extend to 31 March 2009	19 August 2008
	Cease on 31 March 2009	12 February 2009
Southern Rangelands ^{†††††}	Extend to 31 March 2009	19 August 2008
	Revise and extend to 15 June 2009	12 February 2009
Southern Rangelands Revised	Cease on 15 June 2009	27 May 2009
Northern Territory		
South East Alice Springs	Cease on 15 June 2009	27 May 2009
Tasmania		
Central Midlands	Extend to 30 April 2010	12 February 2009
Northeast and Flinders Island ^{§§§§§}	Revise and extend to 30 April 2010	12 February 2009

Table 2. NRAC recommendations agreed to by the Minister since 1 July 2009

Area	NRAC Recommendations on EC Declarations	Announcement date
New South Wales		
Bega Valley	EC criteria met; provide full EC assistance	10 September 2009
Victoria		
Latrobe and Macalister Irrigation District	EC criteria not met; EC assistance not warranted	7 August 2009

^{†††††} Revised area known as Southern Rangelands Revised.

^{§§§§§} Revised area known as Flinders Island (formerly Northeast and Flinders Island).

*Overlapping EC declarations covering the same area were combined under rationalised EC declarations.

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9. In the 2008-09 financial year the Minister agreed with all the recommendations that were made by NRAC.
10. Since 1 July 2009 the Minister agreed with all of the recommendations that were made by NRAC.
11. See response to question 10.

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Senate Estimates October 2009
Agriculture, Fisheries and Forestry

Question: CC 20

Division/Agency: Climate Change Division

Topic: Exceptional Circumstances

Hansard Page: Written

Senator Colbeck asked:

1. What was the total cost of EC support to farmers and small businesses in 2008-2009?
2. And from 1 July 2009 to now?
3. What has the Department budgeted for EC support to farmers and small businesses in 2009-2010?
4. What was the underspend of EC funds in 2008-2009?
5. What happened to these funds?

Answer:

1. The total cost of EC support^{*****} payments to farmers and small businesses in 2008-2009 was \$818.5 million.
2. The total cost of EC support payments to farmers and small businesses from 1 July 2009 to 31 August 2009 was \$151.9 million.
3. The Australian government has budgeted \$459.75 million^{†††††} for EC support to farmers and small businesses in 2009-2010.
4. \$2.51 million.
5. The underspend was returned to the Official Public Account (OPA).

^{*****} EC Support consists of the following programs:

1. Exceptional Circumstances Relief Payment (ECRP)
2. EC Interest Rate Subsidy (ECIRS) - excluding 10% state and territories contribution
3. Interim Income Support and Prima Facie (IIS and PF)
- 4.

^{†††††} Budget figure includes state administration costs paid by the Commonwealth

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Agriculture, Fisheries and Forestry

Question: CC 21

Division/Agency: Climate Change Division

Topic: Advice to the Minister regarding the Emission Trading Scheme.

Hansard Page: Written

Senator Colbeck asked:

1. What briefs has the Department provided to the Minister on the inclusion/exclusion of agriculture from the Government's ETS?
2. What was the nature of this advice?
3. What advice has been developed and/or provided to the Minister about the nature of offsets? What was the nature of this advice?

Answer:

1. The department has provided a number of briefings.
2. The departmental briefing was in relation to the inclusion/exclusion of agriculture from the CPRS.
3. The department has provided a number of briefings in relation to offsets.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 22

Division/Agency: Climate Change Division

Topic: CPRS and food processors

Hansard Page: Written

Senator Nash asked:

9. Has the Department provided advice to Government of the impact of the Government's CPRS and RET legislation on food manufacturing in Australia?
10. Was the Department asked for this advice?
11. Has the Department done any modelling on the impact of climate change on the food industry?
12. Has the Department examined what measures are being taken by other international jurisdictions with respect to the food industry and climate change?

Answers:

4. Yes.

5. Yes.

6. ABARE has not done any specific modelling on the impacts of climate change on the food industry. ABARE has publically released analysis of the impacts on the agriculture sector and food processing industries (including beef, sheep, grains and dairy processing) in:

Ford, M, Gurney, A, Tulloh, C, McInnis, T, Mi, R and Ahammad, H 2009, 'Agriculture and the Carbon Pollution Reduction Scheme (CPRS): economics issues and implications', in Issues, insights, ABARE, Canberra.

Tulloh, C, Ahammad, H, Mi, R and Ford, M 2009, 'Effects of the Carbon Pollution Reduction Scheme on the economic value of farm production', in Issues, insights, ABARE, Canberra.

Gunasekera, D, Tulloh, C, Ford, M and Heyhoe, E 2008, 'Climate Change: Opportunities and challenges in Australian agriculture', in Proceedings of Faculty of Agriculture, Food & Natural Resources Annual Symposium 2008, University of Sydney, Sydney.

7. Yes.

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Agriculture, Fisheries and Forestry

Question: CC 23

Division/Agency: Climate Change

Topic: Preparing for climate change

Hansard Page: Written

Senator Colbeck asked:

1. What actions is the Department taking to foster research into crop varieties which deal with climate challenges?
2. What plans has the government to increase the amount of work in this area?

Answer:

1. Under the Australia's Farming Future initiative, the Climate Change Research Program has funded three projects that directly address research into crop varieties which will deal with climate challenges:
 - A national research program for climate-ready cereals – This \$4.8 million project (CCRP \$ 2.0 million, partner contributions \$ 2.8 million) is led by the CSIRO. The project will screen a large number of CSIRO and publicly available breeding lines for improved performance under conditions of elevated CO₂, higher temperatures and reduced water supply. The project will screen both wheat and sorghum varieties in controlled environment conditions.
 - Adaptation of a range of wheat types to elevated atmospheric CO₂ concentration – This \$0.4 million CCRP (\$6.2 million partner contributions) project is led by the University of Melbourne. This project is located at Horsham will field test the leading varieties from the high throughput of 'A national research program for climate-ready cereals' project.
 - Development of effective management strategies to adapt production to mitigate climate change challenges in the wine industry – This \$1.2 million CCRP (\$6.9 million partner contributions) project is led by the Grape and Wine Research and Development Corporation. The project will develop new grape varieties, clones and rootstocks more suited to hotter, drier growing conditions by screening current genetic resources.
2. A second round of CCRP funding is under consideration.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Questions: CC 24

Division/Agency: Climate Change

Topic: CPRS and food processors

Hansard Page: Written

Senator Nash asked:

13. What modelling or advice has the Department developed in the period 2008-2009 and 2009-2010 on the affects of the Government's CPRS or other Emissions Trading Scheme on agriculture and/or the food processing sector?
14. What recommendations were made in such advice?
15. What financial implications to agriculture and/or the food processing sector were contained in such advice/modelling?

Answer:

8. ABARE has not done any specific modelling on the impacts of climate change on the food industry. ABARE has published analysis of the impacts on the agriculture sector and food processing industries (including beef, sheep, grains and dairy processing) in:

Ford, M, Gurney, A, Tulloh, C, McInnis, T, Mi, R and Ahammad, H 2009, 'Agriculture and the Carbon Pollution Reduction Scheme (CPRS): economics issues and implications', in Issues, insights, ABARE, Canberra.

Tulloh, C, Ahammad, H, Mi, R and Ford, M 2009, 'Effects of the Carbon Pollution Reduction Scheme on the economic value of farm production', in Issues, insights, ABARE, Canberra.

Gunasekera, D, Tulloh, C, Ford, M and Heyhoe, E 2008, 'Climate Change: Opportunities and challenges in Australian agriculture', in Proceedings of Faculty of Agriculture, Food & Natural Resources Annual Symposium 2008, University of Sydney, Sydney.

9. Conclusions of the modelling work undertaken by ABARE are contained in the reports mentioned above.
10. See answer to question 2.

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Agriculture, Fisheries and Forestry

Question: CC 25

Division/Agency: Climate Change Division

Topic: Exceptional Circumstances

Hansard Page: Written

Senator Colbeck asked:

Could the Department provide a breakdown (where possible), by Exceptional Circumstances region, level of funding, number of recipients and by time period (2008-2009 and 1 July 2009 to current) of the following:

- EC relief payments (ECRP)
- Interim Income Support Payments
- Professional Advice & Planning Grants
- Re-establishment Assistance
- Support for Irrigators in the Murray Darling Basin
- EC Interest Rate Subsidy Payments
- Small business ECIRS payments
- Small business ECRPs
- Small Business Interim Income Support Payments

What is the level of funding expended on administration of all of the above programs? (broken down by program and financial year)?

Answer

1: Summary of program payments and number of recipients

For information by EC Area, refer to Appendix 1.

Program	2008-09		2009-10 (to 30 September 2009)	
	Number of recipients or approved applications	Payments to recipients (\$M) ^{*****}	Number of recipients or approved applications	Payments to recipients (\$M)
EC Relief Payment - farmers	24,564	321.67	16,653	59.02
Interim Income Support – farmers (includes Prima Facie)	388	1.64	94	0.37
Professional Advice and Planning Grants	3,735	14.24	441	4.13
Re-establishment Assistance (EC Exit Grants)	130	17.41	38	4.62
Support for Irrigators in the Murray Darling Basin	3,243	60.38	258	3.89 ^{*****}
EC Interest Rate Subsidies - farmers	16,133	457.26	2,652	85.41

^{*****} ECIRS figures exclude 10% contribution made by states and territories

^{*****} This figure is current at 26 October 2009

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EC Relief Payment – small businesses	1,409	15.75	960	3.06
Interim Income Support - small businesses	20	0.06	<20	0.01
EC Interest Rate Subsidies - small businesses	1,035	22.16	160	4.02

2: Program administration costs for 2008-09 and 2009-10 to date

Administrative Expenditure	2008-09 (\$M)	2009-10 YTD (\$M) (to 30 September 2009)
Centrelink Administration - EC Relief Payment for Farmers and Small Business (includes IIS and PF)	5.15	- *****
Centrelink Administration - Professional Advice and Planning Grants	2.28	-
Centrelink Administration - Re-establishment Assistance (EC Exit Grants)	1.47	-
Centrelink Administration - Support for Irrigators in the Murray Darling Basin	1.16	-
State Administration - ECIRS Farmers	13.04	2.71†††††††
State Administration - ECIRS Small Business	1.07	0.19

***** From 1 July 2009 the Commonwealth Treasury makes a direct appropriation to Centrelink for administrative and delivery expenditure.

††††††† From 1 January 2009 the Commonwealth Treasury is responsible for making payments to the states and territories through a single monthly payment.

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Agriculture, Fisheries and Forestry

Question: CC 26

Division/Agency: Climate Change Division

Topic: Rural Financial Counselling Service forward projections

Hansard Page: Written

Senator Colbeck asked:

1. Can the Department please provide an explanation for the levels of its forward projections (increases and decreases) for Rural Financial Counselling Service from 2008-2009 through to 2012-2013?
2. Particularly, why is there a decrease from 2009-2010 to 2010-2011?

Answer:

1. Two years of additional funding were allocated to the Rural Financial Counselling Service Program as part of the 2007 Drought Package, announced on 25 September 2007. A breakdown of this funding is below:

	2008-2009 (\$m)	2009-2010 (\$m)	2010-2011 (\$m)	2011-2012 (\$m)
RFCS Program budget	12.328	12.647	12.845	13.348
2007 Drought Package	2.431	2.431	-	-

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Question: CC 27

Division/Agency: Climate Change Division

Topic: Rural Financial Counselling Service providers

Hansard Page: Written

Senator Colbeck asked:

Which two Rural Financial Counselling Service providers are expected to cease from 2008-2009 through to 2009-2010? (reduction from 16 to 14)

Answer:

Moving between the 2006-2008 and 2008-2011 funding rounds, the total number of Rural Financial Counselling Service providers was reduced from 16 to 14.

The providers that were not successful in the 2008-2011 funding round included:

- i. Rural Financial Counselling Service New South Wales – Wentworth Balranald
- ii. Rural Financial Counselling Service Victoria – Sunraysia
- iii. Rural Financial Counselling Service Victoria – Mallee.

The Rural Financial Counselling Service Victoria – Murray Mallee provider now services the vacated Victorian area and the Rural Financial Counselling Service New South Wales – Central West covers the Wentworth Balranald region.

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Agriculture, Fisheries and Forestry

Question: CC 28

Division/Agency: Climate Change Division

Topic: Costs of the CPRS on processors/manufacturers.

Hansard Page: Written

Senator Nash asked:

How will processors/manufactures seek to recover the cost imposts associated with the Government's CPRS? Will they pass the cost back onto farmers or consumers?

Answer:

It is up to processors/manufacturers to determine how they recover costs. The market will determine whether costs are passed back to farmers, on to consumers or absorbed by processors/manufacturers.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 29

Division/Agency: Climate Change Division

Topic: Emission Trading Scheme

Hansard Page: Written

Senator Nash asked:

Is the Emission Trading Scheme a tax for collection purposes?

Answer:

The Carbon Pollution Reduction Scheme (CPRS) is not a tax.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 30

Division/Agency: Climate Change Division

Topic: Preparing for climate change

Hansard Page: Written Question

Senator Colbeck asked:

1. Page 35 of the DAFF Portfolio Budget Statements 2009-2010 refers to 'Preliminary market research undertaken' as part of a communications strategy for the Climate Change Adaptation Partnerships Program.
Can the Department please provide an explanation of this expenditure and the nature of the market research?
2. Who was interviewed/surveyed as part of this research?
3. How many people/organisations?
4. Which consultant(s) was used to carry out this research and what was the cost?
5. What were the findings of the market research?
6. What recommendations were provided as part of this market research?
7. Can DAFF please provide this market research work (in part or full)?

Answer:

1. Market research was conducted to gain a greater understanding of the attitudes, behaviours and information preferences of primary producers and urban audiences as they relate to climate change and drought.
2. Primary producers, secondary decision makers, urban dwellers, primary producer related organisations.
3. Approximately 2150 people and 20 organisations.
4. Instinct and Reason, \$220,000 excluding GST.
5. Drought, financial constraints, legislative demands, succession and ageing are all issues that prevent adaptation to climate change.

There is widespread support for research and development and peak organisations see their role as helping to drive the research and development agenda.

Drought reduces the capacity of primary producers to invest in new technologies or take up new practices.

Primary producers prefer information that clearly addresses the benefits of action and is delivered in a personally relevant and emotionally engaging way from a credible source. However they feel inundated with information.

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Question: CC 30 (continued)

Urban dwellers see primary producers in a positive light and envy certain aspects of their lifestyle but they feel that primary producers should play a part in Australia's efforts to reduce emissions.

6. Communication needs to be targeted and from a trusted source. Trusted sources include successful local producers, primary industry organisations, accountants and rural newspapers.

Climate change adaptation should be viewed as part of a farm risk management strategy and information should be delivered face to face in the form of workshops, forums and demonstrations with information that has a clear benefit.

Primary producers are ultimately running a business and messages need to relate to productivity and profitability and should include local and relevant information.

7. At this stage the department has only been provided with a draft copy.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC31

Division/Agency: Climate Change

Topic: Preparing for climate change

Hansard Page: Written Question

Senator Colbeck asked:

1. Page 35 of the DAFF Portfolio Budget Statements 2009-2010 refers to 'Communication strategy implemented' as part of a communications strategy for the Climate Change Adaptation Partnerships Program.
Can the Department please provide an explanation of this expenditure and the nature of the communication strategy?
2. Has a tender process begun?
3. Has a consultant been engaged to undertake this work?
4. What is the cost (actual and/or expected) of this work?
5. Will there be advertising as part of this work and what will be its nature?

Answer:

1. The communication strategy is a document that is currently being developed by DAFF to provide direction for how the department interacts and engages with primary producers. The strategy is based on market research conducted by an external consultant (see question CC16 on the market research). The market research has provided data on the best communication channels to get information to primary producers. The strategy will comprise several activities and suggestions to guide spending under the program and will be re-examined at regular intervals.
2. See question 1
3. See question 1
4. See question 1
5. See question 1

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 32

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

I refer to the front page article in Land Newspaper story published on Thursday 15th October, titled 'CPR-Stressed; Proof' Emissions Trading will cost this farmer \$75,000', and two stories on page 7 'Adding Up the Cost' and 'Cumnock's Good Work Undone'

Is the Department aware of the FarmGas Calculator developed by the Australian Farm Institute and currently being trialled around Australia?

Answer:

The Farm Gas Calculator was developed by The Australian Farm Institute in conjunction with the New South Wales Department of Primary Industries. The project was approved by the previous government and funding of \$652 795 was provided by the department through the Natural Heritage Trust. The department is aware that the calculator is currently being trialled around Australia. This tool will enable farmers to better identify emission sources and Australia's Farming Future Climate Change Research Program will provide productive solutions to reduce these emissions.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 33

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Did the Department provide funding to help develop the Australian Farm Institute's, FarmGas Calculator?

Answer:

The Farm Gas Calculator was developed by The Australian Farm Institute (AFI) in conjunction with the New South Wales Department of Primary Industries. The project was approved by the previous government and funding of \$652 795 was provided by the department through the Natural Heritage Trust.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 34

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Can the department confirm whether it believes the FarmGas Calculator gives an accurate reading of what the ETS will cost farmers when they are included in the CPRS in 2015?

Answer:

The calculator is not associated with the CPRS—a point reaffirmed by the AFI on the Farm Gas Calculator's home page, rather it is a scenario tool.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 35

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Isn't it a fact that the FarmGas calculator is based on accounting rules used by the Department of Climate Change?

Answer:

The Department of Climate Change was consulted on the emission estimation method currently used in Australia's National Inventory to ensure consistency with the methodology used in the calculator.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 36

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Does the Department agree with Mr Munro's findings which were reported in the Land. If not, why not?

Answer:

The calculator can help farmers to understand their emissions and run different abatement and management scenarios to see what practices would or would not effect their emissions profile. However, you cannot determine the impact of the CPRS, or any other policy, by simply multiplying estimated on-farm emissions by a carbon price.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 37

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

I refer you to ABARE's Australian Farm Survey Results 2006-07 – 2008-09 which states that farm cash income for all broadacre enterprises for 2008-09 was \$80,000 and for the same year farm business profit was -\$7000; how can any broadacre farm absorb a artificial cost impost imposed by the Government's Emissions Trading Scheme of \$75,000 per annum as calculated by the Farm Gas Calculator for Hamish Munro's Cumnock property in Central Western NSW and reported in the Land Newspaper?

Answer:

On 24 November 2009, the Australian Government announced a series of amendments to the CPRS including a policy commitment to exclude agriculture indefinitely from the CPRS.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 38

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

What modelling has the Department done to refute Mr Munro and the Australian farm Institutes work with the Farm Gas Calculator? If none has been done why hasn't it been done?

Answer:

The department has not done any research to analyse Mr Munro's conclusion beyond that required to answer Senate questions.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 39

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Does the Department believe that burning stubble (the plant material left after harvesting) and using traditional farming methods is the way of the future or does the Department encourage farmers to use minimum and no-till farming methods?

Answer:

Farmers may choose to burn stubble, or retain it, use minimum till and no-till practices depending on a number of factors in crop management decisions. There are many benefits for soil health and soil moisture that result from retention of stubble and minimum and no-till practices. However, there may be occasions where some farmers may well make a legitimate choice that they wish to do something else.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 40

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Does the Department agree with Mr Munro's findings that the Government's 'CPRS promotes stubble burning because there are other rules which actually count the methane emissions generated by the natural breakdown of stubble?'

Answer:

The government has ratified the Kyoto Protocol and is reporting Australia's emissions from stubble burning and the natural breakdown of stubble as set out in the IPCC guidelines. The calculations are based on internationally agreed accounting rules which estimates the GHG emissions based on whether the crop residues (stubble) are left to break down naturally or are burnt. The CPRS has not yet been established. As such the net impact of its rules on stubble burning or retention is not yet known.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 41

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Is Mr Munro correct when he states that 'By burning stubble calculated he'd save himself 20 tonnes of carbon a year, or close to \$500 for his wheat alone? (assuming a \$25 a tonne carbon price). If the department does not agree with Mr Munro why not and what research has the Department undertaken to refute these findings?

Answer:

The department has not calculated different scenarios using the Farm Gas Calculator. According to the Methodology/IPCC rules, if the stubble is burnt, the resulting emissions are 45 per cent of the emissions which result from retention of the stubble.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 42

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Does the Department concede Mr Munro is correct when he stated in the Land Newspaper that ‘My calculations tell me my environmentally beneficial management practices are disregarded. Stubble and groundcover reduce water run-off, erosion and evaporation and maintain and build carbon in the soil – but this is not encouraged (under the Govt CPRS).

Answer:

The Farm Gas Calculator is not a tool for assessing the impact of the CPRS.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 43

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Does the Department agree with Mr Munro's conclusions "... if you want to make a profit, my conclusion is to burn your stubble, scarify, and keep stock for less than 12 months. As a Councillor at the Cattle Council of Australia, Mr Munro also fears the scheme will promote livestock operators to switch from breeding to short-term trading, which would be "disastrous" for the industry. "Breeders, stud and commercial will have significantly higher emissions than a trader with the same number which will potentially cripple our livestock sector." If not what research has the department done to refute Mr Munro's conclusions?

Answer:

See response to CC 38.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 44

Division/Agency: Climate Change Division

Topic: AFI Farm Gas Calculator

Hansard Page: Written

Senator Nash asked:

Is Mr Munro correct in his conclusions after using the Farm Gas Calculator as reported by the Land Newspaper where it states; ‘He believes the current CPRS could be wrongly encourage farmers to play around with their enterprise mixes to reduce emissions rather than focusing on increasing productivity?’

Answer:

The Farm Gas calculator is not associated with the CPRS—a point reaffirmed by the Australian Farm Institute on the Farm Gas Calculator’s home page, rather it is a scenario tool.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 45

Division/Agency: Climate Change Division

Topic: Practical measures to reduce farm emissions

Hansard Page: Written

Senator Nash asked:

What practical measures are the government telling farmers can be taken by primary producers at the farm level to reduce emissions?

Answer:

The department is investigating emissions reduction technologies and practices through the Climate Change Research Program. This research will provide farmers with practical management options that reduce emissions based on sound science.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 46

Division/Agency: Climate Change Division

Topic: Practical measures to reduce farm emissions

Hansard Page: Written

Senator Nash asked:

What are these measures (please provide a list, including the main benefits and/or problems surrounding implementation, the cost of successfully implementing each measure and the estimate carbon reductions that can be achieved by implementing each measure)?

Answer:

The Australian Government has committed \$46.2 million for the Climate Change Research Program under Australia's Farming Future to provide the tools and information to help Australia's primary industries reduce emissions and adapt to climate change. Research projects are in the early stages, having commenced in the first half of 2009.

Research priorities for the program are reducing greenhouse gas pollution, better soil management and adapting to a changing climate.

To date \$26.9 million has been approved for research into reducing emissions from livestock, nitrous oxide, soil carbon and biochar. The CCRP funding is supplemented by funds from research organisations and industry bodies.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 47

Division/Agency: Climate Change Division

Topic: Practical measures to reduce farm emissions

Hansard Page: Written

Senator Nash asked:

What support/grants/funding/training is available to farmers to undertake these initiatives?

Answer:

The FarmReady program provides grants for primary producers, Indigenous land managers and industry groups to develop strategies to adapt and respond to the impacts of climate change.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 48

Division/Agency: Climate Change Division

Topic: Practical measures to reduce farm emissions

Hansard Page: Written

Senator Nash asked:

Is the Department concerned about any schemes being promoted to farmers to reduce their carbon footprint, provide carbon sinks or offsets?

Answer:

The range of industry tools currently available to calculate a farm's carbon footprint can be valuable in providing an estimation of farm greenhouse gas emissions and assisting farmers to understand the impact of changing farm practices. They can increase farmers understanding of their emissions.

The Department of Climate Change has previously provided advice to farmers regarding issues to be considered when participating in voluntary carbon markets.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 49

Division/Agency: Climate Change Division

Topic: Practical measures to reduce farm emissions

Hansard Page: Written

Senator Nash asked:

How are the benefits of these measures benchmarked? i.e. how are the emissions measured and accounted for? Can they actually be accounted for?

Answer:

The Department of Climate Change is developing the National Carbon Offset Standard. The Standard will provide guidance on what constitutes a genuine, additional voluntary offset, will set minimum requirements for the verification and retirement of voluntary carbon credits and provide guidance for calculating the carbon footprint of an organisation or product for the purpose of achieving 'carbon neutrality'.

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ANSWERS TO QUESTIONS ON NOTICE

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Agriculture, Fisheries and Forestry

Question: CC 50

Division /Agency: Climate Change Division

Topic: Estimation of agricultural emissions

Hansard Page: Written

Senator Nash asked:

How will the government work out the emissions on a livestock enterprise, a mixed farming operation or grain growing enterprise?

Answer:

Australia's agricultural emissions are estimated at the national level in accordance with the Intergovernmental Panel on Climate Change guidelines. Australia's methods are based on international default emission factors, country specific emission factors or modelled land systems using peer reviewed data and methodologies. The methods and data are subject to ongoing improvement, including through collection of data at farm and regional scales.

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 51

Division/Agency: Climate Change Division

Topic: Emissions from livestock

Hansard Page: Written

Senator Nash asked:

Is it not a fact that emissions released by livestock are a natural occurrence and part of a natural cycle?

Answer:

The introduction of commercial farming systems, nitrogen fertiliser and livestock, the greenhouse gas emissions profile of Australia has changed dramatically over the past 200 years. These changes are therefore considered anthropogenic and thus part of Australia's National Greenhouse Gas Inventory.

Although livestock is consuming vegetation that has sequestered carbon, the process of digestion increases the global warming potential of that carbon by converting it to methane. Methane is created as part of the digestion process, particularly from ruminant livestock.

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 52

Division/Agency: Climate Change Division

Topic: Reduction in livestock emissions

Hansard Page: Written

Senator Nash asked:

Is it not a fact that the only industry to have reduced its emissions footprint is the red meat livestock industry, which has seen sheep and cattle numbers drop to the lowest level in also a century?

Answer:

Based on “the National Greenhouse Gas Inventory accounting for the Kyoto target May 2009” livestock related emissions have declined by 7.5 per cent (4.9 Mt) between 1990 and 2007. The decline in emissions has principally been driven by a 50.7 per cent fall in sheep numbers, although partially offset by a 13.9 per cent rise in beef cattle numbers, reflecting changing relative returns to each industry. Since 2002 many animal populations have been declining in response to the prolonged drought conditions which have occurred over extensive areas of southern and eastern Australia.

However, a increase in meat production, improvements in management practices, production efficiencies and changes in livestock numbers have all contributed towards reducing the red meat livestock greenhouse gas emissions footprint.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 53

Division/Agency: Climate Change Division

Topic: Application of CPRS fuel rebate to portfolio industries

Hansard Page: Written

Senator Nash asked:

Will all agriculture, fishing and forestry industries be covered by the fuel excise cut for the first three years of the operation of the ETS to ensure there is no net increase in price in the price of fuel as result of the ETS?

Answer:

Agriculture, fishing and forestry industries will be eligible for the CPRS fuel credit from 1 July 2011 to 30 June 2014. The amount of credit will equal the impact of the carbon price on fuel and reflects the fact that these enterprises do not pay fuel tax and therefore do not receive the benefit of the cent for cent fuel tax adjustment. The government will review this measure after three years as part of the review of the fuel tax adjustment mechanism.

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 54

Division/Agency: Climate Change Division

Topic: Application of CPRS fuel rebate to portfolio industries

Hansard Page: Written

Senator Nash asked:

What will the cut in excise be worth per litre?

Answer:

Based on a carbon price of \$10 per tonne CO₂-e, the CPRS fuel credit would equate to 2.455 cents per litre.

Senate Standing Committee on Rural and Regional Affairs and Transport
ANSWERS TO QUESTIONS ON NOTICE
Senate Estimates October 2009
Agriculture, Fisheries and Forestry

Question: CC 55

Division/Agency: Climate Change Division

Topic: Application of CPRS fuel rebate to portfolio industries

Hansard Page: Written

Senator Nash asked:

What will be the estimated increase in diesel, petrol and gas as a result of the Government CPRS when the fuel excise cut is phased out in 2013?

Answer:

From 1 July 2012, following the fixed-price period, the fuel tax rate will be assessed and adjusted, if needed, every six months. At the end of the three years the fuel tax transitional arrangements will be subject to government review.

If the fuel credits are phased out in 2014 (three years after the commencement of the scheme), fuel prices will reflect the full carbon price.

Senate Standing Committee on Rural and Regional Affairs and Transport

ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 56

Division/Agency: Climate Change Division,

Topic: CPRS impact on food processors

Hansard Page: Written

Senator Nash asked:

How many food processors or manufactures are considered to be large emitters and will be included in the initial CPRS scheme?

Answer:

Based on a Scheme threshold of 25 000t CO₂-e, the department estimates that between 60 and 80 food processors may have a liability for direct emissions under the CPRS.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 57

Division/Agency: Climate Change Division

Topic: CPRS impact on food processors

Hansard Page: Written

Senator Nash asked:

How many food processors or manufacturers will be eligible for free credits?

Answer:

The Department of Climate Change (DCC) is currently assessing activities that might qualify for emissions-intensive trade-exposed (EITE) assistance. DCC released the first tranche of draft regulations under the EITE assistance program on 19 June 2009, outlining the first group of activities which did not include any food processors or manufacturers. The government is in the process of evaluating the next set of activities that will be eligible for EITE assistance.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 58

Division/Agency: Climate Change Division

Topic: CPRS impact on food processors

Hansard Page: Written

Senator Nash asked:

How will Australian grown, processed or manufactured products compete with on both the international and domestic markets against produce from nations who have no emission trading scheme?

Answer:

On 24 November 2009, the Australian Government announced a series of amendments to the CPRS including a policy commitment to exclude agriculture indefinitely from the CPRS. The government will provide a dedicated \$150 million assistance package for food processors as part of the Climate Change Action Fund (CCAF). This assistance will fund measures to reduce emissions in the primary food processing industry, and priority will be given to dairy, meat and malt production.

The food processing industry will also benefit from the \$1.1 billion Transitional Electricity Cost Assistance Program which will reduce the impact of the CPRS on electricity prices paid by medium and large enterprises.

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Senate Estimates October 2009
Agriculture, Fisheries and Forestry

Question: CC 59

Division/Agency: Climate Change Division

Topic: CPRS impact on food processors

Hansard Page: Written

Senator Nash asked:

Has any economic modelling been done by the department on the cost to food manufacturing, processing sector of the ETS? If not why not?

Answer:

Treasury and ABARE have not done specific modelling on the impacts of climate change on the food industry. ABARE has published analysis of the impacts on the agriculture sector and food processing industries (including beef, sheep, grains and dairy processing) in:

- Ford, M, Gurney, A, Tulloh, C, McInnis, T, Mi, R and Ahammad, H 2009, 'Agriculture and the Carbon Pollution Reduction Scheme (CPRS): economics issues and implications', in Issues, insights, ABARE, Canberra.
- Tulloh, C, Ahammad, H, Mi, R and Ford, M 2009, 'Effects of the Carbon Pollution Reduction Scheme on the economic value of farm production', in Issues, insights, ABARE, Canberra.
- Gunasekera, D, Tulloh, C, Ford, M and Heyhoe, E 2008, 'Climate Change: Opportunities and challenges in Australian agriculture', in Proceedings of Faculty of Agriculture, Food & Natural Resources Annual Symposium 2008, University of Sydney, Sydney.
- Australia's Low Pollution Future: The Economics of Climate Change Mitigation. Available at: <http://www.treasury.gov.au/lowpollutionfuture/default.asp>

Conclusions of the modelling work undertaken by Treasury and ABARE are contained in the reports mentioned above.

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Senate Estimates October 2009
Agriculture, Fisheries and Forestry

Question: CC 60

Division/Agency: Climate Change Division

Topic: CPRS impact on food processors

Hansard Page: Written

Senator Nash asked:

Has this economic modelling given any indication of increases in the price of food?

Answer:

Treasury has undertaken economic modelling (Australia's Low Pollution Future: The Economics of Climate Change Mitigation) which indicates that there is a one-off rise in consumer prices in 2010. In the CPRS -5 scenario, the Consumer Price Index (CPI) rises by 0.7 per cent in 2010 and 1.1 per cent in the CPRS -15 scenario, with minimal implications for ongoing inflation. This rise in the CPI reflects the average price increase across all goods and services and not just food.

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ANSWERS TO QUESTIONS ON NOTICE

Senate Estimates October 2009

Agriculture, Fisheries and Forestry

Question: CC 61

Division/Agency: Climate Change Division

Topic: Forestry 'program support'

Hansard Page: Written

Senator Colbeck asked:

Can the Department explain the reason for the decrease in forward funding for 'program support' for Program 1.3 (Forestry Industry) between financial years 2011-12 and 2012-13?

Answer:

The difference in program support between financial years 2011-2012 and 2012-2013 for Program 1.3 arises as the Asia-Pacific Forestry Skills and Capacity Building Program funding ceases at the end of the 2011-2012 financial year.