



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

TUESDAY, 9 APRIL 2019

CANBERRA

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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Tuesday, 9 April 2019

Members in attendance: Senators Brockman, Carol Brown, McCarthy, Moore, O'Sullivan, Patrick, Sterle, Williams, Wong.

AGRICULTURE AND WATER RESOURCES PORTFOLIO

In Attendance

Senator Colbeck, Assistant Minister for Agriculture and Water Resources

Department of Agriculture and Water Resources

Executive

Mr Daryl Quinlivan, Secretary

Ms Cindy Briscoe, Deputy Secretary

Ms Emily Canning, Acting Deputy Secretary

Ms Lyn O'Connell, Deputy Secretary

Mr Barry Sterland, Deputy Secretary

Mr Malcolm Thompson, Deputy Secretary

Corporate Matters

Finance and Business Support Division

Mr Scott Brown, Acting Chief Finance Officer

Mr Paul PakPoy, Assistant Secretary, Industry Support Branch

Ms Tanya Howitt, Acting Assistant Secretary, Finance Management Branch

Ms Vanessa Berry, Assistant Secretary, Finance Operations Branch

Mr Troy Czabania, Assistant Secretary, Commercial Business Branch

Mr Peter Moore, Director, Property Projects, Commercial Business Branch

Corporate Strategy and Governance Division

Mr Neal Mason, First Assistant Secretary, Corporate Strategy and Governance Division

Ms Bronwen Jagers, Assistant Secretary, Planning and Governance Branch

Mrs Melissa Brown, Assistant Secretary, Parliamentary, Communications and Portfolio Business Branch

Ms Kylie Barber, Assistant Secretary, HR People Branch

Ms Tiffany Blight, Assistant Secretary, Workforce and HR Strategy Branch

Information Services Division

Mr Peter McKeon, Chief Information Officer

Mr John Mason, Assistant Secretary, ICT Services and Enablement Branch

Assurance and Legal Division

Ms Alice Linacre, General Counsel

Ms Cassandra Ireland, Deputy General Counsel

Mr Jadd Sanson-Fisher, Deputy General Counsel

Mr Lionel Riley, Assistant Secretary, Assurance Branch

Ms Liana Grieve, Principal Government Lawyer

Australian Bureau of Agricultural and Resource Economics and Sciences

Mr Peter Gooday, Acting Executive Director

Mr David Galeano, Assistant Secretary, Farm Performance and Forestry Branch

Mr Bertie Hennecke, Assistant Secretary, Biosecurity and Fisheries Branch

Animal Health Australia

Ms Kathleen Plowman, Chief Executive Officer

Dr Samantha Allan, Executive Manager, Emergency Preparedness and Response

Dr Simon Humphrys, Executive Manager, Biosecurity and Product Integrity

Plant Health Australia

Mr Greg Fraser, Executive Director and Chief Executive Officer

Mr Michael Milne, Chief Finance Officer and Company Secretary

Dr Susanna Driessen, General Manager, Emergency Preparedness and Response

Mr Rodney Turner, General Manager, Preparedness and RD&E

Australian Pesticides and Veterinary Medicines Authority

Dr Chris Parker, Chief Executive Officer

Ms Lisa Croft, Deputy Chief Executive Officer

Mr Alan Norden, Executive Director, Registration Management and Evaluation

Mr Bob Smith, Executive Director, Enabling Technology and Site Relocation

Dr Maggie Hardy, Chief Regulatory Scientist

Australian Fisheries Management Authority

Mr Wez Norris, Chief Executive Officer

Mr Trent Timmiss, Acting Executive Manager, Fisheries Management Branch

Mr John Andersen, General Manager, Corporate Services Branch

Fisheries Research and Development Corporation

Dr Patrick Hone, Managing Director

Mr Crispian Ashby, General Manager, Research and Investment

Mr Peter Horvat, General Manager, Communications Trade and Marketing

Mr Jamie Allnutt, National Carp Control Plan

Regional Investment Corporation

Mr Duane Roberts, Executive Manager, Corporate Services

Mr Bruce King, Chief Executive Officer

Horticulture Innovation Australia

Mr Matthew Foster Brand, Chief Executive Officer

Mr Selwyn Snell, Chairman

Mr David Moore, General Manager, Research, Marketing and Investments

AgriFutures Australia (Rural Industries Research and Development Corporation)

Mr John Harvey, Managing Director

Mrs Kay Hull AM, Chair

Dairy Australia

Mr Jeff Odgers, Chair

Dr David Nation, Managing Director

Ms Emma Braun, Company Secretary

Mr Charles McElhone, Group Manager, Trade and Industry

Australian Livestock Export Corporation Limited (LiveCorp)

Mr Terry Enright, Chairman

Mr Sam Brown, Chief Executive Officer

Australian Meat Processor Corporation Limited

Mr Peter Rizzo, Chief Executive Officer

Cotton Research and Development Corporation

Dr Ian Taylor, Acting Executive Director

Mr Richard Haire, Chairperson

Mr Graeme Tolson, General Manager, Business and Finance

Grains Research and Development Corporation

Dr Steve Jefferies, Managing Director

Meat and Livestock Australia Limited

Mr Jason Strong, Managing Director

Ms Clare Stanwix, General Counsel and Company Secretary

Mr Andrew Ferguson, Chief Financial Officer

Wine Australia

Mr Andreas Clark, Chief Executive Officer

Mr Brett Murphy, General Manager

Ms Kate Harvey, General Manager

Outcome 1—Sustaining national resources for longer term productive primary industries

Rural Policy and Farm Performance Division

Ms Sally Standen, First Assistant Secretary, Rural Policy and Farm Performance Division

Ms Emma Cully, Assistant Secretary, Climate and Resilience Policy Branch

Mr Andrew O'Sullivan, Acting Assistant Secretary, Financial Policy and Farm Business Support Branch

Mr Tim Fisher, Assistant Secretary, Farm Performance Branch

AGVET Chemicals, Fisheries and Forestry Division

Ms Cassandra Kennedy, Acting First Assistant Secretary

Ms Michelle Lauder, Assistant Secretary, Forestry Branch

Ms Julie Gaglia, Assistant Secretary, AgVet Chemicals Branch

Ms Laura Timmins, Acting Assistant Secretary, Fisheries Branch

Agricultural Policy Division

Mr Nick Blong, Acting First Assistant Secretary

Ms Alison McMorrow, Acting Assistant Secretary, Productivity, Projects and Innovation Branch

Ms Jo Grainger, Assistant Secretary, Plant Industries, Infrastructure and Workforce Branch

Ms Alison Curran, Acting Assistant Secretary, Biotechnology, Dairy and Levies Policy Branch

Mr Michael Ryan, Acting Assistant Secretary, Animal Industries, RDCs and Investment Branch

Trade and Market Access Division

Ms Louise van Meurs, First Assistant Secretary

Mr Brendan Finch, Acting Assistant Secretary, Export Legislation Taskforce

Ms Amy Fox, Assistant Secretary, Strategic Trade Policy and North Asia Branch

Mr Matthew Worrell, Assistant Secretary, Multilateral Agriculture Policy and Bilateral (Europe and Americas) Branch

Mr Guy Summers, Acting Assistant Secretary, Bilateral Engagement (Southeast Asia, MENA, Pacific, Russia) Branch

Outcome 2—Managing biosecurity and imported food risk

Exports Division

Ms Fran Freeman, First Assistant Secretary

Mr Tom Black, Acting Assistant Secretary, Residues and Food Branch

Ms Barbara Cooper, Assistant Secretary, Meat Exports Branch

Ms Anna Somerville, Acting Assistant Secretary, Export Standards Branch

Live Animal Exports Division

Dr Melissa McEwen, Principle Regulatory Officer, Live Animal Exports

Dr Joffrid Mackett, Acting Assistant Secretary, Live Animal Export Branch

Biosecurity Animal Division (including Office of the Australian Chief Veterinary Officer)

Dr Mark Schipp, Australian Chief Veterinary Officer

Dr Robyn Martin, Acting First Assistant Secretary

Dr Narelle Clegg, Assistant Secretary, Animal Health Policy Branch

Dr Beth Cookson, Assistant Secretary, Animal Biosecurity Branch

Mr Wayne Terpstra, Assistant Secretary, Animal and Biological Imports Branch

Dr James Wallner, Director, Zoo, Aquatics and Companion Animals, Animal and Biological Imports Branch

Biosecurity Plant Division (including Australian Chief Plant Protection Officer)

Dr Marion Healy, First Assistant Secretary

Dr Gabrielle Vivian-Smith, Acting Australian Chief Plant Protection Officer
Ms Lois Ransom, Assistant Secretary, Plant Import Operations Branch
Dr Robyn Cleland, Assistant Secretary, Plant Import Operations Branch
Ms Sarah Hilton, Acting Assistant Secretary, Plant Health Policy Branch
Mr David Ironside, Assistant Secretary, Plant Export Operations Branch
Mr Peter Creaser, Assistant Secretary, Plant Systems and Strategies Branch
Dr Gabrielle Vivian-Smith, Assistant Secretary, Plant Sciences and Risk Assessment Branch
Dr David Dall, Principal Scientific Analyst, Biosecurity Plant Division

Compliance Division

Ms Peta Lane, First Assistant Secretary
Mr Andrew Patterson, Acting Assistant Secretary, Enforcement and Sanctions Branch
Mr Dean Merrilees, Assistant Secretary, Brown Marmorated Stink Bug Taskforce
Ms Leanne Herrick, Acting Assistant Secretary, Compliance Controls Branch
Ms Linda Jennings, Principal Director, Compliance Testing and Intervention

Biosecurity Policy and Implementation Division

Mr Matthew Koval, First Assistant Secretary
Mrs Josephine Laduzko, Assistant Secretary, Biosecurity Policy Response Branch
Ms Meredith Walton, Acting Assistant Secretary, Biosecurity Implementation Branch
Mr Ian Thompson, Australian Chief Environmental Biosecurity Officer

Biosecurity Operations Division

Mr Mark Simpson, First Assistant Secretary

Committee met at 09:02

CHAIR (Senator O'Sullivan): Good morning all. I declare open this public hearing of the Senate Rural and Regional Affairs and Transport Legislation Committee inquiry into budget estimates for 2019-20. The Senate has referred to the committee the particulars of proposed expenditure 2019-20 and related documents for the Agriculture and Water Resources portfolio. The committee may also examine the annual reports of the departments and agencies appearing before it. The committee has before it a program listing agencies related to matters for when senators have given notice, and the proceedings today will begin with an examination of the Agriculture and Water Resources portfolio corporate matters.

The committee has fixed Friday, 24 May 2019 as a date for the return of answers to questions on notice. Senators are reminded that any written questions on notice should be provided to the committee secretariat by the close of business Tuesday, 23 April 2019. On that point, I know that questions on notice have been received by the department and agencies from last week. I understand that the preparation of answers to them is at various stages, some may be more advanced than others. However, and we'll deal with it case by case, if questions have been put to the department or an agency on notice and that question is asked again here today, you will need to bring it to the attention of the committee so we can deal with it. My view is that questions on notice are questions on notice, and they will remain going through

the normal process that would occur until they are returned and published on the 23 May. As you know, the convention is they go via the minister. I would be reluctant to give answers to questions on notice here today that haven't been through the normal program of affairs, but we'll deal with that case by case.

Under standing order 26, the committee must take all evidence in public session. This includes answers to questions on notice. I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage witnesses on account of evidence given to the committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee.

The Senate, by resolution in 1999, endorsed the following test of relevance of questions at estimates hearings: Any questions going to the operations or financial positions of the departments and agencies which are seeking funds in the estimates are relevant questions for the purpose of estimates hearings.

I remind officers that the Senate has resolved that there are no areas in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided otherwise. The Senate has resolved also that an officer of a department of the Commonwealth shall not be asked to give opinions on matters of policy and shall be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted.

I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009, which will be incorporated into *Hansard*, specifying the process by which a claim of public interest immunity should be raised. Witnesses are specifically reminded that a statement that information or a document is confidential or consists of advice to government is not a statement that meets the requirements of the 2009 order. Instead, witnesses are required to provide some specific indication of the harm to the public interest that could result from the disclosure of the information or the document.

The extract read as follows—

Public interest immunity claims

That the Senate—

(a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;

(b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;

(c) orders that the following operate as an order of continuing effect:

(1) If:

(a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and

(b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.

(2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.

(3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.

(4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.

(5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.

(6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.

(7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).

(8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(d) requires the Procedure Committee to review the operation of this order and report to the Senate by 20 August 2009.

(13 May 2009 J.1941)

(Extract, Senate Standing Orders)

Just before I give a formal welcome to the secretary and to the minister, Mr Secretary, there will be a slight change early in the agenda. We'd like you to mobilise APVMA so they're present here immediately after lunch. That would be the 1.45 pm slot. Is that possible?

Mr Quinlivan: I expect so.

CHAIR: If they're not all here, bring who you can. Despite the fact we may have dealt with corporate, corporate will have to remain and join them. There has been a request by some committee members that they want to examine APVMA and corporate together, for whatever their purpose, and the reason I've agreed to bring it forward, is because otherwise

corporate would have to sit here until, you know, seven o'clock tonight, which we won't want to do. We're trying to minimise the inconvenience to the corporate officers.

Department of Agriculture and Water Resources

[09:08]

CHAIR: I now welcome Senator the Hon. Richard Colbeck, Assistant Minister for Agriculture and Water Resources representing the Minister for Agriculture and Water Resources, and Mr Daryl Quinlivan, Secretary of the Department of Agriculture and Water Resources, and departmental officers. Minister Colbeck, do you wish to make an opening statement?

Senator Colbeck: No, thanks, Chair.

CHAIR: Mr Quinlivan, do you wish to make an opening statement?

Mr Quinlivan: No. No opening statement, Chair. Can I make a comment on the questions provided last week. I understand your guidance on handling those questions. For our part, I think we are in a position to respond to those questions today, with the possible exception of those questions that go to cabinet processes around the Murray-Darling Basin Authority. But I think for those other questions, we would be in a position to deal with them today, but, as you've said, we'll deal with them on a case-by-case basis.

CHAIR: Can I just say, and I think my colleagues would be alert to this—although, depending on where you're sitting at the table you probably have a different view of the planet—I think it's an awful precedent to start putting questions on notice a couple of days before hearings, with the agencies having to respond. We know that people have burnt midnight oil, and conventions are that a question on notice will go via a minister's office, for them to sign off on, if you like. I don't quite understand why that has to happen, but that's how it has been, long before I got here and the entire time I have been here.

We had an experience earlier where comprehensive answers to questions on notice have assisted the committee to move through its work a bit more quickly. I want to be cognisant of that. And it's not really about taking them on notice; with some questions it's about taking them under advisement. Where, for example, there's been a request for a report and you're not a hundred per cent certain—it may be something do with cabinet processes or whatever—if there's any question over them, we will not advance the written answers to the questions on notice during these proceedings today. But we'll take it one by one, without getting into a stoush. If it's all pretty clear-cut and if the questions are reasonably generic and the answers are comprehensive and it advances the work of the committee more quickly, then we'll contemplate accepting them. Let's go pretty steady in the space and see if we can avoid conflict.

Senator STERLE: On the request, yes, at the last minute, it does make it hard. But, if you've got it there to table, it makes it so much easier. The frustration, Chair—and this is apolitical—is that in Senate estimates, particularly over the last nine or 10 years, what has been appalling is the number of legitimate questions on expenditure that have been asked where the defence coming from the officers at the table is to take it on notice; I think that is just an easy out, and half the time it looks sneaky. That's apolitical; it doesn't matter who's in government.

CHAIR: That being so, we have conventions and processes, and I'm not inclined to depart from those. If the Senate chooses to change the way it does this, then it will. In the meantime, we have processes and conventions.

Senator STERLE: On that, are the officers prepared to table the answers to the questions?

CHAIR: It won't be a question for Mr Quinlivan. It's a question for the committee how it conducts itself.

Senator STERLE: I'm just going through this, and I don't want to hold up Senator Brockman. The infrastructure agency tabled it, and we thank them very much. I'm just asking: why is the agriculture department not prepared to table them for us?

CHAIR: They haven't indicated otherwise. Mr Quinlivan has indicated that, in some instances—

Senator STERLE: Well, I'm asking.

CHAIR: We're not going to have a generic discussion about it. Let's do it case by case.

Senator STERLE: I don't see what we've got to hide. If you've been asked, just table them.

CHAIR: Sometimes questions are taken on notice when the words used should be, 'I'll take that under advisement,' meaning that they're going off to seek some advice.

Senator STERLE: I've got no problem with that. Mr Quinlivan made that clear, Chair—that it's gone to cabinet process. I understand that.

CHAIR: I made that clear, not Mr Quinlivan. Let's just deal with it one at a time.

Senator STERLE: Let's see how we go, but I don't want to get into a situation where we're wasting time.

CHAIR: Nor do I. We're going to go steady with it. Senator Brockman.

Senator BROCKMAN: I will be very brief; I just have to duck to another committee. Thank you for your indulgence, Chair, and Deputy Chair. Minister, this one is for you: we've seen a recent uptick in levels of animal activism within Australia. Over the course of probably the last six to nine months we've seen a number of pretty significant episodes. There have been public protests; nobody has got a problem with that. But recently, particularly, there seems to have been a pretty significant line crossed of interfering with the activities particularly of small and family businesses. I will cite just one example that's been pretty widely canvassed in the media—the Gippy Goat Cafe: theft, which resulted in quite paltry fines—yes, they were prosecuted at state level, and I know you don't have responsibility for that, but \$1 fines for the theft of animals; and threatening phone calls that couldn't be tracked down because the phones were in fictitious names. There was a case in Harvey where a dairy enterprise was targeted by these activists. Often you have, particularly in agriculture, an older community. Farmers, generally speaking, are in the older age groups. And this behaviour is becoming quite threatening. I'd just like your response to this and what the government can do about it.

Senator Colbeck: I think is not 'quite threatening'; it is threatening. It's quite outrageous. Government at always levels ought to be doing everything they can to deal with this. I agree with you that the fines that were issued in Victoria were paltry. I'd have to say my preference

would be to see the DPP appeal those fines, or somebody appeal those fines, because they basically send a message that this is okay. And the actions that have been taken against the Gippy Goat Cafe and their staff are, quite frankly, outrageous. To be making threatening phone calls, which under legislation is an offence, you're effectively employing mental disintegration tactics against both the owners and the employees of the property. For them to have made the decision that they have to close their business because of the intimidation and the threats is quite outrageous. To see up to 100 people turning up on somebody's farm, which is also their home, is outrageous.

I think the minister's intervention, along with his colleagues, to bring the Aussie Farms website under the privacy provisions is a good start. But I have to say I agree with the head of the NFF, when she said that we need a coordinated approach to this. I know that in my home state of Tasmania, there are workplace invasion laws that are being proposed. In fact, they were passed in the last Tasmanian parliament but were appealed and are being reintroduced. There has to be a process nationally where they're coordinated. I believe that families, businesses, individuals need some protection.

I think that we ought to be looking very closely at the broader business model of these organisations, which are obviously quite organised. The people that are undertaking the protests are obviously trained in protest methods, and it's not as if we haven't seen this before. The Wilderness Society in Tasmania used to run a summer camp in activism and business disruption. They would go into a business; they would chain themselves to a piece of machinery; they would fix a car to erode on the way to a logging coupe, all with the intention of disrupting a business, costing it money, again using mental disintegration tactics to try and provoke a violent response from someone in the industry, and sadly, on occasion, that has happened. We don't want to see any more of that. I think that law-abiding families and businesses should be allowed to go about their business in an orderly way.

Like you, Senator Brockman, I don't have a problem with somebody being a vegan; that's their business. And they have the right to peaceful protest. But that doesn't mean invading somebody's home or invading somebody's property. I believe that people need appropriate protection. I'm happy to defend people's right to protest—that's fine with me—but they don't have the right to impose their view on someone else, which is effectively what they're trying to do here. There are a lot of excuses being made by them for their actions, which quite frankly I don't buy. But there needs to be a strong and coordinated effort to deal with and manage the toolkit that they use in their illegal activities.

Senator BROCKMAN: There is another aspect to this, which probably hasn't been ventilated as widely, which is the biosecurity aspect of it. We've got a situation now whereby, when you go into a lot of agricultural enterprises, you need to wash in and wash out. There are significant protocols in place to protect businesses and the broader agricultural community. Is there anything we can do in that space to beef up the laws?

Senator Colbeck: I think we ought to be look at every possible provision we can, because, you're right, biosecurity is a vital element of many businesses and farmers quite rightly protect, as much as they possibly can, the health of their animals. I mean, the animals are their livelihoods, and a lot of people don't understand a farmer's relationship with their animals.

When I was young, we were dairy farmers. We knew every cow. We knew its characteristics. We interacted with it twice a day. We knew if we had to stand back at an appropriate time. We understand and have a relationship with our animals. It's important. It's important to farmers that their animals are well looked after. We discussed that many times here in this committee.

The health of the animal is paramount, so biosecurity is a very, very important part of that. We know that people coming and going is one of the ways that biosecurity is risked. Going back to the foot-and-mouth disease incidents in the UK some decades ago, it was a while before they worked out that the vets that were coming in to check the animals were the ones that were spreading the disease, for example. That's how simple it can be.

CHAIR: What about weed infestations and all of that? I know, as a property owner, we pay enormous attention to make sure we don't bring a new woody weed onto our properties, parthenium or the like. If transport has come in with cattle, we wash the transport down before they're allowed into our yards. This stuff is just showing a blatant disregard for the very high risk potential around biosecurity and the spread of intrusive weeds and the like.

Senator Colbeck: The simple point there is that—and you're correct in all of those things—these activists aren't interested in anyone else's point of view; they're only interested in their own, and that's part of the problem. As Senator Brockman has quite rightly said, they have the right to be vegan and they have the right to their view, but invading people's workplaces and homes is outside of what's reasonable. I think that every tool that we have to be able to support and protect our farmers should be used. If we need to modify some of those tools so assist, we should. Where they've breached the law, we should throw the book at them.

Senator STERLE: I agree.

CHAIR: I can't wait until someone establishes that lettuce have some cognitive capacity. Just see where they go next. Senator Sterle.

Senator STERLE: I'm going to flick to Senator Brown.

Senator CAROL BROWN: Just to facilitate the discussion that we'll have later in the day, I have documents that were released by an order for the production of documents around documents held by the Department of Agriculture and Water Resources and its agency about the New South Wales Police investigation into arson at 91 Beardy Street in Armidale. I'd like to table those documents.

CHAIR: Let's get a copy for the senators. This is a response to—

Senator CAROL BROWN: An order for the production of documents.

CHAIR: Within the Senate?

Senator CAROL BROWN: In the Senate.

CHAIR: I don't know whether we all need to see them to agree to table them. I think they'll automatically be tabled, but let's get a batch to each of the present senators.

Senator CAROL BROWN: On the ABC *Insiders* program, Barrie Cassidy asked the Treasurer:

... how much money will you be spending on Government advertising this week?

Mr Frydenberg said:

All of that information will be available.

Given the Treasurer's commitment to transparency, can the department advise the committee how much money you'll be spending on government advertising this week?

Mr N Mason: There's currently one advertising campaign, which started on 25 February 2019 and is due to finish on 20 April 2019, and it relates to information on African swine fever. The total value of the expenditure—it hasn't yet been spent, but the total value of the whole campaign for that full period is \$49,203. Between Sunday, 7 April and Saturday, 13 April we expect to spend \$5,021, on the remaining week of that campaign, and we expect to spend approximately the same value in the extra week up to 20 April. So it's about \$10,000 all up, between now and the end of the campaign.

Senator CAROL BROWN: What sort of advertising is it—TV?

Mr N Mason: It's digital display ads across a network of websites used by Chinese-speaking Australians; social media ads on Facebook and Weibo; and one print ad in the *Australian Chinese Daily*.

CHAIR: Why is it targeted at the Chinese community?

Mr N Mason: It's information in language.

CHAIR: But why not—

Mr Quinlivan: It's information about permitted imports to Australia for visitors, and the motivation behind it is the current prevalence of African swine fever in China and the number of tourists visiting Australia. So it's an education—

CHAIR: Should I or should I not interrogate this further, do you think?

Senator Colbeck: I think it's an appropriate action to protect our biosecurity, which is something that you were just expressing some concern about.

CHAIR: Typically, how could this find its way in—in a food product, perhaps?

Mr Quinlivan: I couldn't possibly comment. We might get into strife.

CHAIR: Could it come in in a food product from China?

Mr Quinlivan: Yes, it could.

CHAIR: Like a sausage or something? That'll be the end of it. You don't need to answer that. Back to you, Senator Brown.

Senator CAROL BROWN: And that's the only campaign that will be running?

Mr N Mason: That is the only advertising campaign, yes.

Senator CAROL BROWN: When did the department confirm this advertising campaign—can you tell me when it was approved?

Mr N Mason: I'd have to take on notice the approval date, but it's been running since 25 February.

Senator CAROL BROWN: What is the approval process?

Mr N Mason: When we're looking at launching an advertising campaign, we follow the guidelines that are set out by the Department of Finance. We work with the program areas in relation to the particular activities we're looking to get across in those campaigns and then we work with the provider to build up the collateral, if you will, and assist us with the target

market and how we're going to get that communication information across to the relevant area we're trying to communicate with.

Senator CAROL BROWN: But I was asking about the approval process. I'm sorry if I missed it. So you've identified there's a need?

Mr N Mason: Yes. And then those approvals for the actual campaign are run through our normal internal approval process around our head of communications and parliamentary, in consultation with the business area that might be generating that campaign—in this case, our biosecurity area.

Senator CAROL BROWN: But, with regard to the approval process within the department, can you walk me through what is required.

Mr N Mason: Mrs Brown might be able to add to that particular point.

Mrs Brown: The process that we run through is: we look at the guidelines that are put together by the Department of Finance. The business area would come to me as the assistant secretary in charge of the communications team. I would make sure that it meets those guidelines and work with the team to prepare the product, and then we'd go through our advertising agency, depending on whether it's a campaign or a noncampaign.

Senator CAROL BROWN: So you're the only one who needs to approve the expenditure?

Mrs Brown: No. I approve it, along with the relevant assistant secretary of the business area that's responsible for the product.

Senator CAROL BROWN: But, in terms of approving the expenditure, it's just yourself and the other assistant secretary?

Mrs Brown: Yes. Depending which area it comes from within the department, and ensuring that they actually have the funds available within their budget—and then the approval process is done.

Mr N Mason: It's probably worth pointing out that the guidelines also talk about a dollar threshold. So, in the context of this value of dollar, it doesn't require approval for a larger volume.

Senator CAROL BROWN: So what is that level?

Mr N Mason: I think the threshold is \$250,000.

Senator CAROL BROWN: Okay. So are you able, Mrs Brown, to tell me when approval for this campaign was first sought?

Mrs Brown: For African swine fever?

Senator CAROL BROWN: That's the only advertising campaign, I understand, that's been undertaken.

Mr N Mason: That's the only one that's current.

Mrs Brown: Yes, that's current.

Mr N Mason: There were other campaigns undertaken this year that have finished. That's the only one that is currently still going.

Senator CAROL BROWN: Are you able to give me a list of the other campaigns and their dollar amounts?

Mr N Mason: Yes. I can. Earlier this year, we had a campaign called Safe Hands in Farm Safety Week. The total value of that was \$39,706.46.

Senator CAROL BROWN: When did that run? If you could tell me when they ran.

Mr N Mason: It was in Safe Farm Week. Let me just check. I'll have to check the dates.

Senator CAROL BROWN: Okay. That's fine.

Mr N Mason: And it was an advertisement relating to our rural financial counselling service. The second one with biosecurity ads targeting international students and biosecurity. The value of that was \$10,437.42. The other one was a biosecurity ad targeting international travellers, to a total value of \$16,065.61.

Senator CAROL BROWN: Thank you. So, Mrs Brown, you were going to—

CHAIR: We might just table these if we can. Is there any objection to these being tabled? There being none—and, Senator Brown, can I just take an indulgence. I would ask both you, Mr Quinlivan, and the minister—there will be a batch coming to you of the documents that have just been tabled, and they're going to be part of an examination by some senators on the committee, both with you and with the APVMA. I would like you to look at them thoroughly, because the minister representing the minister for agriculture when these documents were tabled, has cited that there are other documents that have been withheld on the basis that their release may impede or prejudice a current police investigation. I don't know the currency of the investigation as of today. You may. But I'd say to the minister that I anticipate there will be an effort to probe not just these other documents but perhaps there will be questions in which you may need to consider whether they will impede or prejudice an ongoing investigation, and you may have to prepare yourself for a public interest immunity claim. I'm not suggesting that's what's going to happen, let's hope it doesn't, but you probably need to get your thoughts in order around that, because I imagine there will be questions that might stroll into that space if the investigation is still current. Sorry, Senator Brown, you have the call again.

Senator CAROL BROWN: I think I asked my question.

Mrs Brown: Yes, you did, and I'm just waiting for it to come through—the date that it was actually approved to go ahead.

Senator CAROL BROWN: Yes. When was the approval first sought?

Mrs Brown: I've just been advised that the artwork was approved on 19 February. So that would have been the final approval process—when we approve the actual artwork.

Senator CAROL BROWN: I was more interested in when approval was first sought, not when—

Mrs Brown: So when the concept was first—

Senator CAROL BROWN: Yes.

Mrs Brown: Okay. I can get that for you.

Senator CAROL BROWN: Thank you. Did the timeline for the campaign change originally from when the original concept was put forward?

Mrs Brown: I'd need to confirm that for you. But I can do that now.

Senator CAROL BROWN: Okay. Mr Mason, you listed what sort of advertising you were doing for the swine fever campaign, didn't you?

Mr N Mason: Yes.

Senator CAROL BROWN: I know you listed some other campaigns that have completed.

Mr N Mason: Yes.

Senator CAROL BROWN: But are you able to provide the total expenditure for government advertising for the current financial year?

Mr N Mason: The total spent?

Senator CAROL BROWN: Yes.

Mr N Mason: \$56,509.07.

Senator CAROL BROWN: No. For all campaigns?

Mr N Mason: We haven't had all the billing coming through for some of those campaigns yet.

Senator CAROL BROWN: What is the anticipated total value?

Mr N Mason: The anticipated total value will not exceed \$115,412.49.

Senator Colbeck: Senator Brown, the swine fever campaign was in response to detections late last year and a growth in those detections early this year. It's very much a business-as-usual exercise because we've had the detections of swine fever and then some growth in that early in the new year. So this is very much business-as-usual, protecting our borders and biosecurity type exercise.

CHAIR: Where were those detections?

Ms O'Connell: In terms of African swine fever, the sort of advertising we'd done was more about promoting biosecurity as part of a prevention mechanism in response to the spread of African swine fever. It was first detected in Belgium, then spread to China. Subsequently, there have been reportings of detections of African swine fever in Mongolia and, more recently, Vietnam.

CHAIR: Have there been any in Australia?

Ms O'Connell: Detections of African swine fever?

CHAIR: Yes.

Ms O'Connell: Yes, on imported product brought through—

CHAIR: What sort of product?

Ms O'Connell: A range of meat related products.

CHAIR: The campaign is to travelling passengers not to bring products such as meat related products into the country?

Ms O'Connell: Correct. That's absolutely what the campaign is. It is persuading all travellers to observe our biosecurity rules and not bring meat related product. We focus specifically on African swine fever because of the concern and the spread. But, as a general rule, we will have campaigns from time to time about different commodities, different

products and different target countries, depending on the spread of pests and diseases around the world. But it's generally a promotion that says: don't bring food products to Australia.

CHAIR: You should have got me involved. I could have got you bigger coverage for less money. But back to you, Senator Brown.

Senator CAROL BROWN: Thank you. Are you able to provide the committee with total expenditure for government advertising by financial year for the past four years?

Mr N Mason: We'd have to take that on notice.

Senator CAROL BROWN: Deputy Chair, information that's taken on notice, when we will be able to receive that?

ACTING CHAIR (Senator Sterle): We set a date of two weeks from today. In the chair's absence, which is what date—24 May.

Senator CAROL BROWN: I mean, you must have that information pretty close to hand?

Mr N Mason: We can work as quickly as we can, but for four financial years, we're going back through multiple systems to be able to find that data. So I'm not confident about exactly how long it will take people back at the office to pull that, that's all.

Senator CAROL BROWN: So, if I ask for an itemised list of all campaigns for the past four years and the funds attributed to each, you will take that on notice, Mr Mason?

Mr N Mason: I'm happy to.

Senator CAROL BROWN: Thank you.

ACTING CHAIR: Sorry, Senator Brown, Mrs Brown wanted to give you an answer to something.

Mrs Brown: The campaign for African swine fever—the discussions commenced on 4 February, and then the first signature process sign-off for approval was on 15 February.

Senator CAROL BROWN: Thank you. What was the department's total expenditure on media monitoring in the financial year commencing July 2018?

Mr N Mason: Total expenditure for media monitoring year-to-date for the 2018-19 financial year was \$157,161.81.

Senator CAROL BROWN: Are you able to give me an itemised list of all AusTender notice numbers for all media monitoring contracts in that period?

Mr N Mason: I can. We have two contracts. The first one is contract number CN3289020-A, which is with our major media monitoring provider, iSentia. And we have a contract with Stream, which is contract CN3548903.

Senator CAROL BROWN: Mr Mason, you gave me a figure of just over \$115,000 around total expenditure this financial year. Does that include information campaigns?

Mr N Mason: That includes advertising and information campaigns. It does not include—it's campaign advertising.

Senator CAROL BROWN: What doesn't it include?

Mr N Mason: It includes all campaign advertising.

Senator CAROL BROWN: You gave me a list of other campaigns that are completed. Are you able to give me AusTender contract notice numbers for those advertising and information campaign contracts?

Mr N Mason: I can for the ones that have posted. There are a couple for which the AusTender process hasn't been completed, so the numbers are not up. But, for the ones that are, I can. For the Safe Hands, Farm Safety Week, the AusTender contract number is CN3540360. The others are still to be posted on AusTender, so we haven't got the contract notice yet.

Senator CAROL BROWN: Through that period from 1 July 2018, did you expend any funds on promotional merchandise?

Mr N Mason: Yes.

Senator CAROL BROWN: Can you detail what that promotional merchandise was?

Mr N Mason: We provided a response to questions on notice in February, so I'll just grab that. That will have the detail of the promotional merchandise we had.

Senator CAROL BROWN: Good. You can table that, then.

CHAIR: Well, we'll talk about that.

Mr N Mason: As at last February estimates, we'd spent a total of \$61,245.10.

Senator CAROL BROWN: What on?

Mr N Mason: I'll grab that for you. It was a variety of merchandise, mostly targeting promotion of biosecurity awareness, and included things like bags and hats that describe biosecurity matters and the importance of biosecurity. We had some pens and rulers with the Agriculture logos on them and a range of Agriculture-branded stationery for things like our Outlook conference for ABARES and some plant export conferences.

Senator CAROL BROWN: How was that merchandise distributed?

Mr N Mason: They were distributed for various purposes. We had things that were provided as part of, for example, Outlook conferences and also for distribution to the community to raise awareness through the various program activity that was being done within the department. I think we provided details and pictures of that in the question on notice in February.

Senator CAROL BROWN: All right. We can't table that response then?

Mr N Mason: Sorry, Senator, that was a tabled response from February's estimates, I understand. I think it was question on notice No. 82.

Senator CAROL BROWN: Thank you. Can you give me an itemised list of all AusTender contract notice numbers for all the promotional merchandise contracts in this financial year, commencing July 2018?

Mr N Mason: I don't think I've got it with me, but I'll see how quickly I can find that information. Ms Canning has reminded me that we didn't enter into any new contracts for promotional merchandise this financial year, so it would have been a contract already in place from a previous financial year.

Senator CAROL BROWN: Okay. I saw you flicking through to describe what sorts of promotional material you use or have produced. Am I able to get samples or pictures of the promotional merchandise that you've produced?

Mr N Mason: I think that in the question on notice we tabled there were pictures of the particular merchandise.

Senator CAROL BROWN: That was question on notice No. 82?

Mr N Mason: Yes.

Senator CAROL BROWN: Great. Thank you, Mr Mason.

Senator MOORE: Mr Quinlivan, I've got questions on two areas for corporate. One is on gender budgeting and the other is on the Sustainable Development Goals, following up on questions I'd asked you previously. My first question is around gender budgeting. In answers to questions to the Office for Women last week, they explained that they have a process where they work with departments to encourage them—those are their own words—to be aware of the issues around gender budgeting and to ensure that every department, when putting forward budget statements or policy changes, is aware of gender budgeting principles and takes it into account. I want to know: in your department, who does that, and what interaction do they have with the Office for Women?

Mr Quinlivan: It would be done principally by the policy area preparing the proposition for government consideration. To the best of my knowledge, it's done on a needs or an ad hoc basis—that is, it isn't a formal process that's undertaken with every budget proposal, but, where there's one where there's a reason to believe that it would have a gender impact, there would be consultation with the Office for Women or whoever else might be the appropriate body. We've done some work with the CWA, for instance, on drought budget measures. It would be a case-by-case basis. If the Office for Women—I'm not quite sure what the answer to that question was that you described—wished to put in place a process that formalised that and extended their consultation role on a wider range of budget proposals, we'd welcome that.

Senator MOORE: Who makes the decision on whether a budget position or a policy change has an impact on women?

Mr Quinlivan: It would be mostly made by the policy area preparing the policy proposal.

Senator MOORE: What training have they had in gender-specific budgeting?

Mr Quinlivan: They've had no specific training. I guess that's the point I was making. If the Office for Women wanted to put in place or are going to put in place a process for raising awareness and consciousness of those issues in preparing budget processes, we'd certainly welcome that.

Senator MOORE: So what you're saying, Mr Quinlivan, is that you've received no formal advice from the Office for Women about this issue? It's not come through to you?

Mr Quinlivan: Not to my knowledge.

Senator MOORE: Minister, I'd like to follow up whether the minister has received anything from the minister about this issue.

In terms of the process, a decision about whether there is a gender basis of impact on any decision is with the policy area, and then that doesn't come through your desk? It's not overseen as an integral part of the budget preparation?

Mr Quinlivan: Sorry?

Senator MOORE: When your department puts forward proposals for budget—and also for any policy change, but I'm looking particularly at budget in this case—it's not an issue that is integral to each process? You don't check whether that's been done or not? You don't ask those questions?

Mr Quinlivan: I don't believe there's a formal requirement to certify that those issues have been specifically taken into account, no.

Senator MOORE: The other area is the sustainable development goal agenda. We had a discussion about that at another estimates prior to Australia's voluntary response. Can you tell me what process is now in place in your department looking at the SDG agenda, who attends the meetings and what plans you have in your corporate plan and in your annual report to refer to the SDGs?

Mr Thompson: I attend the whole-of-government meetings that are chaired by the Department of the Prime Minister and Cabinet and the Department of Foreign Affairs and Trade, with the Department of Foreign Affairs and Trade, as you probably know, taking a more leading role in the period post the release of Australia's voluntary national report. As I think we indicated in our submission to the recent Senate inquiry on this matter—

Senator MOORE: And thank you very much for that.

Mr Thompson: that's all right—we continue to communicate the SDGs within the department. We've also established a page on our departmental website which talks about the reporting that we're doing against SDGs 2 and 6, the two that we are responsible for.

Senator MOORE: How long has that been up, Mr Thompson? Remind me.

Mr Thompson: I'd have to take it on notice, but I think it's been six months at least.

Senator MOORE: I think it's about that, and it was just before the report. You've introduced that and you maintain it. Whose responsibility is it to maintain that?

Mr Thompson: It's the responsibility of our Trade and Market Access Division in the department. They're under outcome 1.

Senator MOORE: Part of their general expectation is that they maintain that process?

Mr Thompson: That's right.

Senator MOORE: Who has the responsibility that you were telling us about in the Senate process? Who has the responsibility for ensuring that staff are across the issues of the SDGs? That was one of the things that we indicated were at a varied level between departments. Who does that in your department?

Mr Thompson: Again, it's that division which takes the lead responsibility on that. That area in the Trade and Market Access Division has a responsibility for a number of multilateral organisations and interests for the department.

Senator MOORE: Mr Thompson, for all the various agencies that appear here in Senate estimates underneath your department, does the department have the responsibility for making sure that they're across this agenda? How does that work? I'm fascinated because you have so many, and also a lot of them have particular responsibility, I believe, under the agenda. Who coordinates all of that?

Mr Thompson: Again it's that division. We certainly do that for the SDGs that we are responsible for, 2 and 6. For example, under SDG 6, on clean water and sanitation, we work closely with the Murray-Darling Basin Authority and then across into the Environment portfolio, with the Commonwealth Environmental Water Holder, which is not one of our portfolio agencies. On the zero hunger goal, we consulted with a number of the research and development corporations, I understand. Some of their initiatives are listed in Australia's first voluntary national report.

Senator MOORE: Absolutely. There's a good focus. In areas like the Australian Bureau of Agricultural and Resource Economics and Sciences, one of the key issues is effective data collection.

Mr Thompson: That's right.

Senator MOORE: Do you know whether that agency is linked in with the Bureau of Stats, which is the leading agency in this space?

Mr Thompson: Very heavily. We rely a lot on ABARES to provide the data. As you'll see in Australia's voluntary national report, the executive director of ABARES is quoted in SDG 6.

Senator MOORE: We talked a little bit this morning about biosecurity. That's one of the key areas. You're the leading agency on that, aren't you?

Mr Thompson: This department is, yes. Nationally that's right.

Senator MOORE: Are there plans to have it focused on in this year's annual report? It didn't get a gig last year. Are there views now that you'll be looking at integrating the SDG agenda into your report?

Mr Thompson: I think generally the department's view—and the secretary or Mr Mason might correct me on this—is that we are heavily integrated but not putting it up in lights, if you like. I don't know if there are any plans.

Senator MOORE: Mr Mason, can you do anything about putting it up in lights?

Mr N Mason: In our 2017-18 annual report, we did have a section around the 2030 agenda and the Sustainability Development Goals in our appendix.

Senator MOORE: We were hoping for more in the future.

Mr N Mason: We are starting the preparation process for next year's annual report, for this current financial year that we're in, so there is an opportunity for us to look at expanding that.

Senator MOORE: Mr Thompson, one of the things that came out was that the expectation was that the deputy secretaries who were gathering would share best practice. Is that your experience of those meetings?

Mr Thompson: I think it is. The meetings are a little bit few and far between, and there are other officer-level meetings that continue working on SDGs, but, when we do get together, we're effectively sharing practice as well through the way in which we've gone about compiling each of the chapters for the voluntary national report.

Senator MOORE: That was the real threshold, wasn't it, and that one's done.

Mr Thompson: That's right. That's the entry point. But we did have substantive conversations about data and where to take that from there, because, as you know, a number of the indicators we're already reporting against, some are not applicable but some we're exploring. We still need better data sources.

Senator MOORE: When was the last meeting?

Mr Thompson: I'd have to take that on notice.

Senator MOORE: I don't need the date, but it was a few months ago?

Mr Thompson: It would be a few months. It might have been late last year.

Senator MOORE: These questions are going to PM&C and to DFAT as well. Do you have any indication of when the next one is?

Mr Thompson: I don't have in my head whether there is a forward schedule. I think we agreed that we'd meet once or twice a year at least.

Senator MOORE: One of the things that came out in the wider meetings was that there is a huge role for state governments and for local governments in this space. I haven't been able to drill down and find out how they're working. In your portfolio, you would have meetings with state governments very often—almost on a weekly basis on different things, I would imagine. Does the agenda 2030 come up? Is that something that is a discussion point?

Mr Thompson: It isn't listed as a specific agenda item at this point. It has been in the past, in the lead-up to the voluntary national report. Again, that was a major trigger point for engaging with the states and territories, and it was listed as an update item at the Agriculture Senior Officials Committee meeting, I recall, and definitely at the Basin Officials Committee meeting and the national water reform committee, both of which I chair.

Senator MOORE: And that was leading up to the response?

Mr Thompson: That's right.

Senator MOORE: Again, it's just getting back to the integration of the SDG agenda with standard business practice so that it's not off on the side; it's actually in that whole process.

Mr Thompson: I understand.

Senator STERLE: I want to go to page 16 of the portfolio budget statement. It's the part that refers to the reduction of 217 staff.

Mr Scott Brown: Would you like to know what makes up the reduction—is that the question?

Senator STERLE: Yes, I would, please.

Mr Scott Brown: That is one of the questions that you have asked us, Chair. We can answer that now.

CHAIR: Well—

Mr Scott Brown: No?

CHAIR: It's a question that's been taken on notice and you have the answer here.

Mr Scott Brown: Yes, exactly right.

CHAIR: It doesn't prevent the senator asking it again. It's just a question of tendering answers, that's all.

Mr Scott Brown: What we're looking at here is the average staffing level, which is a budget number, and there has been a drop of approximately 200 budgeted staff. There are lots of ons and offs, but a major reason is the agriculture white paper terminating measure. It was a four-year measure which ends at June 2019, and approximately 150 staff members come off that measure, in terms of the budget.

The other major change is on the water programs. A couple of our water programs end on 30 June 2019, and that drops about another 30-odd staff off our budget numbers.

Senator STERLE: On top of the 217?

Mr Scott Brown: Yes.

Senator STERLE: That's a shame.

CHAIR: Sorry—

Mr Scott Brown: Sorry, no—

CHAIR: It includes it.

Mr Scott Brown: They're included in the 217. They're the main ones, and there are just a few offs and ons in between all that, which we could table for you.

Senator STERLE: It would be good if you could, thanks, Mr Brown. Would you like to comment on the overall reduction in resourcing for the department's operations as well, because of the loss of the jobs?

CHAIR: Just before—

Senator STERLE: No, no; don't comment till you hear the comments.

CHAIR: Just before you do, is it fair to say that the majority of these—and I don't want to fiddle with the fringes—were time limited in any event; that it was inevitable that these jobs, which had a beginning, a middle and an end, were going to come to an end on or about when they did?

Mr Scott Brown: Yes.

CHAIR: Correct?

Mr Scott Brown: Correct.

CHAIR: So, in terms of a hardcore reduction in your workforce in the department, and allowing for the give and take that happens, I imagine—how many staff do you have, all up?

Mr Scott Brown: We probably have approximately 4½ thousand full-time equivalent.

CHAIR: So we've got 20 or 30 vacancies, if you like, or people that have left. That would be a constant, would it not, with 4½ thousand staff or thereabouts?

Mr Scott Brown: Yes.

CHAIR: When I first heard the number 217 I was a little bit shocked. I thought that they'd wiped off a lot of your workforce. But really they haven't wiped any off. These staff were attached to either a white paper or a project campaign that was always going to come to an end and they were always going to move on. So there's nothing unusual in the numbers?

Mr Scott Brown: Not at all.

Senator STERLE: Mr Brown did say, though, that it marks the end of the \$4 billion white paper.

CHAIR: Yes, yes. I heard it. I just—

Senator STERLE: Yep. Are you trying to start a fight that isn't there, Chair?

CHAIR: No, but I thought you were.

Senator STERLE: No, not at all.

Senator WILLIAMS: Sterlo wouldn't do that, Chair!

Senator STERLE: So Mr Brown?

Mr Scott Brown: In terms of overall reduction, I would point out it's quite a small reduction from 4.2 to—

Senator STERLE: You don't have to go on. I've got it: it's the end of the white paper.

Mr Scott Brown: Yes. Really it's a combination of offs and ons and movements between our administered and our departmental.

Senator STERLE: Yes. And there's no plan to kick it on and keep it going for the next couple of years.

Mr Scott Brown: No.

Senator STERLE: That's the end of it. That's its life gone. That's fine.

Mr Scott Brown: I would say with the white paper measures that we have embedded a lot of those measures in our business as usual. The actual activities will be happening, but we've been able to turn them into business-as-usual activities. So there's no reduction in the work we're doing, in a sense.

Senator STERLE: That's fine. Of the 217, will they be offered redundancies? Are they contractors? Are they full time?

Mr Scott Brown: Actually, no. Remember that these are budget numbers. At the moment we're sitting under our budget, so we're not planning to have any redundancies. Our actual levels of staff are under our budget at the moment.

Senator STERLE: So what does that mean to the 217 whose jobs have been terminated?

Mr Scott Brown: They'll be redeployed into other areas or put into business-as-usual activities. As I mentioned, a lot of these activities are now rolling into a BAU activity, so they'll work under that.

Mr N Mason: In addition to Mr Brown's point, staff are sometimes also employed on fixed-term, non-ongoing employment, so that term comes to an end and they leave the organisation.

Senator STERLE: I know how that works.

Mr Quinlivan: Senator—

Senator STERLE: Sorry, Mr Quinlivan. Of the 217, how many of them were employed on just the fixed term? I got the impression the whole 217 are going to be redeployed somewhere else.

Mr Scott Brown: No.

Senator STERLE: They're not. Good—or not good. Maybe we need to explore that. It doesn't clear it up; it throws another curve ball at me. I've just said that I was of the impression that the 217 will be re-employed—they won't be. You were saying some are on

fixed term, so they will disappear. So they won't get a redundancy; that was a set term. How many of them are there?

Mr Scott Brown: We don't break that down. That 217 is a broad budget number.

Senator STERLE: I'm sorry, Mr Brown, but Mr Mason just threw a curve ball at me, saying that there are a number of them.

Mr N Mason: Senator, my intention wasn't to throw a curve ball at you; it was just to make it clear that we have a range of employment options for our staff.

Senator STERLE: That's fine. That's my terminology of it.

CHAIR: You weren't suggesting that there was some extraordinary number of the 217 who are on that?

Mr N Mason: No, Senator.

CHAIR: So that lay across the whole 4,500.

Mr N Mason: Correct. That's what I was talking about—of the 4,500.

Senator STERLE: But I'm talking about the 217. From answers by Mr Brown to my questions, I was left with the impression that the whole 217 would be absorbed in other activities within the department. Is that the case or not?

Mr Scott Brown: That is correct. We have no intention of removing 217 and then—

Senator STERLE: I got 217. Okay. So what was that all about then, Mr Mason?

Mr N Mason: I was simply talking about the total workforce and the way in which we employ our total workforce. I was trying to clarify. My apologies.

Senator STERLE: You didn't need to do that. So they're all going to be absorbed. That's it.

Mr Quinlivan: Senator, I want to add a comment on the white paper measures, because we might have left the impression that, with the white paper measures are concluding, that was the end of the impact of the white paper package on the department and the portfolio. I just want to emphasise that's not the case, because quite a few of the measures, as we said, are now business as usual. In fact, some of them were reaffirmed in the most recent budget. Also, with the creation of the Regional Investment Corporation, the drought related loan programs and water infrastructure and so on, they're now institutionalised in the Regional Investment Corporation. There are programs and functions in the white paper which we would now regard effectively as permanent.

Senator STERLE: Sure. Mr Quinlivan, I got that clearly, but what confused me was that it was mentioned in the budget that 217 jobs were going; otherwise, I wouldn't have even raised that. I was trying to work out why it was in the budget papers. Then the simple explanation was that they're not gone. They must be redeployed.

CHAIR: Hold on. That's not where I've been left. Senator Sterle is now of the belief from your answers—and I am not, so one of us is confused—that these 217 individuals who have come to an end with the white paper or the water project have now simply been gainfully employed in some other capacity in the Public Service. You've just picked them up and put them over there into another job—

Senator STERLE: In that department.

CHAIR: in the department. Is that correct?

Mr Scott Brown: I can't name the 217 people and tell you that this particular person went to this job or this job. The number you're looking at of 217 is a budget number.

Senator STERLE: Now I'm confused.

CHAIR: But, Mr Brown, there were 217 people who yesteryear did a particular job. They were doing either white paper work or the water project. Post-budget, those 217 people are not doing those jobs anymore, and it was right to report that they're no longer in an employment capacity in those positions. Today, they're somewhere else. What Senator Sterle is trying to determine and what I would like to know is: are they mowing lawns? Did they buy a franchise? Are they working in a cafe? Or did you pick them up as they were walking out, finished, terminated on the white paper, and say: 'Come here buddy. I've got a job for you, back here, in the department, doing something else'? You may not know the answer to the question, but the impression you've left us with is that all 217 are warm and cosy in a leather chair somewhere in the department of agriculture, still working for you but just not doing what they used to do.

Mr Scott Brown: That is correct, and—

CHAIR: So, you've been able to place all 217 of them. When that life came to an end for them, you've been able to give them something to do.

Mr Scott Brown: If they've chosen to start with the department, or if they've—

CHAIR: That tells me that they've chosen. He's looking for a definitive number. Do you believe all 217 are still somewhere in the life of the department of agriculture? If you don't know, just say, 'I don't know.'

Mr Scott Brown: What I can say is we haven't removed anyone from a program who doesn't want to be removed from that program. But, yes, if you wanted me to say, on record—

Senator STERLE: This is what hurts my head, this sort of stuff, Mr Brown. It's a very simple question.

CHAIR: Mr Brown, let's do them one at a time. You put your hand up and surrender when you've done enough of them. We going to call employee number 1, who used to be on the white paper program. It had come to an end, and you reported in the budget papers that employee No. 1 in job slot No. 1 is no longer in job slot No. 1. Did you have an active policy to say to Fred or Betty on the last day, 'Listen, don't fret. When you finish at five o'clock today, tomorrow at 9 am we are going to take you and sit you in that chair in the department, so you will never be unemployed—not for one minute.' That's the question, and we need to go along until you say: 'Hold on, hold on, I get it now. Of the 217, 180 of them were treated in that fashion.'

Mr N Mason: Perhaps I can try and help.

CHAIR: Of course. We look forward to it.

Mr N Mason: We manage our staff on a regular basis, day to day, in terms of peaks and troughs of work, programs that are commencing and programs that are terminating. This budgeted number relates to programs that were terminating. We've known that those terminating programs were going to be terminating at the end of June, and we've known for

that some time. So we're actively looking to deploy people into other roles when we see work that finishes. So, definitively—

CHAIR: Roles that have been created by natural attrition, retirements and all sorts of things.

Mr N Mason: Exactly. Or where we have a new budget measure—

CHAIR: So the department didn't put another 217 spots on to accommodate these 217 people.

Mr N Mason: Correct.

CHAIR: They just took them and flung them into vacancies that existed, as best they could, so that they all had this seamless transition.

Mr N Mason: And others would have left the department and moved onto other things et cetera.

CHAIR: All right.

Senator STERLE: So it's not the whole 217 who have been given jobs.

CHAIR: Well, we don't know.

Senator STERLE: Has anyone been sacked?

Mr N Mason: In relation to these programs terminating—no. If you're asking me terminations—

CHAIR: Sacking is a strong term.

Senator STERLE: Oh, okay then—'dismissed'.

CHAIR: Has anyone come to an end and they weren't accommodated?

Mr N Mason: No, with the exception of the point I made earlier, which is if they were on fixed-term work that had a finish date.

Senator STERLE: So they are on fixed term. Gee whiz, you people really do my head in.

CHAIR: No, some of the were on fixed terms. And it so happened that the end of their fixed term coincided with the end of their brief in relation to the white paper.

Mr N Mason: Correct. We turnover staff annually. We regularly redeploy them into—

CHAIR: This really should've been a one-minute exercise.

Senator STERLE: Absolutely.

CHAIR: What I understand the committee is interested in is: have you increased the general number of staff in the department? Have you decreased them? Have you done something else? Simply, the answer is no. There's been no unusual increase or decrease. Of the 217, most—who chose to—were accommodated somewhere else in the department. Fair enough. Some may have left. Right? They bought a mowing franchise and they just wanted out. Some came to the end of a terminated period and would have been going out the front door in any event.

Mr N Mason: Correct.

CHAIR: It doesn't matter what they were doing on the day that their fixed term finished. Do you have any sense—without having to sit down for 10 days to look at this—of a

breakdown in those categories? Is there a push-button answer, or is it the case that you would have to go case file by case file to see what happened?

Mr N Mason: I can give you a push-button answer to our entire workforce, if that's useful.

CHAIR: No, just this—

Mr N Mason: But with that 217 budgeted figure, no, I don't have the push-button.

Senator STERLE: So, going back to the fixed term, in your evidence no-one was on fixed terms and now there are some on fixed terms. Of the 217, how many were on fixed terms, Mr Mason.

Mr N Mason: I can't tell you for the 217 budgeted roles. I can tell you the total fixed term for the department. As I said to you earlier, we move people around based on the vacancies as they arise across the department. It's dynamic; that's my point.

Senator STERLE: But, of the 217—it's the government's budget.

CHAIR: As they've already indicated, they'd have to go door to door for that, and I understand that. What is the global number of fixed-term people? I'm going to ask you a qualifying question while you're looking at that. Would there have been an unusual or inordinate percentage of these 217 on fixed terms because fixed-term people have peculiar skills to this area or you put them in there because it's going to come to an end and you don't have to deal with them?

Mr N Mason: We've had a non-ongoing staff base of between 480 and 520 over the last five years, so it's been static.

CHAIR: But I'm talking about the 217. Was there an unusual percentage in the 217?

Mr N Mason: No.

CHAIR: We could do a little bit of math if we wanted to. Four hundred over 4,000. What's that?

Senator STERLE: Ten per cent.

CHAIR: Ten per cent, so roughly 20 of these people.

Mr N Mason: Yes.

Mr Quinlivan: Can I add an additional point here? None of this is settled yet. We have not settled our internal budgets for 2019-20. This conversation can fuse stocks and flows a bit. Then there's also the issue of our internal priorities, which, of course, are always changing in response to domestic and international circumstances. It may very well be that some of those white paper functions, as we've described them, that are notionally finished we will judge to be a higher priority than some other functions in the department. We'll continue to fund those positions—maybe in perpetuity—because they're a high enough priority. So, while we've got a global reduction in staffing and resourcing here, it doesn't necessarily follow that the incidence of that will be exactly the same as the reason that shortfall has arisen—that is, those programs have ended—because priorities change, and we have to adapt to that all the time.

Senator STERLE: I got that. It actually refers to the cutting or reduction of staff in the 2018-19 and 2019-20 budgets. I understand; I'm just trying to find out how many have gone. Can you list which programs you've terminated? Could you just let us know that please?

Mr Scott Brown: We have a number of programs which terminated. Some have then been picked up in new programs or work, but I can list them for you if you want.

Senator STERLE: Sure. Fire away.

Mr Scott Brown: There's the Managing Farm Risk Program. We have the Agricultural Trade and Market Access Cooperation Program. We have the national partnership on Assistance for Pest Animals and Weed Management in Drought-Affected Areas.

Senator STERLE: Sorry to interrupt. You've got the information on the programs that are terminated. Have you got the information on the staff that were there and are not there now? Is that next to that table you've got there?

Mr Scott Brown: We haven't got that on us. We'd have to take that on notice.

Senator STERLE: That's fine.

Mr Scott Brown: We have the Farm Business Concessional Loans Scheme, which the secretary mentioned was now being looked after by the RIC. We have some improved biosecurity administered funding as well as some improved biosecurity departmental funding; biosecurity information system—a system we were building—accessing premium markets, including overseas counsellors; and the drought concessional loans. A lot of these programs have now rolled into new measures as well as part of MYEFO and the new budget measures. Those particular programs did finish.

Senator STERLE: Okay, so they're being picked up by other parts of the department. Have the staff transferred across to them?

Mr Scott Brown: Yes, they would.

Senator STERLE: All right. In that case, I've got no further questions along there. I want to wrap up now and go to the dairy code of conduct.

CHAIR: Before you do: I don't know whether Senator Wacka was serious before when he said he had some questions. Do you have questions?

Senator WILLIAMS: No, not at this stage.

CHAIR: I know you've got a very busy schedule!

Senator WILLIAMS: I think you're being sarcastic!

Senator STERLE: I'm actually enjoying the banter.

CHAIR: So those questions about the blue heelers—you're happy to skip them?

Senator WILLIAMS: No, I just made a point of view on that on the side.

CHAIR: All right. Senator Sterle.

Senator STERLE: Mr Quinlivan, were you going to say something?

Mr Quinlivan: I was going to say that the people working on the dairy code of conduct would be outcome 1.

Senator STERLE: Okay. So they're not here?

Mr Quinlivan: No.

Senator STERLE: It's only a handful of questions. If they're not here, they're not here. We'll come back to that.

Mr Quinlivan: They'll be here later.

Senator STERLE: That's fine. Chair, I'm finished. Thank you. Can I make a suggestion? Should we go to the morning tea break, if that's all right with you, and have a quick conversation amongst ourselves? Is that all right?

CHAIR: Yes, we can do that. We'll resume at 20 minutes to the hour, given that we're going to accommodate a meeting. We'll come back after 20 minutes.

Proceedings suspended from 10:22 to 10:41

Horticulture Innovation Australia

CHAIR: We now resume the Senate Rural and Regional Affairs and Transport Legislation Committee budget estimates for 2019-20. We call Horticulture Innovation Australia and we'll just put on the record that Plant Health Australia is released from attending today, Mr Quinlivan. Welcome. I love that mo; I might do one of them when I get out of here!

Mr D Moore: I have some wax if you'd like some, Senator.

CHAIR: Is that waxed?

Mr D Moore: Yes, it's waxed.

CHAIR: Wow! I might take you up on that; we'll just see what happens. I'm thinking of the ponytail—you know that overreaction you have when you leave some sort of career and you're going feral?

Senator STERLE: Is that when you've got your cheesecloth skirt on?

CHAIR: Would you like to make an opening statement, Mr Snell?

Mr Snell: Thank you very much, Chair and other senators. Horticulture Innovation is represented by our new CEO, Mr Matt Brand, and our general manager R&D, Mr David Moore, and of course myself, as chairman of the board. I think we'll leave it to the senators to ask us questions. I'd have to say that horticulture has been enjoying a great amount of growth over the last few years. Obviously, there have been a lot of opportunities to improve our exporting trade as well. So, yes, I think we're in a good spot as far as the industry goes. It is affected by drought, but I think, going forward, it will have little deterrent on our future forecasts for our levies.

CHAIR: I might lead with a few questions. Mr Brand, welcome to your first estimates.

Mr Brand: My first estimates.

CHAIR: What have they been telling you?

Mr Brand: To expect anything, really.

CHAIR: That's right; there you are.

Mr Brand: A to Z; avocados to zucchinis.

CHAIR: Good advice! Why don't you take a couple of minutes and tell the committee a bit about yourself. I mean, this is a very significant position, CEO of Horticulture Innovation, so could you give us a bit of your background so we can understand where you come from.

Mr Brand: Sure. I've been in the role for seven months. Before I was at Hort Innovation, I was the CEO of New South Wales Farmers Association. Before that, I had commercial roles at Australian Rugby Union. Before that, I was in the alcohol industry—I worked for Bundaberg Rum, Guinness—and before that I was in the dairy industry. I have a dairy

business, a partnership, breeding Holstein Friesians and I have a little cheese business on the side.

CHAIR: Good work! So with Hort Innovation, what's at the forefront at the moment? I've got some questions around water in a moment, but what's at the forefront for you guys?

Mr Brand: I think the key opportunities for us include that plant protein is the new black. I think you can see, even with the poor behaviour we saw yesterday of the activists targeting animal protein, that plant protein is very in vogue. We're seeing a lot of innovation in the food space. I think horticulture has an enormous opportunity for export, and we're working with a number of our key industries and their industry bodies to look at export opportunities across Asia and across the globe, and I think they're real opportunities for us. So, if anything, we've probably got growing pains. That is probably the key issue for us right now—that is, there are a lot of opportunities, and it's just about prioritising those opportunities and looking at ways of opening up these new markets and ensuring that we're giving consumers and customers what they want.

CHAIR: So with innovation around water, are we on a journey somewhere to improve water efficiencies so that we get more for less, if you like?

Mr Brand: Certainly there have been a number of projects looking at water efficiency. I've just been travelling around Australia, as part of our strategic plan consultation that we need to do, looking at a number of industries that are utilising the latest technology—soil moisture probes et cetera—using smartphone applications. It's certainly an area where the industry recognises that it needs to keep optimising the important resource, and the limited resource, that is water.

CHAIR: There's a big project that I've been supporting for some years to take treated water from the Brisbane metro area and bring it out into the Lockyer Valley. One of the challenges has always been irrigating treated water on to food crops—I mean, in Toowoomba we were only a few months off drinking it. Have you guys done any work around that space?

Mr D Moore: We have been looking, particularly in the vegetable industry, at the use of recycled, treated water and the safety of that. That has been a recent significant investment for Hort Innovation.

CHAIR: And are you able to report on the progress of the findings or where you think it's going to land? There are two parts to this, aren't there, Mr Moore? There's the safety issue, and I think that you've probably settled that it's relatively natural, if you like, and there's the marketplace issue, so whether there'd be a reaction to produce that's irrigated with treated water.

Mr D Moore: From memory, the findings were that the quality of the water was perfectly fine. Some of the other findings were that some of the other soil ameliorants that have been applied, particularly manures, in some growing areas—we did pick up some challenges with some of those manures, so I think the issue was more around the soil ameliorants.

CHAIR: Heavy metal elements?

Mr D Moore: Just some of the toxicity around some of those soil ameliorants, rather than the water itself.

CHAIR: So this is where the biosolids of the treatment process are then physically put on as fertiliser on pastures?

Mr D Moore: Chicken manures and the like, yes.

CHAIR: So what's likely to happen there?

Mr D Moore: Well, as a standard practice we've reported that back to industry, Chair. There's a significant best management practice investment in vegetables called EnviroVeg, which is very well supported, so that finding is being extended to growers to make sure they're aware of the impacts of using different soil ameliorants and manures on vegetable crops.

CHAIR: Mr Snell, I have a question that's a bit outside your charter, but you'd know. Four or five years ago, not everyone in horticulture liked each other. There were different groups, if you like, that weren't working as collegially together as they perhaps could have. First, do you accept that proposition?

Mr Snell: Yes, I do.

CHAIR: Have you seen any, I suppose, cultural development in that? Are we seeing more cohesion?

Mr Snell: Yes, there has been more collaboration over the years. I've been involved for 10 years now, and I'd have to say the unity has improved dramatically. We have 42 industries. Many of them are sovereign, and of course they can be cannibalistic to each other when you've got various crops that can replace each other for consumer use. So there is always competition, but I'd have to say that of late we've seen some very good initiatives in regard to collaboration around talking to members and growers. I'll give you an example where AUSVEG and PMA, the Produce Marketing Association, two years ago formed an alliance to have Hort Connections as the major conference for the industry, attracting 3,500 delegates. That was never seen in horticulture before. We had 42 conferences going on. There were conferences for every crop, and now we've got one major one and some small minors, and we're encouraging everybody to go. Horticulture Innovation supports that fundamentally with advice, data and finance. So we are seeing change, but we're also seeing new groups coming into the industry. I think some groups are saying that there's a gap in advocacy, and that's an area that I can see changing, but that's an area that we don't go near.

CHAIR: I'm much expressed on that, particularly around agriculture. If you take the US experience—and I know the architecture around politics is different: for example, senators from some states are more powerful than they would be here—I think agriculture has enormous potential around advocacy. I said about the Cattle Council that we'll know they've arrived when everyone breaks out in a cold sweat when they hear that they're in the lift in Parliament House coming to visit.

Mr Snell: Yes.

CHAIR: I'd like to see the same with horticulture. It's enormous power if you can harness it.

I have two final things. There are markets that your innovation is taking us into where we wouldn't otherwise be. What are the most exciting one or two there? Secondly, on nutrients, I'm interested in new produce trends—fruit or nuts or whatever—in terms of a direction on

the ground here for us. There are so many where we import. I can't remember what it was, but in nuts over 90 per cent of what's consumed in the country is imported.

Mr Snell: Yes.

CHAIR: So there must be massive opportunities in some of these spaces. I'm interested in those two, and then I'll go to Senator Sterle.

Mr Snell: I think one of the big drivers at the moment for Horticulture Innovation is our frontiers fund, which is a cross-sectoral fund which focuses on blue-sky, innovative, long-term projects. That model was introduced at the introduction of Horticulture Innovation. It has been very successful, and it means that all industries benefit from the moneys that we receive from government—and we're talking large amounts. Before that model was in place, there were no cross-sectoral moneys coming from the industries; they would hold on to it themselves.

CHAIR: Sure.

Mr Snell: We've made some big strides in fruit flies with sterile insect technology. We've got a major program there with additional fruit fly initiatives attached to it. Then we've got programs like pollination, leadership, greening cities and health. There are seven funds, and those seven funds have been developed and are working very well. Another one is leadership. We've been investing heavily in horticultural leadership—the next generation. Our programs are working extremely there.

One of the most exciting areas that I see, apart from international trade, would be protective cropping. Protective cropping is really taking hold in Australia. It is glasshouses protecting the crop. It doesn't have to be a glasshouse. It can be shade, it can be netting, it can be the simple use of water to make sure that you're protecting your crop. Protective cropping is being invested in Australia vary widely. We have invested money with the University of Western Sydney in programs there. We are really keen to see this go, and I think that's where you're going to see the big growth area.

CHAIR: Excellent. You going to be able to do a lot more with a lot less, then, in small-lot farming, if you like, if you've got the water.

Mr Snell: Absolutely: a lot of use around water, pollination and glasshouses. Productivity levels are just leaping, so that's fantastic. Trade has been our success. When we started Horticulture Innovation we were made responsible for market access and making sure that industries could get into various markets. That's been developed over four years. We've delivered considerable successes for industry. We're working very well with industry. Four years ago we weren't. I think we've improved there.

Senator Colbeck: On that last point from Mr Snell, I hosted a roundtable on protected cropping just a couple of weeks ago in Launceston. I think we had about 70 participants. It was done in conjunction with HIA and the department. We were delighted with the response of those who decided to turn up, because it is one of the areas, as Mr Snell has said, with there is huge opportunity. The Netherlands, for example, doubled their productivity with half the resources in 20 years.

CHAIR: That's amazing stuff. It's exciting.

Senator Colbeck: They're the second-largest exporter of horticultural product in the world now off the back of that.

CHAIR: I imagine there is a net upside with the use of water in protected farming in the sense that the delivery systems would be precise.

Senator Colbeck: There's a whole range of opportunities that come out of it. Water use is one of them. Obviously, you're derisking significantly, because you're controlling the environment that you're growing in. There are a number of issues to be addressed, obviously—it's capital intensive—but there is significant capital being invested in Australia in that space at the moment. The KPMG report *Going Dutch*, which was released in I think September last year, talks about some of the things that can be done around collaboration with other sectors. I was on the site of a timber mill in Western Australia a couple of weeks ago, and I saw the heat being generated there. I thought, 'I wouldn't mind the block next door,' because you could put some greenhouses on that, which could then be very, very productive, reducing the cost for both parties, for example. Those sorts of collaborations and colocations, I think there is a lot of work we can do. The University of Western Sydney is doing some significant work with a set of greenhouses that it has established. I know the University of Tasmania, through the Tasmanian Institute of Agriculture, is doing some work as well. Of course, there is pretty significant private sector investment in that space right now—Sundrop tomatoes in South Australia—and the medicinal cannabis sector is going to drive a fair bit of investment and development there as well. There is huge opportunity.

CHAIR: That is very positive stuff. We thank you for your work in this space on behalf of the industry.

Senator STERLE: Mr Brand, I notice that it seems that every five years you have a change—rugby, Guinness, rum, cheese and now veggies. What's next, tofu, kale, quinoa?

Mr Brand: It's a good balanced diet.

CHAIR: No, he'll follow the protein trail. He looks like a beef eater to me.

Mr Brand: I moved on from rum for health reasons into Guinness!

CHAIR: Me too.

Senator McCARTHY: Welcome, Mr Brand. With regard to your new strategic plan, I know you were in the Northern Territory in March, what were some of the outcomes there?

Mr Brand: It was a really good opportunity. We met with a number of industries in the Northern Territory, including in the Asian vegetables market. We also met with people in the mango industry and with an organisation that's trying to do some work with Kakadu plum, which I found a very insightful meeting. It was a great opportunity to understand the potential of Australian bush food and, importantly, the importance of working with communities and also the work that's being done around Kakadu plum being a superfood. To answer the chair's question before, there is an emerging trend around superfoods. It's not just bush foods that are superfoods; we're also finding through research vegetables and other plants—for example, mushrooms—that are proving to be superfoods. The trip to the Northern Territory highlighted to me the enormous opportunities that we have in the Territory. There is a lot of artesian water sitting there, and we've seen large plantings of mangoes and avocados. So I think there's a big upside for the Territory in horticulture.

Senator McCARTHY: In terms of some of the concerns, were they raised as part of the strategic plan as things to be mindful of?

Mr Brand: Some of the concerns raised were about making sure that, when we're working with industry, the Territory gets its fair say. Because of the significant plantings, say, for mangos, there's a view that the east coast gets a lot of attention. It's just making sure we circle back and spend more time working with the Territory.

Senator McCARTHY: I'd be interested to keep following up on that and see how things go for the north. I just wanted to follow-up on the levy around research dollars. At previous estimates we've asked questions around the vegetation program and the \$1 million investment in research, and I was interested in some basic things like whether kids are eating more vegetables. This is just following up on some of the conversations that we've had previously around this, and I wanted to see whether this is something that is coming through in terms of the research development that you put into it.

Mr Brand: Across the different industries where we have a marketing levy, there is a lot of work going into usage and attitude studies. A good example is mushrooms, where we've done a lot of work around driving occasionality and trying to get mushrooms incorporated more in people's diets through recipes and things. We're certainly seeing a real interest in different fruit and vegetables and what their role is in diets. A challenge we always have is that the health pyramid continues to be updated, but our view is that we need to keep driving outcomes for our growers, and we'll work with dietitians and nutritionists and help drive more consumption.

Senator McCARTHY: Has more funding been committed to the program in terms of that whole education area?

Mr Brand: Yes. In different industries, we've certainly been focusing on usage and attitude studies. Across the board with the programs that we run, there is often an element of driving occasionality, working with industry experts, nutritionists, health workers et cetera, getting into the repertoire of, for example, *MasterChef* and those sorts of places to try and drive more occasions and also working with supermarkets. We're doing a lot of work at the moment with supermarkets around doing more instore sampling and getting product into people's hands so they know what do with, say, a persimmon and when persimmons are in season and what you can do with it. Another example is the custard apple. So, across the board, we're trying to drive more and more consumption occasions.

Senator McCARTHY: I'm talking specifically about the Phenomenon program, which was created with research dollars, not marketing dollars, and I'm just a trying to work out how you've separated the funding.

Mr D Moore: The two programs you mentioned were Veggycation and Phenomenon. Circling back, Veggycation was an investment to increase awareness and drive education through health professionals and the wider community. It wasn't consumer or customer facing around the health benefits of consuming more vegetables. We recently committed to a refresh of that website and some materials, but it was a small refresh. The other program was Phenomenon. Phenomenon has been quite a phenomenal success in that it has been picked up by a number of media channels. Phenomenon talks to the different ways you can present

vegetables in order to get children to eat more of them. It talks to the nutritional value of vegetables. It uses a specific format. It definitely targets children in the six to 12 age group.

Senator McCARTHY: What's been the outcome for that 6 to 12 age group? Have you seen an increase as a result of the program?

Mr D Moore: Phenomenon has only been going for a bit over two years. To really move the dial on changing the consumption of vegetables, whether you're talking about children or adults, you need a longer period to do a longitudinal study.

Senator McCARTHY: How long?

Mr D Moore: I think you need at least five years, five or six years, I believe. We understand where we've started—that is, basically 70 per cent of children don't eat an adequate number of vegetables on a daily basis. So that's the benchmark. We hope to improve on that in five years.

Senator McCARTHY: When you say that '70 per cent of children don't eat an adequate number of vegetables', what is the target that you're going for?

Mr D Moore: The traditional target is five serves of vegetables a day and two serves of fruit a day. A serve is about a teacup size.

Senator McCARTHY: You said that there's been a refresh of the website. How much has that cost?

Mr D Moore: The refresh of Veggycation? I don't know exactly, but I think the refresh was around \$300,000. That refresh has recently gone through Hort Innovation's processes. I can confirm the exact figure for you.

Senator McCARTHY: Okay. But you think it is around \$300,000. Thank you.

Senator BROCKMAN: Mr Brand, you did raise a bit of a red flag with me when you used the term 'superfood'. How would you characterise a superfood? Is an apple not a superfood? Is a pear not a superfood?

CHAIR: Pies, sausage roles, in certain circumstances.

Mr Brand: Guinness!

Senator BROCKMAN: Guinness is definitely a superfood! I will preface the question by saying that, to me, it's a marketing term, not a term that has much use in the research community. So I'd be interested to hear your view.

CHAIR: I don't agree with that. There's been a lot on it, because this isn't a new thing.

Mr Brand: It is a marketing term. But 'superfoods' defines foods that have medicinal characteristics, antibacterial characteristics, antioxidants. Over time, as research gets more precise, we've been able to look at fruit and vegetables to see whether they can provide different nutrients for different consumers. We're seeing more and more tailored diets. In the past, there were a lot of general diets. A lot of work is being done in the nutrition space around tailoring nutrition to individuals, which has come out of sport. I saw that at Rugby Australia. So, yes, 'superfoods' is a term that's used quite loosely, but it's really about the things I said around antioxidants, as an example.

Senator BROCKMAN: You'd probably use it in a narrower definition than perhaps it's used in the general public marketing space?

Mr Brand: Yes.

Senator BROCKMAN: Okay, fair enough; I'll accept that. Avocados—and this is probably confirmation bias from my hometown down in the south-west of WA—have gone from being a tiny crop to very significant in terms of that Pemberton-Manjimup region. What are you seeing in terms of your levy flows? Is this mirrored around Australia in terms of the growth of the industry? Where have they gone from and to, say, over the last decade to 15 years? Can you give me a snapshot? Is it just my biased view because it's my hometown, or has it actually become a significant part of the industry?

Mr D Moore: The avocado industry has experienced considerable growth, and that's been driven by, to be frank, the very high returns and the fact that consumers have demonstrated a willingness to continue to consume avocados. Traditionally, avocados were grown in northern New South Wales and Central Queensland. In the last figures, Western Australia accounts for about 38 to 40 per cent of avocado production in Australia now—I think their production was down a little last year. We're seeing avocados grown in the Riverland as well, so avocados are pushing the geographic boundaries, certainly. The big growth area has come, particularly in Western Australia—there are a lot of plantings still occurring—and the concern is: what will total avocado production be like in five years; and what impact will that have on price? We're looking at greater access to overseas markets to actually pull some produce off the domestic market.

Senator BROCKMAN: Are there any particular—

Senator Colbeck: Keep your eye on Tassie too—just quietly.

Senator BROCKMAN: No, leave it to WA—

Senator Colbeck: Seriously?

Senator BROCKMAN: We do it very well, Minister. The 38 per cent—do we have any idea of, say, over the last 10, 15 or 20 years, where that's come from? What's the growth been?

Mr D Moore: It's grown significantly from probably a handful of very large producers in Western Australia.

Senator BROCKMAN: And what percentage—do you track levies; I assume you track levies by category—of the levies do they make up in terms of your total?

Mr D Moore: We actually don't track levy collection by region or state. The levy collection is an aggregate, and we make some assumptions based on our knowledge of the geographic production as to where the levy comes from but we don't actually collect it by geographic region.

Senator BROCKMAN: But you track by crop type? You'd know how much came from apples and how much from avocados?

Mr D Moore: Yes.

CHAIR: Wouldn't it be relative? Most of your levies are struck by some volume metric?

Mr D Moore: Some are by value and some are by volume, depending on the particular crop.

CHAIR: Either way, a value generally has a direct relationship to a volume too—correct? So, I'm interested too, and it wouldn't be hard to do this little subcalculation: if half of your levies come out of the state of New South Wales—and you're able to identify that, aren't you?

Mr D Moore: I think, depending on what commodity you're talking about, Senator, yes, we would have a very good idea—

CHAIR: Of the production base where it comes from?

Mr D Moore: Yes.

CHAIR: Doesn't it follow, if half the levies come out of New South Wales and somewhere around half the production's in New South Wales?

Mr D Moore: Yes.

CHAIR: Do you have a levy register since the changes the department brought in—

Mr Snell: Not as yet. We are in discussions with the department on that—how we might actually manage it, what sort of database we would require and what the protocols are around that. We're interested in being able to get the levy register going. It's a work in progress.

CHAIR: Can I ask—it's been available now for a couple of years—are you running into, and I'm not reflecting on Mr Quinlivan, any bureaucratic hurdles that've prevented it from being up and running?

Mr Snell: Not that I'm aware of. I think the discussions have been very positive, and it's a matter of us and Horticulture Innovation knowing what systems we would require to actually handle such a system.

CHAIR: Is anyone developing a platform for this?

Mr Quinlivan: I'm not sure we have the officers here now—they may have left—but we're doing a trial with the Grains R&D Corporation. I think it's going quite well, but we've, not surprisingly, discovered quite a lot of problems to solve along the way, so it is taking a bit longer, but that trial will develop a platform which will then be made available to everyone else.

CHAIR: Good. That'll be something.

Mr Snell: It is quite complex, because say you've got a multipurpose farmer who might be broadacre, meat and possibly in and out of horticulture on a yearly basis because things weren't going so well with the other two core businesses; he might only be there for a year, and tracking that is not as easy as it sounds. I'm just trying to give you a small—

CHAIR: Wouldn't the stimulation be: if they paid you a levy, they're in, and if they didn't pay you a levy, they're not? I know that's the case in beef—in beef, if a levy payer who has consistently paid levies, year in, year out, stops paying levies, there'd be a protocol around the register about how long you might go before you cease to communicate with him or her.

Mr Snell: Anyway, those just seem to be some of the complications. But I know that we are very keen, and I know that the department has been very helpful.

CHAIR: I think the upside will be worth the effort.

Mr Snell: Absolutely. We see it as a great tool.

Senator BROCKMAN: Do you have any active research projects, research collaborations, in Western Australia?

Mr D Moore: Yes. Specifically around avocados, we've just worked with the avocado industry to appoint an avocado extension officer. That is something they've been looking for, for some time. The Western Australian department, DPIRD, have resourced that, and that was done through an open procurement. There are a range of apple investments—pome fruit investments. There are investments in vegetables. So, yes.

Senator BROCKMAN: Okay. I'm happy to do some more digging on that myself.

CHAIR: All right. We want to thank you for your efforts in preparation and attendance, and we wish you safe travel back to your port, and thank you for the obviously terrific work that has happened in this space. It's great news.

Mr Snell: Thank you very much.

Dairy Australia

[11:18]

CHAIR: Welcome, Dr Nation, and your two colleagues. Do you wish to make any sort of an opening statement to the committee?

Dr Nation: Thanks for the opportunity to present today. This is my first estimates.

CHAIR: Good. Let me open the batting. As is a bit of a tradition, Dr Nation, can you tell us a little bit about yourself, given that it's your first attendance at our committee?

Dr Nation: Yes. I have an agricultural innovation background. I worked in technical services and veterinary commercial roles, and then moved into middle-management roles in Dairy Australia, and then took on the role of Chief Executive Officer of the Dairy Futures CRC, a cooperative research centre. I was at Dairy Australia for the last two or three years, managing large joint ventures in innovation projects, before taking this role as managing director.

CHAIR: Okay. Why don't you share with the committee the current major challenges within the dairy industry in Australia?

Dr Nation: It's quite a difficult time for the dairy industry. We've recently revised our expectation that milk production in this financial year would be down by seven per cent to down by nine per cent, which means that it's an event on a similar scale to what happened in the millennium drought in 2002. So it's quite significant.

CHAIR: What do you think is driving that? Is it just drought, or are you finding there's an exit of producers, in the sense that some people are finding more attractive things to do with their properties? We've seen a big exit out of dairy over the last 15 years.

Dr Nation: We have. There is a continuation of farm exits, in some regions more than others. What we see is a significant increase in feed costs and water costs. The challenge for the dairy industry is that it's bigger than just the areas that are affected by the severe dry conditions, because there's a lot of feed that has moved out of areas that would normally have sufficient feed to provide fodder for regions that are more affected. That's seen as a chain reaction, which has meant that, really, every dairy farmer in this country is affected through high feed costs and high water costs, irrespective of the season they're in. If a farmer is in a location where it has been dry, then obviously they're suffering from those dry conditions in their own right. So we're seeing dry conditions affecting farmers directly, and dry conditions significantly affecting farmers indirectly through that fodder and feed loss.

CHAIR: When you say high water costs, that would be irrigation costs on-farm for them produce their own fodder base?

Dr Nation: Yes.

CHAIR: Do many dairy farmers rely on grain supplements, or do they just do hay?

Dr Nation: Nearly all dairy farmers would supplement with grain to some extent. It ranges quite considerably.

CHAIR: You're talking about grain that used to be \$220 a tonne, which is now pegged at \$480 a tonne?

Dr Nation: I'm talking about grain, but I'm also talking about hay and silage and all—

CHAIR: Of course. Hay's the same price as grain at the moment.

Dr Nation: Every source of brought-in feed is more expensive to a dairy farmer this year.

CHAIR: This latest innovation of government to look at a mandatory code of conduct—have you guys been involved in the development of that, or consulted in the process?

Dr Nation: We haven't been involved. We're keen observers. The dairy industry leadership, through Australian Dairy Farmers, have taken the key role. They obviously—

CHAIR: Sorry, who's taken the key role?

Dr Nation: Australian Dairy Farmers, the peak dairy-farming organisation in the country. That organisation and the milk processors, under the auspices of the Australian Dairy Industry Council, had a voluntary code, and that voluntary code, as we understand it, is a significant contributor to the mandatory code discussions. So the industry has been actively involved in a code of some shape or form for a number of years.

CHAIR: And that's because you're more on the R&D and innovation side of it?

Dr Nation: Yes.

Senator Colbeck: That's correct. That is their role.

CHAIR: Yes. They're not in an advocacy role.

Senator BROCKMAN: Do you contribute in terms of the uptake of business management systems, that side of innovation in the dairy industry, or are you purely in the R&D space?

Dr Nation: Very much so. Extension learning and development training are a very big part of our role too.

Senator BROCKMAN: I suppose it's true of every agricultural industry that there is a bit of a long tail. You've got a small number of producers who are highly technology and business practice proficient, and a tail of producers who perhaps haven't managed to keep up with those at the forefront in that regard. Is that your experience? And what can you do to assist?

Dr Nation: It's true to say that there is a large variation in farms' business performance. We do a range of things. Every year we actively monitor a range of farms in every region in the country. We report farm business performance. We support farmers through farm business analysis and farm business management training. At times like this year, which has been tremendously challenging, we also offer one-on-one half-day consultations with farmers to

support their farm business when they're really struggling to work out the right business decisions to make.

Senator BROCKMAN: Do you provide market information, like cost inputs and those kinds of things, to farmers?

Dr Nation: Very much so. It was remiss of me to not introduce Charlie McElhone, who is in charge of our trade and strategy group, and Emma Braun, our company secretary. Charlie is probably best to describe the depths of that.

Senator BROCKMAN: What sort of information do you provide? What channels do you use to get that information to farmers?

Mr McElhone: We gather an enormous amount of information. Firstly, primary data we gather from the industry itself. We've had a long history of gathering information from the processing sector, as well as the on-farm cost of production data from the farmers themselves. We gather that through our internal databases. We overlay that on ABS data, ABARES data and retail scan data. We put that out. Three times a year we put out the *Dairy situation and outlook*. We also have weekly reporting for industry stakeholders. Our analysis team deliver in excess of 100 presentations across the year to various stakeholder groups, predominantly farmers, informing them about the state of the industry.

Senator BROCKMAN: That's probably it for me, Chair.

CHAIR: Senator Sterle?

Senator STERLE: Dr Nation, where dairy farmers are in competition with higher water users, like the almond industry, what do you say to your members? What advice do you give them? Do you give advice?

Dr Nation: That's quite a complex topic to work through. We've shown historically which sectors have purchased water when and at what price. We've also forecast out. We've commissioned and received reports on likely future water users. A case in point is the Goulburn-Murray Irrigation District. I think farmers individually as businesspeople, especially in that area where water and irrigation are such core parts of their business now, are really understanding the dynamics of who is purchasing water, at what price and for what reason. One of our challenges is that the market is now so much more open. There are more players in the market. There are people who get into the market to finish off crops. There are people in the market to pursue perennial horticulture. There are people in the market for a range of different reasons.

CHAIR: You're talking about the water market?

Dr Nation: The water market. To understand the water market and what's driving it you have to understand all of those factors.

Senator PATRICK: Including people who are just trading water and not growing anything.

Dr Nation: That's an added complication.

Senator STERLE: It could take all day if we went down that path. That's fine for me. Thanks, Chair.

CHAIR: Senator Patrick?

Senator PATRICK: I was looking at one of the forecasts that you put out for the industry. You have basically said that things have changed since you released the *Dairy situation and outlook* in February 2019. Things have changed since that point?

Dr Nation: That was the most recent update where we revised it to seven to nine per cent.

Senator PATRICK: So that accurately reflects the situation you've just described?

Dr Nation: That's our most accurate.

Senator PATRICK: I have questions on a couple of fronts. Has the announcement by Woolies to remove \$1 per litre milk had any effect on farmers at all?

Dr Nation: Yes. Our experience is that it has had a very positive effect on farmers. Economically, it has definitely benefited the farmers who are directly supplying Woolworths with that milk. The \$1 milk situation has affected every dairy farmer to some extent.

Senator PATRICK: Coles didn't follow suit in that arrangement?

Dr Nation: Woolworths were the first to make their decision. About a month later Coles and Aldi followed suit.

Senator PATRICK: So it is ultimately a pretty good outcome for industry?

Dr Nation: It's a really positive outcome that the industry has worked really hard to achieve.

Senator PATRICK: Sure. I wonder how much of that was about the changes to section 46 of the competition act which occurred last year—it might have been the year before—in terms of abuse of market power and whether that's had an effect on the supermarkets.

Mr McElhone: No direct connection as far as we're aware. As David said, it's been a real boost in confidence into the sector. That was ultimately a decision that Woolworths made for whatever reason. As I said, we're positive that they've taken the lead on that and others have followed suit. If we talk about 10c a litre, for every litre of private-label milk that's sold in the system, if it all goes back to farmers, that's about \$80 million a year that would go back into the farmers' coffers. Obviously, 10c is not a big amount in its own right, but, as you would all be aware, the emotional impact of a dollar for a litre of milk, the pricing strategy since 2011, has been quite significant for the industry over that period. To see that we've started to break the back of that has been a really positive injection at a time when it's desperately needed.

Senator PATRICK: I recall the discussions that went around milk and the \$1 price and the denial that it would affect the industry. I'm wondering whether you are tracking and recording the change that occurs as you come out of that, and being able to go back and look at what happened in 2011, such that future governments could be informed if this situation were to arise again.

Mr McElhone: That's a really good point, and we will, definitely, be tracking the impact of this move. What we hope is that this demonstrates that there's commercial capital in actually supporting the farmer and the supply chain. Our consumer tracking has shown that the consumer wants to make sure that our retailers are supporting their farmer base. We really hope that will come across in some of the data and that we can track that back over time to see how the consumer's actually been responding on various iterations within this whole price discussion.

Senator PATRICK: It's probably too early to take a question on notice with respect to an analysis coming out, but I'm glad that you are—

Mr McElhone: We'll do that as a matter of course, Senator. As was mentioned before, there's the situation outlook, and we have that three times a year. Obviously, the next report will be looking at the retail market environment as well.

Senator PATRICK: I'm just mindful of the next time this happens, and it might not be milk. Being able to have that data recorded would be very useful. I also want to go to the recent reports that Mr Drum has written in relation to the use of environmental water for dairy farmers. I'm supportive of dairy farmers but not necessarily that approach. Did your organisation have anything to do with that or was that purely—

Mr McElhone: No. That is obviously a discussion for the agri-political groups, Australian dairy farmers and the state farming organisations. We are obviously there to provide technical input to government and to industry on issues, but we're not involved in those kinds of discussions.

Senator PATRICK: I note that your report does mention the rising cost of that water.

Mr McElhone: Absolutely—above \$500 a meg.

Senator PATRICK: What's the typical price that your farmers have been paying?

Mr McElhone: In a normal year, you would expect to pay around \$100 a meg or even below that, depending on the year. It is a significantly inflated price.

Senator PATRICK: This is on-the-grapevine stuff. I'm going to put it out there so you can say, 'That's not true.' It might not be within the purview of your knowledge. It's been put to me that some farmers may have sold an entitlement, perhaps earlier in the trading period, and now have ended up being caught short by the rising prices. Are you aware of that occurring?

Mr McElhone: We are aware that farmers buy and sell entitlements all the time, and have over many years. We know that in the 2007 drought a lot of farmers did sell some of their entitlement at that time and that has really made industry more exposed to the temporary market. That's been a real challenge. But that is the market. Those are the choices that farmers do make. I couldn't tell you exactly how much of that entitlement has been sold in recent months. But I would say that it would not be unusual for farmers to be buying and selling their water entitlement.

Senator PATRICK: In the previous evidence you gave you talked about providing advice on things like water prices. I wonder whether or not those decisions—we don't know whether—

Mr McElhone: Absolutely, yes—

Senator PATRICK: —I accept that we don't—whether or not people are acting on advice that you might be providing them that ends up with their selling at a lower price than having to buy back later at a much greater or much more inflated price.

CHAIR: When you say 'advice', are you publishing data for them to look at?

Mr McElhone: Publishing data and information around—

CHAIR: Trade trends and so on. You're not sending out an alert to say, 'Sell your water'?

Mr McElhone: No, absolutely not.

CHAIR: That is not the sort of advice you are giving?

Mr McElhone: No.

Senator PATRICK: Thank you for clarifying that. But people are relying perhaps on data that you're providing. Are you providing only historical data—no future—?

Mr McElhone: No forward projections. But we might comment on futures markets, where those markets do exist. Grains is a case in point.

Senator PATRICK: Just to be clear, you're not in a position to be able to work out what's been happening across those markets? Because obviously then it means that—and this is not a criticism—farmers have to, in some sense, become a little bit like stockbrokers, as well as being experts—

Mr McElhone: Another element of their risk management—

Senator PATRICK: in tending to cows and so forth?

Mr McElhone: Absolutely. And that complexity in the farm production system, as you say, branching out into so many different areas now, is a harsh reality that is a real challenge for the industry along the lines of what we were just talking about—about the farm business management skills.

Senator PATRICK: So, if I want to muck around on the stock market, charting or trading in some sense, there are lots of tools available for me to be able to do that and data available that I can purchase. Are there tools that farmers use? How do they make those decisions?

Mr McElhone: In relation to the water market?

Senator PATRICK: Yes. When is the best time to buy water?

Mr McElhone: I couldn't comment directly. We have people who are much closer to the actual day-to-day operations than I would be. We have a regional office up in the Murray dairy region that would be much more across some of those issue, so I can take that on notice.

Senator PATRICK: In your advice, or the outlook that you provided, you state 'concluding what has been a very dry and warm year for the country, the last quarter of 2018 brought diverse weather patterns' et cetera. I wonder how much that sort of information feeds into people's views about when and how much water they might buy or sell?

CHAIR: You are probably straying a bit. Unless you people have surveyed that or polled it or have a section that deals with it, it would be dangerous to—

Senator PATRICK: I take your point, Chair. I guess the important question is: when you publish that sort of forecasting on weather do you ever go back and validate your forecasts to make sure that the sources you're getting these things from are providing accurate information and that the information that you are providing to farmers is accurate?

Senator Colbeck: On weather, I reckon it's a bit of a stretch to suggest that the only source of data they get would be from Dairy Australia. I know farmers who have four, five or six apps on their phones. I think I've got four.

Senator PATRICK: That is the question I was going to before.

Senator Colbeck: People would use a range of data sources to verify their information, including when and whether they buy water. I think the point that you made earlier about

some farmers who had made the decision to sell their—let's call it—entitlement to water, and then to rely on the temporary market, has had an impact on a lot of dairy farmers. There's no question about that, particularly through Victoria and along the Murray. I've seen and spoken to a lot of those people themselves, and it has influenced their decision around even staying in the industry. That decision goes back some years, when some of the water trading started and, as you indicated, during millennium drought, when they were making significant and difficult decisions around water.

The cost of water, as we've discussed, has significant implications for the viability and profitability of their farms. And in the circumstance where you've had the number of years of drought that we've had now, you've got the high cost of water and the high cost of grain and fodder, and it's very difficult. I was up through the Yarrawonga-Shepparton area in southern New South Wales a couple of weeks ago. It's very tough up there, very tough. Coming from a place where I do, in the north-west of Tassie, which is also good dairy country, you wonder how some of the farmers up through that region are managing to keep their cows going, let alone milk them. It's very difficult times for those farmers.

Senator PATRICK: Sure, and I thank you for that answer. That's quite informative. But still, going back, and in a sense you're saying there are multiple sources, if a data point is some of the advice that you provide, I'm just wondering if you ever go back and analyse that advice—

Mr McElhone: Yes.

Senator PATRICK: just to make sure that your sources of information are relatively accurate?

CHAIR: If you're talking in the context of water, I didn't hear them tell us that they publish forecasts on the water market. They did on grain—

Senator PATRICK: No, I read—

Senator Colbeck: I don't think there was an inference there either.

Dr Nation: For clarity, any commentary that we have is referring to Bureau of Meteorology forecasts.

CHAIR: Okay.

Senator PATRICK: They do, in their outlook, describe the weather situation. They've got half a page just on weather. Do you have any knowledge as to the quantum of transactions that are taking place by people who are just trading the market for the sake of trading as a business itself?

Mr McElhone: I don't have those numbers.

Senator PATRICK: Okay. I just have a feeling it's having an impact, perhaps, by people who are not farmers and are specialist traders, and they can do all sorts of things to play the market. I don't know whether there is shorting and so forth in the water market, but just boiling around in the back of my mind is how do we outlaw that?

Senator Colbeck: You'd probably have to go to some of the individual water businesses to get that granularity of detail, I would have thought. I wouldn't have expected it to be something like—

Senator PATRICK: Sure. I'm just exploring this space.

Senator Colbeck: Sure. I'm just trying to suggest where you might—

Senator PATRICK: I'm just thinking of a remedy to this. There might be a legislative remedy that takes those sorts of people out of the market, because they are just in there to make profit from the trade—as opposed to genuine farmers who are being affected by the complexities of the market.

Mr Quinlivan: When ABARES come to the table, it might be worth having a talk about the role of those people, because that's one perspective.

Senator PATRICK: All right.

Mr Quinlivan: Another is that they facilitate trade between people who have entitlements, and those who want temporary in-year allocations make the exchange of water more efficient. Unlike some other assets, if you don't use the water entitlement you don't earn value from it, and there's always going to be more value in use than in hoarding. Shorting is about making successful bets on falling prices. If we're in that kind of environment, I think we don't have the kind of problem that you have in mind. I think what we're really talking about here is, more, managing an environment of scarcity and the commercial impacts of that.

Senator Colbeck: And in some locations, investors that aren't actually growers have facilitated development infrastructure. I can think of one specific example in Tasmania where a major irrigation and water distribution project went ahead only because there was someone who came in and bought a volume of water that basically tipped that project over the edge in the context of going ahead and is now trading that water back to farmers in that irrigation scheme. So they can have a range of effects.

Senator PATRICK: I suppose your point is that there can be a benefit to it?

Senator Colbeck: Correct.

Senator PATRICK: Maybe I'll take your advice, Secretary, and come back and explore that a little bit. Thank you.

CHAIR: There being no further questions, we thank you again. Welcome, Dr Nation. I hope your first engagement with the committee wasn't unpleasant. It often will be but not today! Thank you very much for your attendance and preparation. We wish you all the best and safe travel back to your intended port.

Australian Bureau of Agricultural and Resource Economics and Sciences

[11:49]

CHAIR: Now we'll go to ABARES.

Senator McCARTHY: I just want to go to the National Drought Map. Mr Gooday, would that be you?

Mr Quinlivan: The National Drought Map is a budget measure, which would be best answered in outcome 1. Sorry, I should clarify: is that the reference you were making to the budget measure?

Senator McCARTHY: Let me go with the questions and let's see how we go, just to get some clarification here. Noting that the budget's entirely allocated to departmental expenses, is ABARES participating in this mapping exercise in any way?

Mr Gooday: We'll be having discussions over the next couple of weeks within the department to determine where that will sit. At the moment, we haven't determined what sort of role ABARES will have in that.

Senator McCARTHY: So you're still trying to determine—

Mr Gooday: We're still figuring out exactly where that's going to sit within the department and who'll be responsible for what.

CHAIR: But you'd anticipate that ABARES would have at least a contribution to make with data?

Mr Gooday: We'll have some sort of role.

CHAIR: Yes. You'd be a silly billy not to have it involved.

Senator McCARTHY: So you're still trying to work that out. I'm just looking at the Senate estimates in February, Mr Quinlivan, where you mentioned that the department underwent quite a significant reduction in its discretionary budget. Somewhere in there was quite a significant reduction in the department's resourcing in ABARES and other parts of the department, including the policy divisions.

Mr Quinlivan: I think that was a reference to 2013-14, perhaps.

Senator McCARTHY: That's correct.

Mr Quinlivan: That's quite some time ago, before my appointment.

Senator McCARTHY: Okay. Let's see how far we can go on this, then. Mr Quinlivan, can you advise on the resourcing outlook in the budget out years for ABARES and the policy divisions? Can ABARES advise on whether its level of staffing has continued to decline over the last five years?

Mr Quinlivan: We talked last time about the step down in resourcing for ABARES and the department from that 2013-14 period through to now. In that same discussion, I think I said that it was a priority for the department to try and maintain our policy capacity at least at its current level, and that would also be true for ABARES. Whether we're able to do that over the next year or so is a question we'll be testing in settling our internal budgets for the forthcoming year. We talked about that earlier in the context of the small reduction in ASL going into 2019-20, and I made the point that we hadn't settled internal budgets yet but we'd be doing that in the coming months. So it will certainly be an objective for us to at least maintain, if not improve, our resourcing for the policy divisions and for ABARES, but we haven't been able to make that decision as yet.

Senator McCARTHY: Mr Gooday, can ABARES indicate what level of resourcing it has in terms of staff and budget to specifically advise the minister on the likely effects on Australian agriculture from climate change?

Mr Gooday: From climate change specifically?

Senator McCARTHY: Yes.

Mr Gooday: I can't give you a number on climate change specifically at the moment. We've got one SES officer, and at least three others, working in that area at the moment, plus some people in Mr Galeano's branch. There are three or four of those. We're getting up to

about eight there, I suppose. Senator Sterle asked a question on notice at February estimates on numbers by classification going back to 2011, so that information's been provided.

Senator McCARTHY: That question's on positions, though.

Mr Gooday: Yes, headcount by position.

Senator McCARTHY: Yes, on the number of positions. I'm just trying to advance that. What work, if any, is ABARES undertaking or planning to undertake on climate change, following on from those questions?

Mr Gooday: I suppose there are two streams of work: there's some work looking at emissions and mitigation, and there's some work looking at impacts. With the emissions mitigation work, we're really just scoping out at the moment, looking at what the sector's emissions profile looks like, getting a better understanding of what's happening elsewhere—how our sector compares with others. And then, on the adaptation work, we're looking at how changing climate has impacted farmers to date. That's some work looking at how it's impacted on productivity. We've done quite a bit of work already looking at how the cropping sector has been affected.

Senator McCARTHY: That probably goes to my next question, then, around what work, if any, ABARES undertakes or supports regarding the question of predicting climate events, including droughts and severe floods. Partly you were answering that, about the work that you do with the farmers.

Mr Gooday: We don't do any work at all, really, trying to predict climate events. That's entirely the Bureau of Meteorology. Our work's more about how you take that and turn it into what might be the impact on agriculture.

Senator McCARTHY: What work does ABARES undertake on the issue of drought-proofing farms—for example, replanting natural grasses, reforestation or no-till agriculture?

Mr Gooday: We haven't done any specific work on that recently.

CHAIR: I've got some questions, and I think we touched on this briefly last time. You've been monitoring the impacts of the event in North Queensland, particularly with the floods. So, without me going door to door and bumbling around, have you established anything in terms of the impacts? Where are we at with cattle fatalities and whether you know their breed or age, whether they were weaners or breeders or any of that sort of stuff?

Mr Gooday: We haven't been directly involved in that work since we last spoke. Other areas of the department have. The rural policy and farm support division probably have a better idea of what those counts are from the Queensland agency. They're the ones that are on the ground trying to figure out what's happened. Our involvement was really right at the beginning to do some ballpark estimates—

CHAIR: But you monitor the trade volumes and the size of the national herd and exports and so on.

Mr Gooday: Yes.

CHAIR: Have you sighted anything in the space? For example, particularly in North Queensland, with the live export job, have we seen a reduction in the capacity to service that market? Or have they found a way?

Mr Gooday: I can't comment on the moment on that. We'll be doing an update to our March forecasts, which were done just after the event and so didn't include it. But I would expect that there would be some disruption to the live export trade, and that is something that we'll be updating on in June.

CHAIR: Where do you think the national herd numbers are? Is that something you'd keep a bit of a tab on?

Mr Gooday: We released some material at Outlook, looking at what would happen to the national herd. It hasn't fallen by as much as it has in other droughts, and that's to do with the price of cattle being relatively good, so there's an incentive to hang on. Obviously if dry conditions continue then that incentive will fall away pretty quickly. Over the next five years or so, depending on what happens to the climate and prices, we're thinking that the national herd could climb back up towards 30 million. Or, if conditions are bad, it could be something—

CHAIR: From what? From 24 or something?

Mr Gooday: From about 26.

CHAIR: Which is better than it was a couple of years ago. Is that correct?

Mr Gooday: Yes, that's right.

CHAIR: So, the trend is that the national herd's starting to rebuild.

Mr Gooday: Yes, and if it rains we'll see that rebuilding. People will be right back into that, because prices are good. It pays to have cattle and sheep.

CHAIR: Sure.

Senator PATRICK: Gentlemen, you might have heard the conversation we were just having about people who are trading water but are not necessarily directly involved in growing a crop. I accept what the minister and the secretary said—that there's benefit in that. Do you keep track of the level of trading by people not directly connected to agriculture that's taking place?

Mr Galeano: The only thing that I would add to the secretary's answer before is that we came across some work commissioned by the Victorian government a couple of years ago. I can get you the reference so you can have a look at it if you like.

Senator PATRICK: That would be appreciated.

Mr Galeano: Their conclusion, I think, was that there are some people trading water who aren't farmers, but the proportion of total trade is very small. But I can get you the details on that on notice.

Senator PATRICK: That would be greatly appreciated. I just want to ask some questions about your agricultural commodity forecast and outlooks. I note that you're predicting that this year's cotton crop will be planted over 280,000 hectares and will come in at around 560,000 tonnes of lint, or around 2.5 million bales.

Mr Galeano: Yes.

Senator PATRICK: This is in the context of a bit of public debate, some of which I've been involved in, in relation to cotton. We're getting stories of people saying, 'We're not using any water.' We know there are problems with places like Menindee, Bourke and Wilcannia

not having drinking water available, so do you stand by these figures for the amount of cotton that will be grown this year? Do you track that?

Mr Gooday: We have an *Australian crop report* that gets published four times a year. The last one was towards the end of February. That is where those numbers come from. The next one will come out in June. We are expecting that the cotton production will be down substantially this year, with dry conditions and lack of irrigation water. So we'll be updating those numbers in June, but at the moment that's the forecast. It's down substantially from the previous year.

Senator PATRICK: Just to be very clear, last year the numbers were probably about the same. So you're saying these numbers may be adjusted down relatively shortly?

Mr Gooday: We'll be reviewing them in June and publishing something in June. But we have cotton production falling by 42 per cent this financial year compared to last.

Senator PATRICK: So it's definitely different to those numbers that you have got here. Okay.

Mr Gooday: The February crop report's on our website, and it has all this information in it.

Senator PATRICK: Do you keep track of how much of that cotton is grown in the basin versus, perhaps, North Queensland?

Mr Gooday: We break it down into cotton grown in New South Wales versus cotton grown in Queensland.

Senator PATRICK: That's not actually helpful in the context of that question.

Mr Gooday: I understand.

Mr Quinlivan: We do have a distinction between irrigated and non-irrigated. That might be going more to your intent.

Senator PATRICK: Yes. Maybe I'm looking in the wrong place. I've just got outlook for natural fibres. Maybe you can point me to where you keep track of the two.

Mr Gooday: Okay.

CHAIR: But, depending on seasonal effects, it would be very hard to predict the irrigation requirements on any crop, wouldn't it? We could have better-than-average rainfall, and you wouldn't turn the pumps on.

Mr Gooday: Sure. How much irrigation water you're going to use depends on in-season rainfall. The report you're looking for is called the *Australian crop report*. The current edition was published in February this year, and that will have—

Senator PATRICK: The breakdown of the irrigated and dry cotton farming? Okay, thank you.

Mr Gooday: It should do. If it doesn't, we do have that breakdown.

Senator PATRICK: If you look in there and you can't find it, can you take it on notice?

Mr Gooday: Sure.

Senator PATRICK: I will look as well. Do you know the source that the water comes from? Is it groundwater versus flood plain versus surface water?

Mr Gooday: We don't collect that information as part of this.

Senator PATRICK: Do you collect any information on how much water is used or collected by way of flood plain harvesting?

Mr Galeano: We don't collect it, but there may be some information from the states. I'd have to check for you to see whether that information is available or not.

CHAIR: That's there. With your irrigation licences—and I've got a number of them—they identify where you will source that water. If you're harvesting into a ring tank, that's one source, and your permit will describe just what volume you're allowed to harvest there. If it's coming out of the alluvials, it'll define that. It'll define every bore on a place and the volume that you're allowed to take out of it. That stuff is all on public record if you know where to look.

Senator PATRICK: I'm not sure if it's on public record. I know farmers are very aware of what they collect by way of flood plain harvesting. I went to Cubbie Station, for example. They're very, very precise in everything they do, very professional in their operation. But it's not necessarily clear to the public. It goes to what's on the public record. I accept what you're saying.

CHAIR: But they're only permitted to take a certain amount. They can't take beyond what they're permitted to take. I'd be surprised if this wasn't searchable. I know we can search our own. I've searched our own. I've been able to go into a website with DNR, or whoever it is, in Queensland, and I can drill down and find out my permit number, the volumes and so on. I don't know whether I had to identify myself or whether anybody can do that. If you had to do it door to door, it would be a big job.

Senator PATRICK: Exactly.

CHAIR: I don't know if anyone aggregates it.

Senator PATRICK: In some sense, that's the area I'm exploring. Thank you for that input. That's helpful. Mr Galeano, what's your perspective on that—in terms of being able to access or track data on how much flood plain water has actually been captured?

Mr Galeano: I don't know off the top of my head. I'd have to check whether we've got access or can point you in the right direction to that data, unless someone else has that information.

Senator PATRICK: On notice, can you just explore what data you have available on flood plain harvesting, any assumptions that are made and so forth?

Mr Galeano: Yes.

Senator PATRICK: Would you then have access also to how much water is stored in private storages? Obviously there are lots of farms with private storages. Do you have access to the capacities of these storage facilities?

Mr Galeano: Again, I'd have to take that on notice. I'm not sure.

Senator PATRICK: Thank you.

Senator Colbeck: It'd be a big task. I reckon it would vary significantly over time and seasons. Keeping a track of that's a pretty big job.

Senator PATRICK: To be clear, I'm not asking them to go off and do that.

Senator Colbeck: No. I was just making a statement about the fact that it would be a fairly significant job to monitor how much water is in everybody's storage, because it will vary a lot.

Senator PATRICK: Sure, but I would imagine, for example, not in a real-time sense—and I know, once again, Cubbie Station actually do have real-time data that they told me they pass back to Queensland authorities—we would presumably have an understanding of approved structures and what they could store and things like that.

Senator Colbeck: Certainly there will be that data, because that is the basis for approval of the storages.

Senator PATRICK: If that data is available, I'd ask that you share. It might take us a couple of rounds of estimates to get it right.

Senator Colbeck: It would be more likely to be held by the state—

CHAIR: Be careful. His nickname around the hallways at the moment is 'Cotton killer'!

Senator PATRICK: As opposed to 'River killer', which is the minister for agriculture and water.

Senator Colbeck: I reject that assertion immediately. I was about to say that the data that you're looking for—you can have a fight with him, Chair; I'll have a fight with you—is most likely to be held at a state level, not a Commonwealth level.

Senator PATRICK: That's okay, and, if that's the case, then I just have to accept that.

Senator Colbeck: They're the ones who license those storages, so I doubt that the Commonwealth would have that information.

Senator PATRICK: It's just that, in the case of the Murray-Darling Basin Authority, for example, trying to manage the entire system, information can be extremely valuable. Maybe I'll ask that question on Friday of them as well. Your forecast goes out to 2023-24—this is in some sense goes to the question that the chair was asking. That predicts the amount of cotton produced, and I wonder how do you do that. It's almost like you're the weatherman now in making those predictions. I think in your outlook you say that these sorts of things cannot be predicted over the medium term, so I wonder how you can forecast numbers out to 2023-24.

Mr Gooday: That forecast is quite difficult because it has to do with, as you say, how much water's going to be in storage at a particular point in time. There we've just assumed a gradual increase in storages over time but not a quick return, which we know could happen because of the nature of the weather systems up there. So the cotton production forecast five years out has a good degree of uncertainty each side of it, more than most other forecasts.

Senator PATRICK: That begs the question: do you do that because there's a statutory or regulatory requirement for you to do that?

Mr Gooday: We do things like cotton so that we can add things up to get a total. Rather than providing advice to people about what might be happening to that particular commodity, it's so that we can get across all the commodities and say we think the value of farm production is heading this way or that, or the level of exports in aggregate is doing this or that. That's the reason. It's actually the price forecasts that are more important in providing input to people's decisions.

Senator PATRICK: I just question that approach in the context of being a former submariner, where, when you look at numbers, you will often attach an error value to it. So you'll say, 'I think this warship is at 2,000 yards with an error of plus and minus X,' and, at 20,000 yards, it's a much, much bigger error, typically. So I wonder why you don't perhaps differentiate those particular numbers from some of the more certain numbers that you have.

Mr Gooday: We have to assume average seasonal conditions going forward, because it doesn't make sense to assume anything else, and, for things like cotton in any particular year, that makes an enormous difference.

Senator PATRICK: Is it footnoted? Is there something that says, 'These are the assumptions we've made to come up with these numbers,' so that people don't dangerously look at them and say, 'Well, that's what the government said'?

Mr Gooday: Yes. The foreword to the March *AC* outlines the assumptions we make. We say there that we're using average seasonal conditions. We'll then refer to the Bureau of Meteorology's three-month outlook, which is as far out as they can sensibly go. Then, in notes like that cotton one, we'll identify where the big risks are.

Senator PATRICK: So you don't look at these and say that, in some sense, they're optimistic or pessimistic?

Mr Gooday: We're actually moving towards trying to do more of that. In the note I was mentioning before, the beef note, we talk about what might happen to the herd numbers under different conditions and give a range. And we'll be looking to do more of that. So I think you're right to point that out; it would be a value-add from our perspective.

CHAIR: Mr Gooday, we thank you and your officers for the preparation for estimates and your attendance and cooperation with the committee. We wish you all the best in your journey home. Safe journey.

Mr Gooday: Thank you.

Mr Quinlivan: While the Regional Investment Corporation people are coming to the table, we have an answer to Senator Brown's question about advertising numbers as well. We might provide that now.

CHAIR: Sure. She's not here to examine this, though. Senator Brown had a question they had taken on notice to answer about advertising, Senator Sterle.

Mr Quinlivan: The four-year advertising numbers, we've got that now.

Senator STERLE: Tremendous; while we're waiting for the RIC, that's fine.

Mrs Brown: I've managed to go back for Senator Brown and get the information in relation to the last four years. In addition to the ones that Mr Mason went through for 2018-19 there was only one other, which was the non-processed red dates with pits from China. That was a campaign.

CHAIR: How are the red dates finding their way? Is this a good or a bad thing? Is this a biosecurity risk?

Mr Quinlivan: This would've been in connection with an import risk analysis that we were undertaking.

CHAIR: Where do we think the risk is coming from?

Senator STERLE: I can't believe we haven't done a Senate inquiry into red dates with pits.

CHAIR: We may yet.

Mr Quinlivan: This is associated with potential illegal imports after completion of an import risk assessment.

Senator STERLE: Fantastic.

Mrs Brown: It was approved on 9 May for \$44,883. The actual expenditure on the program was \$43,349. It commenced in May 2017 and concluded in July 2017. The first ad was placed on 16 May 2017 and the final ad on 16 July 2017. The advertising was used for the purpose of building awareness of the biosecurity risks of bringing to Australia non-processed red dates with pits. It was to encourage people in Australia from Chinese backgrounds to alert their friends and family to the issue surrounding non-processed red dates with pits and to be alert to the potential consequences of bringing or sending them into Australia.

CHAIR: What are these red dates used for? Are they incorporated in menus?

Senator STERLE: I'm waiting for the punchline; this is going to be a beauty. Get ready, Slade.

CHAIR: I'm keenly interested in this.

Mrs Brown: It's was placed on all incoming passenger cards.

CHAIR: I appreciate that, but what happens to the red dates? They are consumed by people? They eat them?

Ms O'Connell: This is in response to the higher number of passengers bringing in red dates.

CHAIR: There are passengers bringing these in—what, in their coat pockets?

Ms O'Connell: In their suitcases as gifts to others.

CHAIR: All sorts of places.

Ms O'Connell: People bring in red dates and it's part of our awareness campaign to tell people not to.

CHAIR: I agree.

Ms O'Connell: It's based on prevalence, trend data and so on.

CHAIR: I need to help myself here. Senator Brockman, do you have any questions?

Mr Quinlivan: That's it?

CHAIR: Unless it's absolutely necessary, we should leave the subject there. If you have any regard for me at all, we should just leave it at that point. There are no further questions.

Regional Investment Corporation

[12:18]

CHAIR: Do you have some questions?

Senator McCARTHY: I do.

CHAIR: I hope they're not about red dates.

Senator McCARTHY: No. Mr King, you made a statement on 1 March that the RIC will work with the North Queensland Livestock Industry Recovery Agency to understand the changes the Australian government wants to make to the RIC mandate. What work has been undertaken to make changes to the RIC mandate?

Mr King: We've been engaging with the government about what the particular loan parameters may be. As you might be aware, it was announced in the budget that we had been approved for some additional funding to assist with providing loans to farmers as part of the North Queensland livestock recovery program.

Senator McCARTHY: Have you developed specific loans for flood affected farmers?

Mr King: They're not developed yet. We are working through the guidelines at the moment.

Senator McCARTHY: Are you going to develop specific loans to assist those flood affected farmers, especially in North Queensland?

Mr King: As I said, we are working through those guidelines now.

Senator McCARTHY: At previous estimates, RIC indicated that there was a backlog of 240 applications. How many applications do you currently have, and how many of the backlog of 240 applications have been processed?

Mr King: We have had over 335 applications to the end of February. We have made 54 decisions on those—

Senator McCARTHY: Does that include the 240?

Mr King: Yes, it would. That is year-to-date, since the program began. We have had over 335 applications to the end of February. Of those, we've made decisions on 54 loan applications, of which 35 have been approved, to a total of \$27.2 million.

Senator McCARTHY: So you are working with the North Queensland flood recovery?

Mr King: That's correct. We've engaged with the North Queensland Livestock Industry Recovery Agency and the department.

Senator McCARTHY: How many of your staff are based in Queensland?

Mr King: We don't have any staff based in Queensland at this stage.

CHAIR: We thank you for your preparation and attendance, and we wish you a safe travel back to your port of intended destination.

Proceedings suspended from 12:22 to 13:29

Australian Pesticides and Veterinary Medicines Authority

CHAIR: We now resume the Senate Rural and Regional Affairs and Transport Legislation Committee's budget estimate hearings for 2019-20. We call the APVMA, along with some corporate staff from the Department of Agriculture and Water Resources. We had a visiting senator, but she hasn't turned up. I'll open with the questioning. Dr Parker, welcome. There were some documents tendered here this morning. Have you been given a copy of those documents?

Dr Parker: I have, Chair. I do have a brief opening statement.

CHAIR: For the corporate representatives, have they had an ability to look at the tendered documents? Yes. Obviously, there has been a question placed over an issue relating to the leasing arrangements that occurred. From the documents that are presented, there seems to be an inference—or there's evidence—that the police are investigating an alleged arson of a building that was on a site that is now occupied by the premise that the APVMA are on. Is that a fair assessment of the position?

Dr Parker: It would be. I do have a brief opening statement, if you will allow me?

CHAIR: I'm going to go through some issues here, because we need to be very careful with an active police investigation. Is it your understanding that there still remains an active police investigation?

Dr Parker: That is my understanding.

CHAIR: That would seem to be the advice of the minister.

Senator Colbeck: We have confirmed that this morning.

Senator STERLE: Can I clarify: is there an investigation going on or not?

CHAIR: Yes, there is. It's alive.

Senator STERLE: Well, there you go. We're ready to go.

CHAIR: Well, so am I. I am going.

Senator WONG: There is an opening statement, Chair.

CHAIR: Thank you, Senator Wong. Where have you been all these years that I have been conducting this?

Senator WONG: I have been in other committees, Senator.

CHAIR: There you are. It's good to see you here. I've been looking forward to it.

Senator WONG: I promise you, I haven't been kicking back.

CHAIR: Tell you what, if you let me chair this, we'll get through it a lot quicker.

Senator WONG: Sternly telling me to behave!

CHAIR: What I want to point out, Dr Parker, before your opening statement, is that, as I indicated earlier today, you need to be very careful with any information that relates to an active police investigation. Are you familiar with that under the rules and the procedures of the Senate?

Dr Parker: Yes, I am.

CHAIR: Minister, I'll put you on notice—and the secretary—to consider if you need, in the circumstances, to intervene. With that in mind, Dr Parker, would you like to make your opening statement?

Dr Parker: Thank you, Chair. When I started as CEO of the APVMA in June 2017, we were faced with a disrupted workforce, poor time-frame performance, very poor IT infrastructure and a parlous financial position. Some of the issues had been longstanding at the APVMA. I'm pleased to take this opportunity to report to the Senate that we have made significant progress across all of these challenges.

We've seen over recent quarters a consistent and improved trend in our assessment performance, with 85 per cent of applications being approved within time frame in the

December quarter of 2018. That's compared with a low of 58 per cent in June quarter of 2017. While this improvement in overall performance is encouraging, we acknowledge that there is more we need to do, particularly around the approval of more complex applications.

Our efforts to relocate the organisation to Armidale by mid-2019 continue to progress well. We now have around 90 staff based in Armidale, and our interim offices are at capacity. Our permanent office remains on track for completion by mid-2019 and our recruitment efforts are continuing to ensure that we will have the staff we need in Armidale by the middle of this year. These staff will be supported by the staff in the Canberra satellite office.

We continue to support our departing staff at every step of the way. In February, 45 of our remaining ongoing staff in Canberra opted to take voluntary redundancies and five chose to redeploy within the public service. We've been capturing the corporate knowledge of the departing staff through active knowledge retention and the digitisation of thousands of files. The APVMA has been allocated \$10.1 million over three years to implement the APVMA's digital strategy. We're putting that funding to good use: stabilising, modernising and transforming our enabling technologies.

We've improved our budget position, and as we look to the future we continue to work on the cost recovery implementation statement, which will enable us to have sustainable resourcing for our very important work of ensuring agricultural chemicals and veterinary medicines are safe and effective. Work is progressing well on the CRIS, and we'll be consulting with industry and stakeholders over the coming months.

I believe that the future is a positive one for the APVMA. We've faced the challenges that we have had with resilience, good humour and hard work. The organisation is on a much better footing than it was on two years ago, and I look forward to working with staff to firmly establish ourselves as a world-class regulator based in regional Australia. As I have said at previous estimates, all of this has only been possible through the dedication of our hardworking staff, both past and present. To them, I say thank you.

CHAIR: Thank you, Dr Parker. Senator Wong?

Senator STERLE: Sorry, just before: is Ms Briscoe in the room? Sorry, Mr Quinlivan, I'm just checking. She is? That's great. Peter Moore? Not around. Ms Cassandra Ireland? Yes. And Mr Sanson-Fisher? Is he around? Okay. Halfway there.

Senator WONG: As Senator O'Sullivan correctly pointed out, I've not been part of this committee for many years—in fact, ever—so I apologise if I traverse any areas that the committee has already traversed. I am interested in the issue of the relocation to Armidale, but, more particularly, the department's knowledge of the police investigation. I'm very conscious of the former police officer's caution, Senator O'Sullivan's caution, at the outset, but I think it is relevant to understand what involvement—before we go to any questions of content, where the issue of prejudice might arrive—the department has had, or knowledge the department or the APVMA have had, in relation to the police investigation. Who can take me through that?

Mr Quinlivan: There would be two different sources of information on that. Dr Parker has had conversations with the relevant member of the New South Wales police, and I think Troy Czbania has as well. Perhaps they can both give their account of those exchanges.

Senator WONG: Dr Parker, are you tabling that statement you just read out?

Dr Parker: Happy to.

Senator WONG: When did you commence as CEO?

Dr Parker: I commenced as interim CEO on 1 June 2017, and was appointed in the beginning of November—sorry, I don't have the exact date.

Senator WONG: That's fine. But you were acting?

CHAIR: To assist you, Senator, in the chronological order of events with anything to do with this leasing: the department started the project, and then upon Dr Parker's—we've had a lot of evidence over a long time.

Senator WONG: Yes, I've read some of it.

CHAIR: Dr Parker then took over. If you're looking to get it chronological: the department are the inceptors of it and then the APVMA took it over.

Senator WONG: Except I'm not asking questions at this point about the leasing arrangements. What I actually want to know is when people knew about police investigations.

CHAIR: I was wondering whether the police were looking for a certain body of knowledge from the early work—anyway, it's your call.

Senator WONG: Dr Parker? Mr Parker?

Dr Parker: You can use whatever you like.

Senator WONG: No, no, no.

CHAIR: He's been called other things here, too!

Senator WONG: I've got one of the fake doctorates, the honorary ones. I figure people with real ones should be called doctor.

Dr Parker: I'm not sure I have a real PhD!

Senator WONG: There you go. I don't! I shouldn't say that. Sorry, Adelaide uni; it was very nice of you.

Dr Parker: The APVMA's first contact from the New South Wales police was on 15 January.

Senator WONG: 20—

Dr Parker: 19.

Senator WONG: Can I just probe that a little? Can you assure me that, prior to that date, no-one from the APVMA had been spoken to by police in relation to the arson event—attack? How do you want me to describe it?

Dr Parker: I believe I've answered that at previous estimates, and the answer is no.

Senator WONG: I am going to ask you some questions you might have been asked—I apologised up-front for that. So we can either score points about that or we can agree to move on.

Dr Parker: I'm not looking to score points.

Senator WONG: So the answer is: as far as you're aware, no. Someone was contacted on 15 January 2019?

Dr Parker: That's correct.

Senator WONG: That reflects the email that was produced in the OPD response?

Dr Parker: That's correct.

Senator WONG: And you indicated in that—this is an email to Julia Gaglia. Who is that person?

Dr Parker: She's the assistant secretary of the ag chemicals branch in the department of agriculture.

Senator WONG: So this is you as a—are you a statutory body?

Dr Parker: That's correct.

Senator WONG: You're a statutory body advising the portfolio department?

Dr Parker: We're an independent statutory organisation.

Senator WONG: But you're advising the portfolio department about this contact by—

Dr Parker: That's correct.

Senator WONG: Did you also make a phone call?

Dr Parker: I did indeed.

Senator WONG: Who to?

Dr Parker: To Detective Senior Constable Robertson. That was on the same day as the initial contact with the APVMA.

Senator WONG: So the detective senior constable contacts the APVMA, you call him back and you have a conversation?

Dr Parker: I rang him back; that's correct.

Senator WONG: What did he say in the conversation?

Dr Parker: The email describes what he was interested in. He was interested in the Commonwealth procurement processes and how they worked. I provided him with that background information and indicated at that stage that I was happy to meet with him when I was next up in Armidale, which was the following week, to further provide him with any information that he needed as background to understand Commonwealth procurement processes.

Senator WONG: The next document that we have produced in the order for the production of documents is a document from a Mr Smith to a Mr Slocombe, cc'd to a Mr Currie. Is Mr Smith the director of corporate services?

Dr Parker: The executive director; that's right.

Senator WONG: We're in OPD document 2. Can you tell me how this document came about?

Dr Parker: If we're reading from the same document, it's Mr Smith's reply—

Senator WONG: Let's be clear; I am going through the documents in the order that they were tabled in the Senate in accordance with the order for the production of documents. I'll be working through them, and my references to numbers will be the numbers that the department gave the documents for the minister or whoever.

Dr Parker: That email looks to me to be a reply from Mr Smith to Mr Slocombe saying, 'Thank you for providing your email with the attachment of the record of conversation that you had as the initial contact with the APVMA.'

Senator WONG: On that day, the detective senior constable speaks to you but also speaks to a person in the APVMA, Mr Slocombe, who is responsible for procurement?

Dr Parker: He spoke with Mr Slocombe first; that's correct.

Senator WONG: Mr Slocombe is not here; is that right?

Dr Parker: Mr Slocombe is a reasonably junior officer in the APVMA.

Senator WONG: That wasn't my question. I asked if he was here.

Dr Parker: He's not here, no.

Senator WONG: So what did he tell him?

Dr Parker: The record of conversation was, again, more in line with government procurement processes and how they work. It's my understanding that there was a conversation around what the New South Wales police were interested in.

Senator WONG: Was the department or the APVMA asked to provide a range of documents to police as part of this criminal investigation?

Dr Parker: No, we weren't.

Senator WONG: Do I understand from this that Mr Slocombe of the APVMA was spoken to by police twice on the Tuesday? There are two emails; the one at 4.09 pm and the one at 5.04 pm. Or is that the same record of conversation?

Dr Parker: It's the same conversation.

Senator WONG: In relation to the email at 3, the record of conversation which is attached has been withheld. Can I ask who made that decision?

Dr Parker: That would be a matter for the department.

Senator WONG: That's why I'm looking at Mr Quinlivan. I have some questions about the decision-maker. I suggest that the officer—if you're able to answer questions—

Mr Quinlivan: No, not these particular questions.

Senator WONG: Then the officer who made the decision to withhold from the Senate should come to the table, and I'll ask why. There are a number of documents.

CHAIR: While that's happening; Senator Wong, you're referring to numbers that neither myself nor the secretary can detect. Is it reference to the legend at the front here?

Senator WONG: Yes. I think it's the document that was the cover to the OPD.

CHAIR: So what you referred to as '3' is—

Senator WONG: Document No. 3. Sorry, I thought I made that clear.

Ms Linacre: The decision is ultimately made by the minister in relation to responding to the OPD. The recommendation to withhold that document was based on the fact that it might be a document that would disclose the police investigation.

Senator WONG: All of it discloses the police investigation. The police investigation is public. But what was—sorry, which minister?

Senator Colbeck: Minister Littleproud.

Senator WONG: Minister Littleproud. So I'm clear: the decision to withhold any document from the Senate in relation to the criminal investigation was made by Minister Littleproud, not by the department?

Ms Linacre: That's correct. Technically, the response to the order to produce documents is a response by the minister.

Senator Colbeck: Through Senator Canavan, who is the representing minister in the Senate.

Senator WONG: Okay. Mr Czabania, what did you mean in document 4 where you said, 'I'm having an issue responding to your email due to classification'?

Mr Czabania: On 18 January, I had a conversation with Detective Senior Constable Robertson.

Senator WONG: So this is three days after the conversation between Dr Parker and Mr Slocombe?

Mr Czabania: Yes, it is. At the conclusion of that conversation, I agreed to provide some documents.

Senator WONG: What were the documents?

Mr Czabania: In general, they were in relation to our conversation. They were to do with the submissions that we received and the processes that we undertook.

Senator WONG: I'd like a little more detail on that. I'd like to know the nature of the documents.

Mr Czabania: Essentially, they were around the department's request-for-information process, the number of submissions that we received through that process, the time frames, the dates that we went to market and details of the submissions that we received as well. Those, in essence, were the documents. In trying to send those documents, I was replying to an email that he originally sent to me in setting up the meeting, which was classified. In responding with those documents, the email bounced because of the classification of the email. So what I was saying to him was that I couldn't send them via email.

Senator WONG: So these documents were not classified?

Mr Czabania: Yes, they were. That's why I tried to—

Senator WONG: Sorry, I thought you said that he sent you a classified-level email—

Mr Czabania: Yes, and I responded.

Senator WONG: and you wanted to send classified documents but you couldn't?

Mr Czabania: I couldn't, no.

Senator WONG: So what did you do?

Mr Czabania: I sent him the unclassified email to say that I was having problems, and that I would get that information to him in the interim. I subsequently received advice from our legal area that the correct way of providing those documents to New South Wales police would be through a warrant. So I did not send those documents at that time; I waited for the warrant.

CHAIR: Warrant or subpoena?

Mr Czabania: I think it was a warrant.

Ms Linacre: It was a warrant in this instance.

Senator WONG: It's a criminal investigation; correct?

CHAIR: But, still, to subpoena documents is the traditional pathway. But if it's a warrant, it's a warrant.

Senator WONG: At the time you had the conversation, Mr Czabania, did you know what the police were investigating?

Mr Czabania: Yes, I knew.

Senator WONG: What are they investigating? What did you understand them to be investigating?

Mr Czabania: The fire at the Armidale club on the 17th.

Senator WONG: Did you know at this point that there was interest in terms of the investigation into the process of RFI, tendering out, et cetera?

Mr Czabania: Yes. It was after we appeared here at estimates in October, where the minister made the public interest claim over the documents. My conversation with him was against that background, so I was mindful of what I could provide to him.

Senator WONG: At the time you had the conversation with the New South Wales police, you were already aware that there was interest in the process of going out to tender—the RFI process, et cetera—because it had been asked for here, and the coalition made a PII claim and refused to release those documents; correct?

Mr Czabania: Yes, as far as I'm aware.

Senator WONG: But then the police said, 'Actually, we want them for a criminal investigation.' You then got advice on that and you sought to provide it but you couldn't because of the classification. You got advice and you were told that you needed a warrant.

Mr Czabania: Yes.

Senator WONG: Who told you needed a warrant before you could release them?

Mr Czabania: It would have been our legal area.

Senator WONG: Someone in your area?

Ms Linacre: Yes; someone in my team.

Senator WONG: At which point in these first four days was the minister's office advised about what was occurring? Nothing? There are a lot of people at the table and nobody is saying anything. That's a legitimate question. Can someone please answer it?

Senator Colbeck: If no-one has the answer, I'll have to take it on notice.

Senator WONG: They didn't say that. They just sat there silent.

Senator Colbeck: Well, no-one's volunteering.

Senator WONG: Mr Quinlivan, did any officer from the department at any point over this period, where a statutory entity and the department were being contacted by the New South Wales police in relation to your—that is, the Commonwealth's—tender process, advise the minister or his office?

Mr Quinlivan: I've got no direct knowledge of advice to the minister on that, and I'm taking it from the reaction at the table that others here also don't have any knowledge. So there's a fair chance, I would say, that in this time period there was no advice to the minister.

Senator WONG: I don't want to play word games. I don't mean 'advice, written brief'. You understood what I meant?

Mr Quinlivan: Yes, exactly.

Senator WONG: Does anyone tell Mr Littleproud or his office: 'By the way, we've got an issue. The police are investigating the APVMA tender process'?

Senator Colbeck: No, that's not correct.

Senator WONG: Sorry, fair enough; I'll rephrase that. As part of a police investigation, they are looking at the APVMA tender process; is that right?

Senator Colbeck: No, that's not correct either.

CHAIR: They're seeking information from the tender process.

Senator Colbeck: They're seeking from the department.

Senator WONG: About the tender process?

CHAIR: Yes.

Senator WONG: Thank you; that's fine. I'm happy to caveat it. Did anyone tell the minister that?

Mr Quinlivan: That certainly would have happened at some point.

Senator WONG: No, I don't like hypotheticals. Someone must be able to tell me when the minister—

Mr Quinlivan: I'm saying that it doesn't seem to have happened at this time.

Senator WONG: I've moved on from that question.

Mr Quinlivan: Reflecting back on it, I don't find it all that surprising because the issue had been widely discussed here and elsewhere. I don't think that it would have been a great surprise that we had this contact.

Senator WONG: Except that this is a reopened criminal investigation; correct? No?

CHAIR: Does anyone specifically have that information?

Senator WONG: Okay, it's on the public record—a newspaper article—but, at any point, is Mr Littleproud or his office told: 'The police are asking us to provide documents relating to the tender process'?

Mr Quinlivan: I'm sure the answer to that is yes, but—

Senator WONG: Thank you, but I want to know when.

Mr Quinlivan: we don't know.

Senator WONG: I assume there's someone in the department watching this. Can they please provide the date here so we can get it later in the day?

Mr Quinlivan: We'll endeavour to do that.

Senator WONG: And by whom and in what form. Did you have a discussion with the minister?

Mr Quinlivan: Did I have a discussion with the minister?

Senator WONG: Yes, did you have a discussion with the minister about—

Mr Quinlivan: The only discussions—

Senator WONG: I hadn't finished the question, Mr Quinlivan: did you have a discussion with the minister about the New South Wales police's interest in the documents associated with the APVMA tender; and, if so, when?

Mr Quinlivan: No.

Senator WONG: You've never had a discussion with them?

Mr Quinlivan: No.

Senator WONG: Has anyone at the table had a discussion with the minister or his office about those issues? So, then, Mr Czabania, the warrant comes in. Do you want to assist me with something else?

Senator STERLE: Mr Brown, you didn't shake your head, yes or no; you just sat there and looked at the chair.

Mr Scott Brown: I've had no contact with—

Senator STERLE: I just wanted to know because you were the only one who wasn't shaking your head. Sorry, Senator Wong: we've cleared that up.

Senator WONG: Mr Czabania: so you get a warrant. How quickly does that arrive?

Mr Czabania: So, we got the warrant on 2 April this year—2019.

Senator WONG: So that was quite a lengthy process? I don't know how the model litigant principles apply in circumstances such as these, but the Commonwealth, generally, will cooperate with criminal investigations. Why was it determined on this occasion that a warrant was required? I assume that they actually had to go to—I can't remember; the chair will remember how warrants get issued, at which level et cetera, for this sort of thing—a magistrate.

CHAIR: Normally at a magistrate's court.

Senator WONG: It's not until April that they actually serve it. There was a delay—why did you delay?

Mr Czabania: We didn't delay.

Senator WONG: Yes, you did.

Mr Czabania: We waited until the New South Wales police contacted us with the warrant information.

Senator WONG: Sorry, I should rephrase that: the demand for a warrant clearly delayed the process. I'm asking: is that normal practice that the Commonwealth would want a warrant before cooperating with a criminal investigation?

Ms Linacre: Where there's an investigation by an enforcement body like the police, it's not uncommon for us to request a warrant in order that, when we provide information, it has the appropriate protection of that warrant. In this circumstance, some of the information was also subject to a public interest immunity claim in this committee in October, so we were

conscious to make sure that we were acting in accordance with that claim by not handing over information outside of a formal request for a warrant.

CHAIR: So, by that, you mean that it provided you with a cloak of protection?

Senator WONG: As to why they gave it to the cops in the first place.

CHAIR: As to why they gave it to the police when it was the subject of a PI claim before this committee.

Senator WONG: Correct.

Ms Linacre: It can also give a protection to the police in terms of the quality of the information that they're receiving, if they wish to use it going forward—that's not uncommon.

Senator WONG: A number of documents thereafter—do these mainly deal with the logistics around them? Documents provided—that's from Cassandra Ireland. Who's Mr Gruut?

Ms Linacre: Paul Gruut is a lawyer within my team who prepared the documents, so his name appears at the header just simply because he's printed them off.

Senator WONG: No, he's also a recipient on a couple of them. Then there's a contact name or two and, obviously arrangements to actually physically hand over. Looking at document 9: 'Troy'—that's you, Mr Czabania, I assume—'we'll call the police once we get clearance from OGC as to what we are allowed to say.' Office of General Counsel, is that you?

Ms Linacre: That is.

Senator WONG: What are you worried about what you can say?

Ms Linacre: I think that that is possibly a loose phrase in terms of someone checking for a legal opinion to ensure that, again, the warrant is being complied with. There's no issue in terms of conflict with the public interest immunity claim which stands before this committee so that advice was sought and provided.

Senator WONG: All right. I think 10 goes to communication between Dr Parker and the department. Dr Parker writes to Julie Gaglia, and then Mr Scott Brown says, 'We can meet up with him, get his questions.' I don't know who Matt is in this. Who's Matt? 'I just called Matt. He doesn't work until Friday.'

Mr Quinlivan: He's the police officer.

Senator WONG: Oh, I'm sorry. He's the police officer. Okay. So is it correct to say document 10, Mr Czabania, is in relation to the contact from Dr Parker to you or to the department, letting them know that the police have also contacted the APVMA?

Mr Czabania: Yes.

Senator WONG: All right. Mr Moore then says he speaks to JLL commercial services. Everybody has been through this before, but JLL services is the property services provider who've been responsible for the RFI process; is that right?

Mr Czabania: That's correct.

Senator WONG: Did you only have the one process, or did you have a couple?

Mr Czabania: The department had one process. It was the request for information.

Senator WONG: And then it was flicked to Dr Parker.

Mr Czabania: That's correct.

Senator WONG: I'm sure this has been traversed before, but, in a nutshell, can you tell me why did one and then handled it?

Mr Czabania: Our process was a request for information, so it was a non-binding approach to the market. We ran that process, got submissions and then in December handed that to the CEO of the APVMA, and it was left with them. In the meantime, there was—

Senator WONG: So why does one part of government do the RFI and another part does the tender? That's not normal practice.

Mr Quinlivan: The intention of the original process commenced by the department was to get a process underway to implement the election commitment that had been made at the 2016 election and to collect enough information relevant to a process which would then allow a commercial process to commence. As that request for information process developed, the APVMA progressively became more informed about the move and its own thinking and ultimately was in a position to commence its own process. The RFI process was terminated and the information handed to the APVMA, and the second process commenced pretty well straight after the decision was made to discontinue the RFI process. So that was the logic behind it. For that reason, there was no outcome from the first process.

Senator WONG: Good use of time. Was the then minister, Mr Joyce, involved? Did he request that the RFI be undertaken promptly post the 2016 election?

Mr Quinlivan: Our recollection is that we proposed it as a way of accelerating the relocation process, and he agreed, although, from memory, we don't have a document that shows that.

Senator WONG: Why did you feel you had to accelerate it? Was that reflecting the government's or Minister Joyce's wishes?

Mr Quinlivan: After the 2016 election, we had a discussion with him about implementing the full suite of election commitments. This was obviously one that he had a strong interest in and strong views about.

Senator WONG: What were his strong views?

Mr Quinlivan: He was very keen on it. It was a personal commitment of his. We discussed with him a way to commence that relocation process, and one of the first things to do was to see whether there was suitable real estate in Armidale, and that was the basis on which the RFI process commenced.

Senator WONG: Okay. So would it be a reasonable summary of that to say the department commenced it because that was a way of fast-tracking it—'accelerating it', I think, is the phrase you used.

Mr Quinlivan: Yes.

Senator WONG: Why couldn't the APVMA do it? They didn't want to do it?

Mr Quinlivan: The APVMA had quite a lot of issues to contend with, which Dr Parker talked about in his opening statement, and is a small portfolio agency. We've got a fairly mature property area in the department because we've got many dozens of properties around

Australia and are quite accustomed to these kinds of transactions, so it seemed sensible for us to take the lead because we had expertise that the APVMA did not at that time.

Senator WONG: But, under the government's financial frameworks—I can't recall whether it was the PGPA Act or what other aspects—any tender process would have to be run by the contracting entity, correct?

Mr Quinlivan: Correct.

Senator WONG: So you were commencing an RFI knowing that you could not actually engage in any contractual arrangement with the successful bidder—I'm using the word 'bidder' as a sort of non-technical word—whether RFI or tender, correct?

Mr Quinlivan: We were anticipating that there'd need to be a due diligence process before the tender process could commence, and so that's what we were doing.

Senator WONG: It's a risk-scoping exercise and I suppose shows the minister you're doing something, but ultimately you can't enter into an agreement to which you're not party. APVMA's statutory authority is a separate legal entity. They have to do it, correct?

Mr Quinlivan: I'm not certain about that, but you're probably right. In any case, we had no intention of—

Senator WONG: What do you mean you're not certain? How do you tender for something you're not part of?

Mr Quinlivan: We had no intention at that stage of being a party to the commercial transaction.

Senator WONG: Okay. So the RFI was done to accelerate it. That was discussed with Mr Joyce. Did Mr Joyce know that the tender—the next step, which was a tender process, bids et cetera—would have to be undertaken by the APVMA? Was that explained to him?

Mr Quinlivan: I expect that that's the case.

Senator WONG: Why do you say that?

Mr Quinlivan: I don't have a precise recollection of that, but I think that would have been the case.

Senator WONG: Were you the secretary at the time?

Mr Quinlivan: Yes.

Senator WONG: Was he briefed about the fact that the RFI would only be the first phase?

Mr Quinlivan: I would have to check that. Clearly, the fact that it was an RFI and not a tender process would have led anybody to conclude that.

Senator WONG: I know that, but nevertheless the department chose to do it because you wanted to accelerate it because the APVMA was distracted or whatever. Ultimately, what I'm trying to ascertain is whether Mr Joyce understood that there were going to be two stages.

Mr Quinlivan: Yes, he would have done, because it was by definition not a tender process.

Senator WONG: Okay. Did the documents in question that the police sought for the criminal investigation relate to both the RFI and tender process—sorry; should I call them the

EOIs? Is the second one an EOI? No, that would be the RFI. I just want to get my terminology correct.

Dr Parker: The RFI process was run by the department.

Senator WONG: Correct. What did you call it?

Dr Parker: We ran a two-stage process which was first an expression of interest and then a request for proposal, which is the second stage of that—the RFP.

Senator WONG: Yes. So the RFP and the EOI were both done by APVMA?

Dr Parker: That's correct.

Senator WONG: The RFI was done by the department.

Dr Parker: That's correct.

Senator WONG: I'm asking, in relation to the criminal investigation, whether the documents and information sought by the police related to all three steps.

Dr Parker: I had no request from the New South Wales police or anyone else for the documents related to the EOI or the RFP—

Senator WONG: That's very interesting.

Dr Parker: other than the documents that I provided to the Senate at previous Senate estimates and also through previous questions on notice.

Senator WONG: Right, but the police investigation and the documents they have sought focused on the RFI.

Dr Parker: Yes.

Senator WONG: So you have not been asked to provide any EOI or RFP documents.

Mr Czabania: No. The only documents I've been asked to provide are in relation to the department's RFI process.

Senator WONG: Your process.

Mr Czabania: Yes.

Senator WONG: But I think I was just confirming with Dr Parker that they're not in the scope of documents the police—

Dr Parker: As I said, there was no request of the APVMA to provide documentation to the New South Wales police for the EOI or the RFP.

Senator WONG: Do any of the documents provided reference conversations with then Minister Joyce?

Mr Czabania: No.

Senator WONG: Presumably Minister Joyce signed off on a brief for the RFI, though? He must have. No?

CHAIR: Sorry, I missed that question.

Senator WONG: I asked if Mr Joyce signed off on a brief from the department that gave rise to the RFI. They weren't my words but—

Mr Czabania: No, not that I'm aware of.

Senator WONG: So the only authority from Mr Joyce is a conversation or conversations with Mr Quinlivan? Is that right?

Mr Quinlivan: Yes, I think in previous discussions about this we came to the conclusion at that stage that it was a verbal proposal from us, which we then actioned.

Senator WONG: Mr Czabania, document 12 refers to an EOI. I'm assuming, given your evidence, that that is just an inaccurate reference by the police?

Mr Czabania: Yes, that's right.

Senator WONG: So that's actually RFI, in terms of the public servant parlance. Dr Parker, your email of 15 January appears to appear a few times. I keep reading the same email.

Dr Parker: It could be because there's an email trail. I don't know.

Senator WONG: It's fine. Can we go to document 16. This is from you, Dr Parker, to the New South Wales police. This is the timeline of the APVMA tender process. You did provide a timeline, but you're saying—

Mr Quinlivan: Senator, did you say document 16?

Senator WONG: Sorry. That's where it is in mine—document 16.

Mr Quinlivan: It might be 19.

Senator WONG: I have 15 January, 2019, at 3.50 pm, forward APVMA ATM timeline from Mr Grutt?

Senator BROCKMAN: It's the last document in the pack.

Senator WONG: No, it's not the last document. There's another one.

CHAIR: It's the last in our package.

Senator WONG: Sorry, it's the last one that has been disclosed. Yes, you're right. And then there are others I have to ask questions about—

Dr Parker: Senator, if I could just explain.

Senator WONG: It's okay. I'm not having a go. I just want to clarify it.

Dr Parker: In the conversation that I had with the Detective Senior Constable, he was requesting information on how government procurement processes work. I said to him, if it would be useful in the conversation we had, I'm very happy to send you a timeline, which has been provided to this Senate, and I think it is probably even a public document. He said: 'That might be useful. Please send it.' I said, 'Certainly.' And that is what that email does.

Senator WONG: I'm sorry. Could you repeat your answer, Dr Parker.

Dr Parker: In the conversation that I had with the Detective Senior Constable, he was seeking information about government procurement processes, which I had answered before. I indicated to him that, if it would be useful, we had a timeline document that outlines the two-stage process that we went through, which, as I'm sure you're aware, a very normal Commonwealth government procurement process.

Senator WONG: Except that it's not a normal thing to have the entity doing it change.

Dr Parker: I'm sorry?

Senator WONG: RFI, EOI, RFP are usually done by the same entity. I'm just making the point that it has gone from the department to the APVMA. But, yes, the two-stage process, or three-stage process, is not unusual.

Dr Parker: And I said, 'Would that document be useful as an example of how these things are done?' And he said, 'Yes, it would,' so I provided it to him.

Senator WONG: I'd like to understand why the minister has made a decision to withhold five documents—actually, it's six—all of which deal with, firstly, an 18 January document, which is a police inquiry in relation to the tender process in the Armidale building; a document from seven minutes later; a document on 1 April in relation to what I think must be mistyped—I assume it means RFI not FRI; I think there's a typo in the table—

Ms Linacre: Yes.

Senator WONG: at document 19 and 20, which are on the same day; also requests for information; and document 21 and 22, also regarding the request for information about the RFI process. I'm going to ask some questions about those documents. Who has those documents?

Mr Quinlivan: I think that's where it comes to me to answer that question.

Senator WONG: Who has them? Before I go to the why—

CHAIR: Ask him for them.

Senator WONG: Yes, I will ask for them, but I'm sure I won't get them.

Senator Colbeck: I thought your question was why.

Senator WONG: No, I actually want to know who has got them. Who physically has them? Are they in the department? Are they in APVMA?

Ms Linacre: The documents are held within the department. They were requested from APVMA. The department assisted the minister by preparing a response, so those documents are held within the department, yes.

Senator WONG: Can you tell me who they're from and who they're to?

Ms Linacre: I don't have those documents with me.

Senator WONG: Does anybody have them?

Senator Colbeck: Senator, I might intervene there.

Senator WONG: It's not content.

Senator Colbeck: No. I'm being very careful to ensure that we continue to fully cooperate with the police investigation, which, as we've established, is ongoing, and I don't want me or any of the officials to say anything that might jeopardise the ongoing police investigation. And this is where we come to the why. The documents that we've withheld reflect our full cooperation with the police investigation and, when we inevitably get to that point in the conversation, that will be the point of our public interest immunity claim—that we haven't released the documents. We are fully cooperating with the New South Wales Police investigation, and this withholding of documents reflects that cooperation.

Senator WONG: Not necessarily.

Senator Colbeck: I'm saying it does.

Senator WONG: That's an assertion. Have any of these documents been withheld at the request of New South Wales Police?

Senator Colbeck: Yes.

Senator WONG: They have?

Senator Colbeck: Yes.

Senator WONG: Have all of these documents been withheld at the request of New South Wales Police?

Senator Colbeck: Correct.

Senator WONG: Do any of these documents—

CHAIR: Just so we don't bumble around in here—I'm sorry to interrupt, Senator, but I want to understand this too—did they particularise why a particular document was to be held? For example, one would assume that, if redactions haven't occurred—that is to say, of the documents supplied to the Senate, there are no documents in a redacted form—the request was a blanket request over the document itself. Is that correct?

Ms Linacre: Yes.

Senator Colbeck: It's to ensure that there's no indication of the police line of inquiry.

CHAIR: I appreciate that. But there would be generic aspects in some documents that didn't need protecting. For example, you could redact it and leave the page number, if you like, and it would have no harmful effect. What I'm trying to say, and it may be that the question was never asked nor answered, is that there was no particularisation that this document needs to be withheld because of that, that and that; it was just a blanket request that those particular documents not be supplied.

Senator Colbeck: The documents that we didn't provide to the Senate last year, which also formed part of that list, aren't disclosed here—again, for the same reasons.

CHAIR: Yes, but, Minister—

Senator Colbeck: I just want to clarify the answer that I gave to Senator Wong a moment ago, because that's an important clarification.

CHAIR: Okay.

Senator Colbeck: The documents we didn't supply to the Senate last year when they were requested—and we made a public interest immunity claim then—remain redacted and remain withheld, for the same reasons.

CHAIR: This seems as though it is not an important thing, but it is to my mind, because otherwise you're going to have a struggle in a moment. If you talked line by line about a document and they said, 'I don't want you to release that document because it's got Fred's name and it's got a date and an address that we don't want released,' then, in effect, a redacted form of that document should have been released. So I just want to clear this up. In the conversation with the police, their request related to the whole document. There was no discussion about the substance of the document line by line—'Keep it out for this, that or the other.' Thank you.

Senator WONG: I would request, and it would be normal—it's been done before—that, if a document is being withheld effectively through a PII claim that includes in its remit the

prejudicing of an investigation et cetera, there be some evidence provided. We've had letters from police previously making the assertion that they request that this not be provided because to do so would prejudice an ongoing investigation. That was provided in relation to Senator Cash. So I am maintaining that, if you're asking the Senate not to pursue documents which would ordinarily be within our remit—and we're not irresponsible here; I accept that the prejudicing of an ongoing investigation is a reasonable ground of public interest immunity claim in respect of a request for documents—it is not a kind of blanket response that deals with everything. The harm needs to be specified. The basis of the assertion needs to be made. So I would request that reason be tabled.

CHAIR: Please, because we're getting into some—

Senator Colbeck: No, I do have a statement to table, signed by the minister, which provides what Senator Wong's just asked for.

Senator WONG: Who from?

CHAIR: Minister, there are two parts to what—

Senator Colbeck: I understand what you're saying.

CHAIR: As chair, I say there are two parts to what Senator Wong was indicating. Senator Wong, the first part is that the law enforcement agency really is the one that mounts the claim—correct? Is that consistent with what your view is?

Senator WONG: No, I think the minister puts the claim, but my point is that of substantial relevance is the law enforcement agency's proposition or assertion that X, Y and Z would interfere with an ongoing investigation.

CHAIR: Correct, but this would be relevant to that. With your indulgence, I will read the procedure as I have it. This is under 'Prejudice to law enforcement investigations' in our Senate guidelines. It is advice from the Clerk:

As this is a matter for the law enforcement agency concerned to assess, this ground should normally be raised directly by the law enforcement agency—

procedurally.

Senator WONG: I was wrong. You were right.

CHAIR: My understanding is that, whilst they're not before us to raise it directly, they have raised it, and my interrogation was: on what terms did they raise it? Did they particularise bits and bobs, or did they say it was the whole document? The evidence from the general counsel has been that they raised it over the whole document. At that point, it would be, in my view, a valid claim.

The second part, if I understand your assertion, is that they—be it through the minister or otherwise—have to particularise why they've made the claim. Is that what you're asking?

Senator WONG: That's right. I'm inferring from what the minister at the table said—you put it much more eloquently—that the ground is potential prejudicing of an ongoing investigation. I'm simply saying that a usual way of dealing with that, if the AFP or whoever—in this case, the New South Wales police—are not at the table, would be for there at least to be some evidence so that the committee can consider that.

CHAIR: I'd have to take that under advisement, because there's nothing here that guides us on that.

Senator BROCKMAN: I would have thought, Chair, that it would be within the realms of usual practice that that evidence or that statement be contained in a letter from the minister.

CHAIR: But we're not dealing with a public interest immunity claim where case the minister would have to particularise the grounds for that claim and this committee would then go in camera and consider the claim, as it did previously with documents related to this. This is simply that a law enforcement agency has indicated that the release of those documents would prejudice a law enforcement investigation, full stop. That's the basis of the claim. They haven't particularised it. I can envisage circumstances where it may be difficult for them to particularise without releasing the 'butler in the library with the candlestick' sort of thing. It may be that they say, 'We don't want to put the address because it would alert the suspect who we think lives there.'

Senator WONG: That's fair enough.

CHAIR: But you are entitled to raise it, Senator Wong. As is the way of this committee, we work these things through and try and get to common ground. Do you want to press the point that the police should have and have not provided broader particulars that would allow this committee to consider and make a determination in relation to their claim that it would prejudice their investigation? If so, I will put you on notice. The secretary will, firstly, assist me, and it may be that we need to consult the Clerk on that.

Senator WONG: I think technically I ask for the documents. I'm asking for the documents. You're making a PII claim, and I'm saying you should particularise it in accordance with the chair's outlining of the procedures of the Senate. I appreciate that you're probably not going to be able to do that today.

Senator Colbeck: I do have a statement for you, signed by the minister, that outlines the PII claim. I'm happy to table it. You can have a look at it as a committee and then decide where you want to go from there. But it does state—

Senator WONG: Can we perhaps break to have a look at that, Chair?

CHAIR: Let's do that. We'll suspend now. It will give us an opportunity to take some advice if we have to.

Proceedings suspended from 14:27 to 14:46

CHAIR: We now resume this Senate Rural and Regional Affairs and Transport Legislation Committee budget estimates for 2019-20. Minister, at some stage, the New South Wales Police should correspond with you, making a simple claim for public interest immunity on the grounds that we've discussed—that it would prejudice a law enforcement investigation. Then, to the best of their effort, without them prejudicing their investigation, they should lay down any reasons that they can as to why the claim is made on the documents. We're not talking about going from document to document; they can talk about the batch, and it might be as simple as them declaring that there is information in there—the identity of persons, addresses, some other particular—that would prejudice their investigation. Do you have any difficulty with accommodating the committee—and the secretary or the general counsel can do this on your behalf—by having a conversation with the New South Wales Police to get such a letter?

Mr Quinlivan: I don't think that would be any difficulty, Chair.

CHAIR: All right. And let us confirm two things. One is that no such correspondence exists currently between the New South Wales Police and anybody—the agency, the department, the minister's office—to your knowledge, requesting this public interest immunity?

Ms Linacre: No, Senator. The conversations have all been oral.

CHAIR: And who was present for those, just for the *Hansard*. Who was present when these conversations took place?

Mr Czabania: I was, Chair.

CHAIR: On your own?

Mr Czabania: Yes.

CHAIR: And on just the one occasion?

Mr Czabania: Yes, this morning—two separate phone calls.

CHAIR: And, just for completeness, I suspect you would have made file notes of that, or you would have shared that information with counsel or the secretary or whoever?

Mr Czabania: Yes, I have. And I should add I actually spoke to them as well last week, and also made a file note.

CHAIR: And the conversation last week was to reconfirm their claim for public interest immunity?

Mr Czabania: Yes.

CHAIR: Okay, thank you.

Senator WONG: Are we done on that point?

CHAIR: I think so.

Senator WONG: I don't need to ask again. You've done all the—

CHAIR: I think so, but you're welcome to—

Senator Colbeck: And we've indicated our willingness to request that.

CHAIR: We should try to do that, if we can, in a timely fashion. If that information can be conveyed to Senator Wong, that would be much appreciated by the committee.

Senator WONG: Thank you.

Senator Colbeck: As I said, Chair, the action in respect of most of the documents, except for the one that we made a public immunity interest test on last year, is to comply and cooperate with the New South Wales Police investigation. It's not being done to frustrate the committee.

CHAIR: No, no.

Senator Colbeck: It's being done to assist and cooperate with the New South Wales Police investigation.

CHAIR: Well, if the New South Wales police minister and you and the secretary and the general counsel have got together, it's an awfully big conspiracy—I don't think anyone is suggesting that.

Senator WONG: I've just provided you, Chair, with a series of documents which, as I understand, are from the APVMA website. I'm told they're all from your website, Dr Parker. I actually just want one of the maps, but my very efficient staff have printed off every picture. Page 3 is probably one of the better ones.

CHAIR: There being no objection, that will be tabled. Also, is there any objection to the opening statement of Dr Parker being tabled? There being no objection, that's so tabled.

Senator WONG: There are two properties which appear to be the subject of these various RFI, EOI, RFP processes, and I would like to understand the sequence by which they come within the remit of either process. In terms of the time line I've seen, Mr Joyce originally made some announcement or made some public comment. I assume this is pre-election; the document that I have here doesn't have a date on the quote. But it does say that Mr Joyce says: ... Armidale is the preferred location ... UNE vice-chancellor Annabelle Duncan has accommodated by hinting the authority could find a home on campus.

So there's a discussion about the University of New England as a co-location option. I understand my colleagues have explored some of that in previous estimates. I wasn't proposing again to go there today. We then have the RFI process, which commenced—what was the date of that?

Mr Czabania: It was 15 September, 2016.

Senator WONG: No, no. Sorry, I should have asked the question better. The decision to go to an RFI process run by the department, rather than a process run by the APVMA, was made when? When was that decision made?

Mr Quinlivan: In late August.

Senator WONG: You certainly engaged JLL corporate property services. What do we call them—property services?

Mr Czabania: Yes, property service providers.

Senator WONG: They're the ones that ran the RFI?

Mr Czabania: Yes.

Senator WONG: So you engaged them on 30 August?

Mr Czabania: Yes, we did.

Senator WONG: So, presumably, the decision to go to an RFI and for the department to run the RFI is made shortly before that?

Mr Czabania: Yes.

Senator WONG: Remind me when the election was. Were you in caretaker? When was the 2016 election?

Senator WILLIAMS: It was 2 July.

Senator WONG: So 2 July 2016 is the election and 30 August 2016 is the decision to engage JLL. Sometime between July and those two dates, presumably after the minister's resworn or whatever—he doesn't have to be resworn. He is the minister at this point, still? I've lost that time frame.

CHAIR: Yes.

Senator WONG: Yes, Mr Joyce still is. The decision that there be an RFI and that the department run it is made, correct?

Mr Quinlivan: Yes.

Senator WONG: Do we have a date on that?

Mr Quinlivan: The document I have here says that we were consulting with our property team on 25 August and we engaged, as you said, JLL on 30 August, so it was some time in that period.

Senator WONG: On 15 September the tender is published, closing on 7 October, correct?

Mr Quinlivan: Yes, that's correct.

Senator WONG: It's a very short tender process.

Mr Quinlivan: It wasn't a tender process—

CHAIR: It was an RFI.

Senator WONG: All right, it was a very short RFI process.

Mr Quinlivan: There were advertisements placed in local and national publications and so on, but, no—

Senator WONG: It's two weeks. It's a two-week RFI process. What's the value of this contract?

Mr Quinlivan: There was no value on it at that time.

Senator WONG: What's the ultimate value of the contract? If you're a business entity looking at this—

CHAIR: They might not know that. They might know what rent they're paying and what the yield may have been. They may be able to back calculate, but they wouldn't know.

Senator Colbeck: The end value of the project doesn't equate.

Senator WONG: Think about it for a—okay.

Senator Colbeck: I'm just trying to prevent something else that crops up—

Senator WONG: I know; that's true.

Senator Colbeck: because the project in scale changed midstream.

Senator WONG: That is actually where I want to go to. Thank you for raising that.

Senator Colbeck: The initial process was pre the change in scale.

Senator WONG: Excellent. I actually was going to try and get that, but the minister has now explained it. Can someone explain to me the change in scale? I'd like to know the sequence of decisions that led to that?

Dr Parker: It's very hard for me to answer that question because I didn't take over the organisation until—

Senator WONG: Can we start with the department. What was the remit, scale et cetera of the project when the RFI was issued?

Mr Czabania: Do you mean in terms of commercial office grade accommodation?

Senator WONG: I'm using this minister's words 'the scale' and that there was a change in the scale. You give me the parameters which demonstrate that.

CHAIR: I can anticipate what will guide our colleague on the committee. Go to the floor space and site space. I'm sure she will drill down if she wants further information, one storey, two storey, three storey.

Mr Czabania: We were looking for approximately 2,000 or 2,500 square metres of office accommodation in the Armidale city area or surrounding area. We were looking at timing of around no later than quarter 4, 2018. We were looking for a 10-year term with options, an A-grade commercial office building, as I mentioned, and things like offices, work spaces, collaboration areas, end-of-trip facilities—

Senator WONG: And a what?

Mr Czabania: End-of-trip facilities, meeting rooms, amenities.

Senator WONG: End of trip?

Mr Czabania: End of trip.

Senator WONG: Is that what they're called?

Mr Czabania: Yes.

Senator WONG: What does that mean? Showers?

Mr Czabania: Yes. It could be showers.

Senator WONG: And that is the RFI that was open for two weeks.

Mr Czabania: Yes.

Senator WONG: What then happened? There was this change of scale that Senator Colbeck has just described. Tell me how that came about. The RFI finishes. Was there a change of scale while the RFI was still on foot?

Mr Czabania: No. The last process that the department was involved in was on 21 December, when we handed over our report to the CEO of APVMA, which provided some options and some next steps. That was the last of the department's involvement in the process.

Senator WONG: Was there a changing of the scale for this project prior to or in the brief of 21 December?

Mr Czabania: No.

Senator WONG: So at this stage it was still 2,000 to 2,500 office space, no later than quarter 4, 2018, was it?

Mr Czabania: Yes.

Senator WONG: Ten years with option for renewal, an A-grade commercial building, end-of-trip facilities et cetera, and that's the scope of it.

Mr Czabania: Yes.

Senator WONG: The report is then handed to the APVMA on 21 December 2016—is that right, Dr Parker?

Senator STERLE: Different CEO.

Senator WONG: I understand that, but there must be someone there who was working there at the time. Is there someone in this room who was working at APVMA at the time who can tell me about these—

Dr Parker: It would have been provided to the APVMA.

Senator WONG: No, no; I don't like 'would be'. There must be someone in this room, surely, who was working at the APVMA—we're talking two-and-a-bit years ago—who can give evidence about what then occurred, from the APVMA's perspective, as between then and when you took over.

Dr Parker: There is no-one in this room.

Senator WONG: Okay.

CHAIR: Hold on. There are two different questions. There will be people in this room who can give that evidence. The first question was: was the brief handed over on 21 December, as is the evidence by the other witness? If you don't know that, just take it on notice.

Dr Parker: I believe it was, but I'll take it on notice to confirm.

CHAIR: I anticipate that Senator Wong's going to interrogate—

Senator WONG: Ask questions.

CHAIR: what happened and how these changes occurred—it is an interrogation, Senator Wong; there's nothing wrong with that—between then and when you took over, Dr Parker. Are you saying there's no-one with you who worked for the APVMA between 21 December and the day you took over?

Dr Parker: Not other than Mr Norden, who works in an entirely different area.

CHAIR: Well, maybe, but the question was: who was at the organisation? You're saying Mr Norden—anyway, I'll let the senator ask her questions; I won't anticipate whether or not you can assist.

Mr Quinlivan: Chair, I think—to assist the discussion—this particular issue has come up a number of times, and the fact that the information was provided to the APVMA on that day has never been in doubt or disputed.

Senator WONG: That's not the question we're going to. The chair is anticipating my next line of questioning, which is: as between this date and—when did you start, Dr Parker?—June 2017, I want to know what happened. So I want someone to ask questions of.

Dr Parker: There's no-one in the room.

Senator WONG: Is there anybody still in the organisation?

Dr Parker: There may be some junior officers. I will need to check and take that on notice.

Senator WONG: Well, yes, unless you can give evidence about what subsequently occurred. I'm interested in the scope changing. Can you give evidence about that?

Dr Parker: No, I can't.

Senator WONG: Really?

Dr Parker: I wasn't there.

Senator WONG: Well, what have you been told? Tell me what happened, from your knowledge and what you've been briefed on. There's surely—

Dr Parker: When I took over and was appointed interim CEO, in June, there had been work done on getting organised to put forward an EOI.

Senator WONG: So to put forward a—

Dr Parker: An expression of interest to go through a procurement process. I indicated to the staff involved that I wanted that work to be finalised so we were ready to go in the new financial year, and we subsequently went to market on 7 July. As to the exact machinations of how we got to the expression of interest for 2,000 to 3½ thousand square metres, I do not have the personal knowledge to be able to answer those questions.

Senator WONG: Do you have any second-hand knowledge? What were you told?

Dr Parker: The capacity of the APVMA—I don't have the exact dates, but it did not have the capacity to be able to run this, as I understand it, when the documents were handed over. My understanding at the time, when I took over, was that particular individuals had been employed with experience in those matters and they were working their way through that process in the preceding period before I started.

Senator WONG: Who were these people?

Dr Parker: Michael Leiper.

Senator WONG: Yes, and who else?

Dr Parker: And then I think there was Paul Kruspe.

Senator WONG: Who else?

Dr Parker: That was the executive director and the EL2 of the area at that time.

Senator WONG: Are they known to you, Mr Quinlivan?

Mr Quinlivan: No.

Senator WONG: So these gentlemen were employed by the APVMA to essentially deal with the next phase of the tender process. They received the RFI process and the documentation at some point in December or thereafter and they were asked by the then CEO, or whoever, to take the next steps. They were external to the organisation. They weren't there previously; they were brought in because the APVMA didn't have that kind of commercial expertise. Is that a broad summary?

Dr Parker: That's my understanding—yes.

Senator WONG: They're no longer working for you?

Dr Parker: Neither of them are.

Senator WONG: Are they known to Mr Joyce or his office?

Dr Parker: Not to my knowledge, Senator.

Senator WONG: When you finally go to your RFP, does the scope differ from the EOI parameters or criteria that Mr Czabania outlined?

Dr Parker: Yes, it does because it's after more space.

Senator WONG: Just remind me what the new criteria are.

Dr Parker: It's after 2,000 to 3,200 metres square of A-grade-quality leased office accommodation in Armidale city, New South Wales. That's what our EOI is titled.

Senator WONG: There's nothing in it about 'by no later than' a particular time? That was quarter 4, 2018 criteria. That's not contained?

Dr Parker: I'd have to read the document in depth.

Senator WONG: The document's been tabled previously?

Ms Croft: It was provided in response to a question on notice.

Senator WONG: Can you table it now, please?

Ms Croft: I can't table this version as I have written some notes on it. But, if somebody else has a brief—

CHAIR: Hold on. If you can give us the question number, the secretary can source it and get a copy.

Senator WONG: Is it a chamber question on notice or a question on notice to the committee? I might have misunderstood.

CHAIR: It was for a committee. It was your colleagues.

Senator WONG: I apologise. I thought you meant the chamber, which is always—

CHAIR: No. Your colleagues—

Senator WONG: That's fine. Perhaps the secretariat could print the answer. Do you know which QON it was?

Ms Croft: I believe it was question on notice 21 from the 2018-19 supplementary budget estimates.

Senator WONG: It was 2,000 to 3,200 A-grade. It may not or may not have included the time frame of the lease, the capacity to renew. It may or may not have included end-of-trip facilities and meeting rooms and so forth. Is that right, Dr Parker?

Dr Parker: It certainly included some time frames of leases. I'd have to read the document. I'm not familiar with every single clause.

CHAIR: In terms of who would actually draft the floor—

Dr Parker: I will take that question on notice.

CHAIR: Drafting of the floor plan—that wouldn't have been left to the tenderer to do. The architectural work, the drafting? Typically, in every experience I've had in the Commonwealth, it's done by providers from a panel of the Commonwealth—

Dr Parker: We've got the answer to that.

CHAIR: While you're here, Mr Smith, it may be that you've got the answer to this. The committee can make its own determination about the land areas that may need to be associated with this. There are set ratios if someone exploits the use of a site as best they can for a single-storey building. The only thing that would alter that is when, in your EOI, you seek any particular additional things that would impact on the land area, such as local government by-laws saying '50 car parks' and you want 100 car parks or you need a children's playground—any of that sort of thing that is quite specific.

Dr Parker: Again, I don't have the specifics. I'm happy to take it on notice and provide you with the answer, and we'll try to do that tonight.

CHAIR: The lease would illuminate us. If you wanted some particular thing, it would be accommodated in the lease, I imagine.

Dr Parker: I would think so, but I don't have the details to hand.

CHAIR: Mr Smith?

Mr Smith: Are you asking about the architecture?

CHAIR: Yes. Who did the layout of the building?

Mr Smith: The layout was provided by JNC, which is a local company in Armidale.

CHAIR: Who appointed them? Who instructed them?

Mr Smith: That was done by the relocations team, which was Mr—

CHAIR: But it wasn't the developer—

Mr Smith: No.

CHAIR: or the landlord? Do have a copy of the layout. That may assist Senator Wong, in terms of—

Senator WONG: Isn't it in here?

Unidentified speaker: Yes.

Senator WONG: All right. With the determination of the RFI and options et cetera, was there an assessment that there wasn't sufficient suitable real estate, as elicited by the RFI?

Mr Czabania: The department's RFI?

Senator WONG: Yes.

Mr Czabania: There were four locations, I think, that were proposed as options in the final report.

Senator WONG: I am asking first whether there was an assessment by the department as part of the RFI that there either was not sufficient suitable real estate or there were challenges associated with the expressions of interest in response to the RFI.

CHAIR: It was your evidence that, of the number of people that responded to the RFI, four of them qualified.

Senator WONG: Is that what your evidence is?

Mr Czabania: Yes.

Senator WONG: So you didn't advise the APVMA there was any problem with—

Mr Czabania: No—not as far as I'm aware.

CHAIR: How many submissions did you receive for the RFI—if four qualified?

Mr Czabania: We received nine responses from proponents. There were 15 submissions, or options—because some proponents put more than one option forward—covering 11 sites.

Senator WONG: Can you go to page 3 of the document I have tabled and tell me how many of your submissions related to the locations at Taylor Street and Beardy Street?

CHAIR: Senator, you should first establish—and I don't know the answer to my own question—but only one of those streets may have been relevant in the first RFI?

Senator WONG: I'm asking that question.

CHAIR: No, your question was: how many of them applied to both of those street names? The answer might be none.

Senator WONG: Either. I can ask a more open question. Is that what you would like me to do?

CHAIR: No, because we have an advantage over you—we've had a lot of hours on this. I'm just helping to guide.

Senator WONG: All right—you tell me.

Senator Colbeck: My suspicion is that the answer to this question is already on the *Hansard* record.

CHAIR: It may well be but—

Senator WONG: Well, congratulations. I'm here now. It's not like I've been sitting on my hands for the last three years.

CHAIR: There's no need for that, Senator Wong.

Senator WONG: Point scoring—

Senator Colbeck: We have spent hours and hours on this—

Senator WONG: And now you've got me. Consider it—

CHAIR: Please, let's hear an answer to the question.

Mr Czabania: Three proponents put 91 Beardy Street and 102 Taylor Street in their submissions, as a combined lot.

Senator WONG: Who were the three proponents again?

CHAIR: We're starting to get into the territory here where the minister has previously made a public interest immunity claim.

Senator WONG: Why—

CHAIR: The committee did not consider it, because, with a great deal of co-operation with all parties, we were able to navigate our way through to provide sufficient information for the interested senators to go where they wanted to go. So the minister has previously claimed public interest immunity to do with process.

Senator WONG: On what basis? These are people who have put into an RFI. The contracts has already been agreed. There is no commercial in confidence point that is relevant now. There's no damage that is relevant now. But there is, frankly, a public interest, given what has subsequently occurred. So, who are the three proponents?

Mr Czabania: We've previously provided the proponents who put 91 Beardy Street as an option in the department's RFI process. They were Miltonrock, Stirloch and Castlerock.

Senator WONG: Milton, Stirloch and Castle?

Mr Czabania: Yes.

Senator WONG: This is a naive question, and I apologise, Chair, but how can three entities put in an EOI in respect of the same property?

Senator Colbeck: Not an unusual concept, Senator.

Senator WONG: But who owns it? Which of them—

CHAIR: Someone else, probably, and as a developer it's a very standard practice—

Senator WONG: So these are developers?

CHAIR: to put a contract on a piece of property subject to successful—

Senator WONG: Sure. I was unclear as to whether it was owner or developer.

CHAIR: But one of them may well also be the owner.

Senator WONG: Which of them is the owner?

Mr Czabania: None are the owner.

Senator WONG: Who was the owner of 91 Beady Street at the time of the RFI?

Mr Czabania: I can't tell you that, Senator. I think that information was subject to the public interest immunity—

Senator WONG: Well, I'm asking it again.

CHAIR: Hold on. Can I just say that it's not even necessarily—and I don't remember that—information they would know.

Senator WONG: Is it information you know? Do you know? I assume, if you have three—is this three out of 10 or three out of 11?

Senator STERLE: Nine.

CHAIR: No, 18.

Senator WONG: No, no.

Mr Czabania: Three out of nine proponents.

Senator WONG: So a third of the proponents are putting forward a proposition in respect of the same two properties. Is that correct? I think that's your evidence, but I'm giving you the opportunity to—would you like me to repeat that?

Mr Czabania: Yes, please.

Senator WONG: Three out of the nine—are we calling them proponents?

Mr Czabania: Yes.

Senator WONG: The people who participated?

Mr Czabania: Yes.

Senator WONG: Three out of the nine proponents are putting forward proposals in relation to the same two properties. I'm asking whether or not that led to the department ascertaining the ownership of those properties as part of this process.

Mr Czabania: As part of the process, the next step would have been a due diligence into ownership of the land and who had control of that land.

Senator WONG: Who did that?

Mr Czabania: That was the next natural step.

Senator WONG: Who did that? Was that done internally or did you give that to—

Mr Czabania: One of the proponents put forward a letter as part of their submission, which provided evidence that they had control of the property at 91 Beady Street.

Senator WONG: And who was that?

Mr Czabania: That was Stirloch.

Senator WONG: Can I have copy of that letter?

Mr Czabania: I'd probably just need to take that on notice, if that's okay, Senator.

Senator WONG: No, it's not okay, but why?

Mr Czabania: Just to determine whether or not it falls under the—

Senator WONG: And the due diligence was run by the department?

Mr Czabania: The due diligence would have been run by the department had the process—

Senator WONG: Mr Czabania, can I just interrupt you. I always get nervous when people say 'would have' because it's not evidence about anything actually happening. Was the due diligence run by the department or not?

Mr Czabania: No.

Senator WONG: Who ran the due diligence?

Mr Czabania: JLL did a desktop—I guess—exercise and put those results into the report that was given to APVMA on 21 December.

Senator WONG: Was the letter from Stirloch provided as a consequence of the desktop due diligence?

Mr Czabania: The letter was provided as part of the submission from Stirloch to JLL in a response to the RFI process. As well as their submission around 91 Beardy Street, they also produced a letter to say they had control of that property.

Senator WONG: How did they have control of it? They're the landlord?

Mr Czabania: They had a letter from the owner to say they could represent the interests of the—

Senator WONG: And who's the owner?

Mr Czabania: Again, I probably just need to take—

Senator WONG: No, that is a perfectly reasonable thing to ask. At the time that an RFI process is finalised, the Senate—I'm asking you—

CHAIR: Mr Czabania, if we had two minutes to go down to my desktop and I punched in my company's reference point, I could do a historical search. It would be on the public record. I'm not certain how you're going to be able to mount a public interest immunity claim on the identity of the owner—the preceding owner of the land.

Ms Croft: Perhaps I could assist. Because Stirloch also was part of our process, we provided the owner of the building in a question on notice.

CHAIR: Let's just give it to Senator Wong, and we can move on.

Ms Croft: The option deed that we received as part of our process had the grantors as Greg Burgess and Maryn Burgess, signed as directors of Bayfoyle Pty Ltd.

Senator WONG: As what?

Ms Croft: Signed as directors of Bayfoyle—B-A-Y-F-O-Y-L-E. And Greg Burgess was exercising a power of attorney, also signed on behalf of his parents, Gary and Jill Burgess.

Senator WONG: They are the owners of 91 Beardy and 102 Taylor.

Ms Croft: Yes.

Senator WONG: You used the phrase 'option D'. Mr Czabania, you previously told us that there were four options put to the APVMA as part of the handover, post the RFI?

Mr Czabania: Yes, four.

Senator WONG: What are those options? What were they? Is this what this is? No, this is just the EOI original document. It's not the decision, is it—the one you've given me? It's not particularly helpful. It's just the EOI. Do you want to tell me what the four—

Mr Czabania: The details of the options put to APVMA are subject to the public interest immunity claim.

CHAIR: Well, I'm going to share my memory, and the minister can refresh his claim if he chooses to. My memory is that the basis of the public interest immunity claim related to commercial in confidence.

Senator WILLIAMS: Correct.

CHAIR: That would be how the architectural structure of the submission was made—details, obviously financial details, special terms and conditions, incentives and a range of things—but I'm not sure it would extend to the question just asked by the senator.

Mr Quinlivan: We're just checking. I think Mr Czabania is a bit unsure what was included in the documents covered by the public interest immunity claim made by Ministers Littleproud and Cormann. We think this particular information wasn't. We're just checking that.

Senator WONG: I don't mind. I'll wait.

CHAIR: That's my memory. I have a tremendous ability to navigate these very difficult circumstances, Senator Wong—

Senator WONG: Would you like to ask the questions? I'm very happy—

CHAIR: and a long history.

Senator WILLIAMS: I'd like to ask two questions, then I can leave.

CHAIR: When your turn comes.

Senator WILLIAMS: Point of order: when my turn comes? How long has Senator Wong got on this thing?

CHAIR: I've been indulged by my colleagues on the committee not interrupting me when I've had a particular course that I wanted to pursue, and I'm returning the favour. But this stop-start probably doesn't assist the committee. With your consent, Senator Wong, if we get to where someone says they think it's part of the claim, if you're able to move on, we should, and then we'll come back every 15 minutes and tidy up, if you like. Unless it's absolutely critical and you can't move forward without it, that may be one way to do this.

Senator WONG: Are you able to—

Senator STERLE: Did you resolve it?

Mr Quinlivan: It's a question of fact. We're just checking. My recollection is that we did provide that information.

CHAIR: Yes.

Mr Quinlivan: Others are less sure, and I don't always trust my memory.

CHAIR: That's my recollection as well.

Senator WONG: There were options A to D. Which one did you pick?

Dr Parker: We didn't pick any. We ran our own process. I terminated that process, I think in June. I'd have to double-check the date for you.

Senator WONG: Okay. And the scope changed from all of the options?

Dr Parker: The scope changed and our EOI went out, as I've answered previously—

Senator WONG: Which is this one here.

Dr Parker: for 2,000 to 3,200 of A-grade-quality leased office accommodation in Armidale, and we're now on 7 July.

Senator WONG: And none of the options had an area as large as the upper end of the option that you had put forward in the EOI. Is that correct? You said two to 2½. He said they went to 3,200, and I'm just confirming that none of the options A to D extended to 3,200.

Dr Parker: No.

Senator WONG: Why did you go to 3,200?

Dr Parker: Because there was a second Commonwealth agency proposing to join us in the Commonwealth building.

Senator WONG: This is the Centrelink proposition.

Dr Parker: Correct.

Senator WONG: Did that ever happen?

Dr Parker: Yes, it is happening.

Senator WONG: I jumped around a bit, and I apologise to my colleagues, but three of the nine propositions—what would you like me to call them under the RFI? Proposals?

Mr Czabania: Yes.

Senator WONG: Okay. Three of the nine proposals related to 91 Beardy and 102 Taylor. Is that right?

Mr Czabania: Yes, that's correct.

Senator WONG: But only one of them had a letter that indicated control, which included a letter from the owner.

Mr Czabania: Yes, that's correct.

Senator WONG: We've had a bit of evidence in here about a fire, which has also been found by the coroner to have been an arson attack. Was that in relation to 91 Beardy Street?

Mr Czabania: I believe it was.

Senator WONG: At the time that the RFI opened, is it the case that there was an existing lease for the property at 91 Beardy Street?

Mr Czabania: I'm not sure if I can answer that question. I don't have that information.

Senator WONG: Isn't this where there was a club or something, Senator—the Armidale Club? They had a lease. Are you aware of that?

Mr Czabania: Only now. At the time, no.

Senator WONG: As part of the due diligence, and interrogating the assertion by Stirloch—is it proprietary limited? What do we call them?

Mr Czabania: I've got Stirloch Constructions.

Senator WONG: As part of interrogating or exercising due diligence, in respect of Stirloch's assertion as part of the RFI that they had control of the site properties that were the subject of their proposal, did you look at—or did anybody look at—whether or not there was an existing lease?

Mr Czabania: I would say not, given that this was just a request for information. The next step, after presenting the report on 21 December, would have been to do a more in-depth due diligence. But my understanding is, up until that point, it hadn't been done, apart from just a desk exercise.

Senator WONG: When did you first know there was a lease on one of the properties?

Mr Czabania: I wasn't in the role at the time. My property team would have just been doing the RFI process before the due diligence.

Senator WONG: Was anyone at APVMA or the department aware, at the time the department published the RFI on 15 September, of whether or not there was an existing lease? Is that something you have become aware of? It's not believable if you haven't.

Mr Quinlivan: I think one answer to that would be that we would only have been aware had that information been included in the JLL report that was provided. That would be a question of fact, whether that was the case or not. I can't recall us answering this question in previous discussions of this issue. It's a question of fact we could check.

Senator McCARTHY: There's just one thing, Senator Wong, that I want to clarify. In previous questioning, in relation to the number of proposals, you've said now nine, when previously you've said 10. Which is it?

Mr Czabania: It is nine proponents. You are correct, we previously did provide evidence that said 10. I think, because of the combination of proponents and sites in submissions, we've had a look at the information again and determined that it was nine proponents. Two options were put forward by the same respondent and I think we double counted them. We've since changed that.

Senator McCARTHY: You actually said three, in that instance as well, not two—if you can clarify that.

Mr Czabania: Yes.

Senator McCARTHY: If you look at the *Hansard* then, we were talking about 10 proposals.

Mr Czabania: Yes. I think at the last estimates we published a table of how many proponents submitted options for which properties and which sites, just to clarify that. The summary of that was: nine responses from proponents and 15 submissions or options covering 11 sites. Senator, I do have the response around the shortlist we provided in the report on 21 December 2016 to the CEO of APVMA. The first was a technology park option. The second was the University of New England. The third was 91 Beardy Street. The fourth was a property at 119 Rusden Street.

Senator WONG: And this was in December?

Mr Czabania: Yes.

Senator WONG: So we know from questions that have been asked here and certainly from media reporting that, remarkably or coincidentally, the day after there is a tender

published the Armidale Club, which is located at 91 Beardy Street and which in public reporting asserts to have had a lease, is destroyed by fire. Magically, three proponents put forward propositions that include 91 Beardy Street. They all include this L shape around the corner. Did anybody go, 'That's a bit weird?'

Mr Czabania: Not as far as I'm aware.

Senator WONG: I'm sorry, Mr Czabania. I'll ask Mr Quinlivan and the minister: did no-one in government think that when there was an RFI out? Three entities put in a proposition. Obviously in Armidale this is a pretty reasonable proposition: public funding of development, a long-term lease, good tenants et cetera. It's a good financial proposition; it's a good value proposition. Three proponents have put this proposal before government. Obviously a legal lease is potentially—and I put no hide in that—an impediment to development of the site, or an issue. Extraordinarily, there is a fire during the two weeks the RFI is on foot, just in time to make sure somebody can put in a proposition that includes 91 Beardy Street. Did no-one think that this is a pretty odd set of circumstances?

CHAIR: We should first establish what they knew of the fire. Did you know of the fire? When did you first learn of the fire?

Mr Czabania: No, I did not. At the time I wasn't looking after the property team in the department. The report that JLL produced also didn't mention the fire.

CHAIR: Let's skip forward now to Dr Parker. Did you know of the fire when you inherited this process?

Dr Parker: Not when I was appointed.

Senator WONG: But subsequently—

CHAIR: No. In fairness, we've left this sort of conspiratorial blot on the paper here. I just want to tidy up. Mr Quinlivan, at any stage between when your department started the process and Dr Parker took it over did you, or anyone else to your knowledge within the department, know of the fire?

Mr Quinlivan: My recollection, which is less than crystal clear, is that I first became aware of the fire when we were preparing for estimates in the last part of that year. I assume that would have been November 2016. At that point, of course, we had not completed our process. My recollection is that, in preparing for that estimates hearing, I became aware of the fire, but I'm pretty sure I didn't know of it before that.

CHAIR: Did your awareness extend to it being a suspicious fire or were you just told it was a fire?

Mr Quinlivan: No, I don't recall anything other than the site had been subject to probable arson. I think media reports were drawn to my attention.

Senator WONG: That's very interesting. Obviously, as part of estimates, departments and ministers prepare lots of briefs. Officers usually try and bring issues of sensitivity or concern to the attention of ministers or senior officials as required, and in the context of that you were alerted to the fire.

Mr Quinlivan: I'm not sure that was the case.

Senator WONG: In the context of the estimates briefing—

Mr Quinlivan: That's when it happened, but I'm not sure it was necessarily in the context of preparing for estimates.

Senator WONG: That was your evidence.

Mr Quinlivan: No, I said that's when it happened.

Senator WONG: Oh, I'm sorry! I thought it was more than temporal.

CHAIR: You shouldn't do that, Senator Wong.

Mr Quinlivan: I think it was more me just checking off all of the issues, as you do before estimates, and one was where we are up to in the APVMA relocation. In the discussions then I became aware. I may have read it in a brief or something. I can't recall exactly.

Senator WONG: I think you said you knew it was a probable arson attack.

Mr Quinlivan: I think there was a reference to media reports and possibly a coroner's investigation. It was a long time ago, and I don't have a clear recollection of it.

Senator WONG: Did that ring any alarm bells?

Mr Quinlivan: Not particularly at the time. It was the subject of a formal investigation, and I just assumed the investigation would run its course.

Senator WONG: Sure, but your department runs an RFI. You were aware that one of the properties that was the subject of proposals in the context of the RFI was the property at which there'd been an alleged arson attack—correct?

Mr Quinlivan: Yes.

Senator WONG: But that didn't ring any alarm bells?

Mr Quinlivan: I wasn't making a necessary connection between those two things. To the best of my knowledge, at that time nobody brought to our attention a connection.

Senator WONG: No, I'm sure they wouldn't. It's not like they're going to rock up and say, 'We burnt down something so we could put a proposal in.' They're not going to bring it to your attention, are they?

Mr Quinlivan: It wouldn't have come from those sources, obviously.

Senator WONG: No. I was going to move now to the APVMA process. Was there anything else on this that that my colleagues wanted to ask? No. Chair, have I missed something you think I should do? You're more across this than I.

CHAIR: No, I think you've done an admirable job of covering it. Once more we've illuminated that there's nothing standing out on the horizon there. You're welcome to continue.

Senator WONG: APVMA, you then initiate your own process.

Dr Parker: We put out the EOI on 7 July.

Senator WONG: 21 December 2016 is the options and the handover, as it were—is that right? Then you take over in June 2017—correct?

Dr Parker: Correct.

Senator WONG: And then in July 2017 you commenced your own tender process?

Dr Parker: Correct.

Senator WONG: Which is for a completely new option, which is more space?

Dr Parker: Correct.

Senator WONG: Was that after discussion with the minister?

Dr Parker: I certainly had no discussions with the minister.

Senator WONG: Are you aware of any discussions with the minister?

Dr Parker: I am not aware of any discussions with the minister.

Senator WONG: And the final—what's the nature of the contract that's at the conclusion of your EOI/RFP process?

Dr Parker: We engaged a developer to build the building and negotiate a lease over that building.

Senator WONG: Build and lease with the same entity?

Dr Parker: Correct.

Senator WONG: Okay. And that entity is Stirloch?

Dr Parker: Correct.

CHAIR: This is a subtle point. When you say you engaged a developer to build you a building, wouldn't it be more accurate to say you engaged a party to supply you, in accordance with lease requirements, a premises that you could occupy? There's a big difference.

Dr Parker: Thank you, Chair. That's more descriptive.

Senator WONG: Say that again.

CHAIR: So, in other words, they wouldn't have been making progress payments to a builder to build them a building.

Senator WONG: No, no.

Dr Parker: No.

CHAIR: But we entered into an agreement with a developer to build us a building. I just wanted to clear that up. They were merely in a tenant-landlord relationship pursuant to the conditions of the lease: you finish it on this date and we'll give you some money; you give us a key and we'll move in.

Dr Parker: Correct.

Senator McCARTHY: What was the value of the land at the time?

Dr Parker: I think we previously said it was sold to Stirloch for, I believe, 1.3.

Senator McCARTHY: No, but what was the value of the land before?

CHAIR: Whatever the market said.

Dr Parker: I don't know.

CHAIR: Whatever the sale price was was the value of the land. That's how it works.

Senator STERLE: That could be tested, but anyway.

CHAIR: Don't tell me you aren't a free marketeer underneath that old truck driver's singlet.

Senator STERLE: It's just that we did know what it was valued at a year before it was sold.

Senator McCARTHY: Yes, in July 2017 it was \$440,000.

CHAIR: Just so everyone can respond to that if necessary, how did you determine the value of \$440,000 the year before?

Senator McCARTHY: The New South Wales valuer records.

CHAIR: You mean the unimproved value of the property for the purposes of rates and all that sort of thing?

Senator McCARTHY: The property at 91 Beardy Street, Armidale was worth \$444,000 in July 2017.

CHAIR: Would that have been with a building on it?

Senator WONG: I don't think there'd be any dispute that the value proposition for a sale when there is a contract with a statutory authority for a decent lease of a reasonably large building, built to appropriate commercial standards, will be very different. There'll be a significant value enhancement.

CHAIR: Except the point I was making—and I don't know the answer to my own point; I just wanted to be sure we're dealing with apples and apples.

Senator WONG: Sure.

CHAIR: If you have a block of land with a building on it that has a value, if the building disappears, it will have another value, probably a lesser value.

Senator WONG: Sure, but, if you think about the players in the market, you've got the Armidale Club and a lease. The value of the sale of that property is going to be somewhat less, I think everyone would agree, than the value of the sale of land where you either have entered into—or are looking to enter into—a very substantial contract with a statutory authority, which essentially involves a design and build and a lease for a period of time with a very reliable lessee.

CHAIR: You may well be right—

Senator WONG: I think I'm right.

CHAIR: You may well be right, but we will never know based on the facts that are before us at the moment. If that's something you want to explore—

Senator WONG: No.

CHAIR: then we should. If the witnesses aren't here, we'll bring someone else and we'll keep bringing them until we get to the bottom of it.

Senator WONG: No. I'm more concerned, as I think a number of people in the public are, with the way in which we appear to have a criminal act—that is, an arson attack—that has the effect of facilitating a particular commercial interest.

CHAIR: Sure. I don't know. Prima facie, being the suspicious character that I am—

Senator STERLE: You said it.

CHAIR: I'd like to have a thorough look at this place burning down myself. Where I'm having a difficulty, might I say, is with the nexus between that and the functions of the agency

who were, it would seem, following the conventional course to secure premises. If, for example, Fred had control of the site through a put-and-call option or some other contractual arrangement, it really is almost immaterial to them if a criminal act has taken place there—if someone's been abducted or if they burnt it down or stole a car. That's where I'm having a struggle about whether your argument is about a moral obligation to factor in that the place might have burnt down. Four years later we haven't established that in any form, it would seem. That's where I am having a problem.

Senator WONG: I'm not actually having an argument. I think Labor senators are trying to explore what has occurred. I think there is a question as to whether or not appropriate diligence was undertaken, and the time frame is the concern. You've got a situation where—and this is a very valuable proposition for the people involved or the entities involved—

CHAIR: Sure.

Senator WONG: I think the time frame and the proximity of the arson attack to the RFI does raise questions, and they have not been answered. It may be the people at the table are not the ones to answer them, but it doesn't appear that anyone has actually looked to answer it. I don't think due diligence is just getting a letter from someone saying, 'I've got control.' I think it raises a warning flag that the very property which is the subject of this contract was the subject of an arson attack which occurred the day after the RFI opened.

CHAIR: Yes, but can I make one further—

Senator WONG: I don't push it any higher than that.

Senator WILLIAMS: Can I make a point?

CHAIR: Let me delicately—

Senator WILLIAMS: I've been here for two hours and I want to ask one question.

CHAIR: Well, you've got another two hours to wait.

Senator WILLIAMS: No, I won't—I'll be gone.

CHAIR: I don't want to mention gender or status in life or origins, because I'll get myself into trouble. Some individual could have come and burnt the pub down walking past. It happens, right.

Senator WONG: The only people who have mentioned that are you and Senator Macdonald. The rest of us don't actually do it.

CHAIR: No, Senator Wong, I'm not being obstructionist. I'm prepared, for the exercise, to assume that Mr Quinlivan, Dr Parker and Mr Czabania were all losing sleep by this time, thinking that the pub had been burnt down as an act of arson. What I don't understand is why that would prevent them from doing the normal course of what they were doing. It could have been a random arson—someone drove past and dropped a match. Who knows?

Senator WONG: But that isn't their evidence. Their evidence isn't that they were losing sleep. In fact, the evidence from the secretary is that it raised no warning bell for them.

CHAIR: So the crime is they should have been losing sleep?

Senator WONG: No, I actually haven't accused anybody of a crime.

Senator WILLIAMS: Oh well, I'll put them on notice.

Senator WONG: That there's a crime?

Senator McCARTHY: His questions.

Senator WONG: I'll stop now, because I like you, Wacka.

CHAIR: Oh my God. That's it. I thought I'd seen everything in my six years here, but that takes the cake.

Senator WONG: He's all right.

CHAIR: You have the call, Senator Williams.

Senator WILLIAMS: Thank you Chair and Senator Wong. Dr Parker, you answered most of my questions in your opening statement, as far as the progress of the construction of the Armidale building at the corner of Taylor Street and Beardy Street. You expect it to be open by July? I think you said mid-2019 in your opening statement?

Dr Parker: That's correct.

Senator WILLIAMS: Good. You said 90 staff are currently working in Armidale?

Dr Parker: Around 90 staff—that's correct.

Senator WILLIAMS: Have you ever sat down and worked out the cost of having to relocate the APVMA back to Canberra, if that was ever forced on you?

Dr Parker: No, I have not.

CHAIR: Don't incite Senator Wong! She's getting ready to go. Just give it a minute or two, will you?

Senator STERLE: Maybe you should put them on notice, Wacka!

CHAIR: He's doing this to incite me, not Senator Wong!

Senator WILLIAMS: I'm stirring up the chair; I wouldn't stir up my friend Senator Wong. Finally, I understand approvals and timeliness were improving last year. You said in your opening statement that in October 2017—that quarter, or December 2017—it went up to 85 per cent. In the June quarter of 2017 it was 58 per cent. So you actually raised your productivity—

Dr Parker: In the June quarter of 2017 it was 58 per cent and in the December quarter of 2018 it was 85 per cent. That's correct.

Senator WILLIAMS: On staffing at Armidale, are there many more positions available there?

Dr Parker: We are currently in an active recruitment phase, yes.

Senator WILLIAMS: How many more do you have to employ?

Dr Parker: We think final numbers in Armidale for June will be somewhere around the 130 mark to start with. We've got about, I suppose, another 20 to 25 to employ up there.

Senator WILLIAMS: Are you getting plenty of interest from people looking for a job with you?

Dr Parker: We haven't had difficulties with either the quality or the number of applicants.

Senator WILLIAMS: That's good to hear—no difficulty with the quality of the people or the numbers of the people asking to work for APVMA.

Dr Parker: That would be my assessment, yes.

Senator WILLIAMS: Sounds like it's going pretty good. Good luck with it all. Thank you, Chair.

Senator STERLE: While we have got the APVMA here, I have some questions just in terms of how they're staffing is going, but Senator Williams has touched on it. Just a couple of quick questions, I reckon, and then we can bid farewell to APVMA.

CHAIR: We'll all look forward to that!

Senator STERLE: Yes, me too. Dr Parker, can you tell us, to date, the total cost of the relocation of the agency?

Dr Parker: I will ask Ms Croft.

Ms Croft: Are you asking what we have spent?

Senator STERLE: Yes.

Ms Croft: We have currently spent \$9.845 million.

Senator STERLE: Thanks. I'm happy to breeze through these. What is the total complete forecast for the move?

Ms Croft: The total appropriation was \$25.6 million.

Senator STERLE: That was the original estimate?

Ms Croft: Yes, over six years.

Senator STERLE: Are you under or over at this stage?

Ms Croft: No. The funds remaining are sufficient to relocate at this stage.

Senator STERLE: You said in estimates on 19 February that you were on schedule to occupy the new building by mid-2019. Is that still on track?

Ms Croft: Yes, it is.

Senator STERLE: Great. Do you have a firm move-in date?

Ms Croft: No.

Senator STERLE: Will the relocation committee to continue to meet up until that time?

Ms Croft: Yes.

Senator STERLE: I think last time we were talking, you had about 25 positions to fill, and I just caught the end of Senator Williams's questions. Have you filled them?

Ms Croft: We currently have 93 that we have filled. So we have 89 now and offers out with another four. We are in recruitment process for the remainder of the positions, some of which we are close to finalising.

Senator STERLE: That's about four or five, is it?

Ms Croft: We have four or five who have been recruited but yet to start, then we have about another 20/25 positions that we are actively recruiting for at the moment.

Senator STERLE: That was the 25 you were talking about last Senate estimates?

Dr Parker: That's correct.

Senator STERLE: Apart from you, Dr Parker, have any other relocated staff received a living away from home allowance for relocating?

Dr Parker: No, and I haven't received a living away from home allowance. I have received an allowance determined by the Remuneration Tribunal for assistance with accommodation.

Senator STERLE: And you have been back and forth between Armidale and Canberra?

Dr Parker: Up until January of this year, I was availing myself of that assistance.

Senator STERLE: So you haven't been up there since January?

Dr Parker: No. I have been up there since January, but I have changed the arrangements. The lease finished on the property, and I am looking for another property.

Senator STERLE: So when the building is opened you will be based in Armidale?

Dr Parker: That's correct.

Senator STERLE: Thanks very much, Chair.

CHAIR: Dr Parker, thank you—another tough day out and I must compliment you and your staff on the way that you navigated some difficult questions. We thank you for your preparation and attendance, and we wish you safe travel back to your port. The same to the colleagues from corporate, through you, Mr Quinlivan.

Senator STERLE: I have questions for corporate, and then I'll finish with them.

CHAIR: You promise?

Senator STERLE: I promise. There are only three or four.

Dr Parker: Chair, can I also wish you well in the future. I realise that you'll be leaving this place.

CHAIR: I'll be home on the farm spraying some of that stuff you've approved.

Dr Parker: I hope you enjoy your life from this time.

Senator STERLE: So I'll kick off now, Mr Quinlivan, if I can. Can the department explain the long development and implementation period of 11 years for the Dairy Code of Conduct?

Mr Quinlivan: I think we mentioned earlier—

Senator STERLE: We did, too. Sorry, I thought we'd do it with you here.

Mr Quinlivan: That would be outcome 1, which is next in any case.

Senator STERLE: Can we go to outcome 1, Chair?

CHAIR: We could go to outcome 1 with pleasure. Does that release corporate?

Senator STERLE: Yes.

CHAIR: Corporate, with our thanks, again. We will break now.

Proceedings suspended from 15:54 to 16:09

CHAIR: We will now resume the Senate Rural and Regional Affairs and Transport Legislation Committee budget estimates for 2019-20. I will start with an apology. We've had a lot of people waiting all day. It is an unusual week. We thank you for your preparation and for your attendance and we wish you the best on your way back to wherever you come from. So that the people from outcome 2 aren't lonely on the way down the hallway, we will release the Trade and Market Access Division and the Chemicals, Fisheries and Forestry Division.

Again, we know that you have been here and that it's been a long day. We summonsed you early and we apologise for the inconvenience to your day. Thank you for your preparation and we wish you a safe journey back to where you're going. We will now go to outcome 1 with the Agricultural Policy Division and the Rural Policy and Farm Performance Division.

Mr Quinlivan, if we have accidentally released an element of outcome 1 or 2, where Senator Sterle has a question and because we didn't match the two, could I ask you to get responses back to Senator Sterle as soon as possible?

Mr Quinlivan: We'll chance our arm at the table.

CHAIR: Senator Sterle, you have the call.

Senator STERLE: Mr Quinlivan, I want to go to the agricultural stewardship and sustainability package. Can the department explain the nature of the selection process and the likely criteria for assessment of projects aimed at improving on-farm biodiversity?

Ms Cully: As you will be aware, the package was announced in the budget context. There's an amount of time between now and when the funding will be profiled in. In that time, we'll be working through that methodology and those details that you've asked about.

Senator STERLE: So you haven't got anything in black and white or anything on paper or any targets?

Ms Cully: The minister has indicated that those targets will be worked through in consultation with bodies like the NFF and others with relevant matrix and expertise.

Senator STERLE: Do we know the likely criteria?

Ms Cully: No; the minister hasn't made public statements about likely criteria.

Senator STERLE: Okay; I'm going to play real dumb here. What was the announcement?

Ms Cully: It was an early announcement in the budget context. The minister's media release was issued—

Senator STERLE: This was last week?

Ms Cully: It was 26 March. The announcement outlines a headline figure divided into two parts.

Senator STERLE: What is that?

Ms Cully: The first part being \$30 million for a pilot agricultural biodiversity stewardship program. The second component of funding that was announced was \$4 million for a biodiversity certification scheme.

Senator STERLE: So it was 26 March and there was an announcement of two spends. Is it one before the other or side by side?

Ms Cully: The spending profile is outlined in the budget papers. I can give you a page reference if that assists.

Senator STERLE: No; that's alright. So it's just an announcement, and there is nothing else around this?

Ms Cully: There's an announcement and there is also a fact sheet on the department's website which outlines some detail around those elements that I discussed and also around another part of the measure, which is an agricultural biodiversity policy.

Senator STERLE: Can the department advise on the type of consumer products likely to be certified and whether there has been any assessment of consumer interest in such certification? Are we there yet?

Ms Cully: That's detail that will be worked through. The minister's media release indicates the sorts of aims of what a certification scheme would have, so that's about a premium for products which are produced with biodiversity-friendly or accredited practices.

Senator STERLE: Do you have any idea what they will look like?

Ms Cully: Those details will be worked through, and, in working those through, the minister has highlighted that the National Farmers' Federation will be consulted and engaged.

Senator STERLE: Okay, so they didn't know about it at the time. Are there any set dates of when there will be meetings to start this or when we can expect a bit of body behind the announcement?

Ms Cully: As I said before, the funding wouldn't be profiled until the budget is put through the parliament. In the intervening period there would be time to develop those details—including the consultation that I foreshadowed.

Senator STERLE: So when would the money come?

Ms Cully: If I refer to the budget papers, on page 20 at table 1.2 of the measures descriptions, there's a division of 'administered' and 'departmental', and it shows funding for the stewardship package over the four financial years of the forward estimates from 2019-20—

Senator STERLE: Next year.

Ms Cully: through to 2022-23.

Senator STERLE: So these two announcements of \$30 million and \$4 million are over four years?

Ms Cully: They are. There's funding profiled over the four years.

Senator STERLE: That's the total fund?

Ms Cully: That's correct.

Senator STERLE: So there's no split up in each year?

Ms Cully: The table that I referred to in the budget papers outlines the split each year by administered and departmental.

Senator STERLE: I want to go to the national leadership for agricultural innovation. I can see that on the department's website we're talking about \$2.9 million over three years starting in 2019-20, and that's to establish an advisory panel to drive national leadership of agricultural innovation. Can the department confirm that this panel is intended to respond to the EY report—didn't we talk about this the other day, Chair? We did talk about this, didn't we?

CHAIR: Yes, and we shouldn't talk about it again.

Senator STERLE: That's right—I've done that. Let's talk about North Queensland flood recovery—that's easy! On the department's PBS, at page 21, we identify there's \$60,564,000 in each of the next two financial years under the North Queensland flood recovery program.

Can the department advise on developments in Queensland, both on the assessment of the overall impact of the flooding and progress on recovery? Can we do that?

Ms Standen: There has been a flood-recovery agency formed. It's currently being supported by a task force in the Department of the Prime Minister and Cabinet.

Senator STERLE: Sorry, I'll just walk through this with you, if I may, Ms Standen. You said there's an agency?

Ms Standen: That's correct.

Senator STERLE: And then you move to a task force?

Ms Standen: The agency is currently being supported by a task force as it steps up its own activities, so there's a task force working out of the Department of the Prime Minister and Cabinet. They have been tasked with coordinating recovery activities across the Commonwealth and working with the Queensland government on recovery from floods.

Senator STERLE: How's that going?

Ms Standen: There has been considerable assistance provided by the Commonwealth, firstly through disaster recovery arrangements, which is with the Department of Home Affairs. They've been working with the Queensland government on the initial recovery activities. Recently, the Prime Minister announced a total of \$300 million to be made available for assistance to primary producers in the flood-affected areas for restocking—

Senator STERLE: That's what I was going to get to. Sixty million dollars is not a lot of money in terms of the damage that's been done. I'm not belittling the effort by the Commonwealth—not at all—and by the state government. But what is that \$60 million intended for? That's what I wanted to get to. And I cut you off. So restocking?

Ms Standen: Restocking, refencing and replanting. That's \$300 million.

Senator STERLE: Oh, \$300 million?

Ms Standen: Yes, not the \$60 million that's in the budget papers.

Senator STERLE: That's even better, \$300 million.

Mr Fisher: There was a package of measures provided through these disaster recovery arrangements with Queensland that included primary producer grants of up to \$75,000 to each primary producer.

Senator STERLE: What do they have to do to be eligible? What do they have to prove?

Mr Fisher: That they are a primary producer impacted by the floods in one of 11 local government areas in North Queensland.

Senator STERLE: Okay.

CHAIR: But haven't they got to establish eligibility? They don't just put a cheque in the mail.

Ms Standen: There are two processes going on here. The \$75,000 grants program that was run through the disaster recovery arrangements was a grant, so it was for immediate assistance.

CHAIR: I was involved in some of these discussions up there immediately after the floods. So what you're telling me is all I have to do is declare that I am a primary producer and I live in this shire and I get \$75,000?

Mr Fisher: In a flood-affected area, yes.

CHAIR: What do you mean by 'the flood-affected area', Mr Fisher?

Ms Standen: One of the 11 local government areas.

CHAIR: Eleven shires—which, from memory, covers around 40 per cent of the state of Queensland, right?

Ms Standen: Yes.

CHAIR: No-one was game to say this at the time, but there were many landholders who weren't affected by the floods. My point is that I don't ever want to see a process that eventually is so abused we never see it again. That's my point. So I'm asking you: even if I'm not flood affected—in fact the flood's been an uplifting thing in my life, with the rain—if I fill out a form and submit it to the Commonwealth, all I have to do to qualify is to live within that shire and be a primary producer to get a cheque for 75K?

Ms Standen: As I mentioned previously, those immediate disaster recovery payments were administered through the Department of Home Affairs, so I'm not able to give you any detail around eligibility criteria.

CHAIR: When I was there, they were trying to work out a way to get some money immediately into the hands of these people—

Ms Standen: That's correct.

CHAIR: and then deal with complex things, like they've fed their own hay out and they want to replace it and so on. So you don't know whether there is any prequalification for them to receive the money over time or whether they have to establish qualification after they receive the money.

Ms Standen: For that initial payment of up to \$75,000, I can't provide you with any detail around eligibility criteria.

CHAIR: All right.

Senator STERLE: That has to be the Department of Home Affairs, does it?

Ms Standen: That's correct.

Mr Quinlivan: It was provided under the disaster relief arrangements, so it would have happened under an agreement between the Queensland government and Emergency Management Australia, which is an agency within Home Affairs.

Senator STERLE: But whose budget did the money come out of?

Mr Quinlivan: It would have been out of Home Affairs.

Senator STERLE: Home Affairs.

CHAIR: You can see where I'm going, though, Mr Quinlivan. I love Aussies and I love Aussies in the bush; they're my people. But I wouldn't want to see an abuse of process, see it taken advantage of, which would be the case if all I had to do was declare that I lived up Old Dam Road and I was in the shire.

Senator STERLE: My point is that \$75,000—that's great—but there'd be some people where \$75,000 wouldn't scratch the surface. That's where I have a concern. You have one size fits all, but you don't know what the criteria are.

Ms Standen: There are other levels of support that are being rolled out. I mentioned the \$300 million in total that will be provided for restocking, replanting and re-fencing. That represents up to \$400,000 per property for eligible producers.

Senator STERLE: That's a maximum of \$400,000, you said.

Ms Standen: Yes, which they will have to match. They are required to pay 50 per cent.

CHAIR: Sorry, but this is a subsidised loan; it's not a grant.

Ms Standen: No, it's a grant.

Senator STERLE: So they don't have to pay it back? They just get a government grant of up to \$400,000 as long as match—

Ms Standen: They won't have to pay it back.

CHAIR: What's the pre-qualification here? That I've got to demonstrate that I've stock losses in excess of, or, again—I don't want to take anything out of the mouths or the hands of those good people up there. That's absolutely certain, but—go on, sorry. You know where I'm going, so you'll be able to help me here.

Ms Standen: That program, again, is being run in conjunction with the Queensland government, so there is a national partnership agreement that has been arranged. It will be administered by the Queensland government, and there will be specific eligibility criteria for the program.

CHAIR: Which, at a minimum, will include proof of loss or something to that effect, if around stock.

Mr Fisher: There will be a requirement to provide evidence of loss. But the guidelines currently being developed by Queensland, in consultation with the department and with the new agency in the Prime Minister's portfolio, will include eligibility criteria that will be made clear through those guidelines.

Senator STERLE: They can get \$75,000 straight up, so long as they admit to living in the shire. Then, they can get up to \$400,000, but they have to match every dollar. So, if they only want \$100,000, the criterion is they have to put up \$100,000 of their own.

Mr Fisher: That's correct.

Senator STERLE: They really copped it, didn't they? In terms of the money, you float on the money from your department to Home Affairs? It's there. There's no waiting. If 2,000 people say tomorrow we're entitled to this and we can prove it, is the money there? It's not like they have to wait six or 12 months, is it?

Mr Fisher: That's correct. The idea is to make these grants available as quickly as possible, and Queensland is working hard to make sure that can happen.

Senator STERLE: Are there any of your people that are part of the task force? Are there any from ag department?

Ms Standen: Yes, there are.

Senator STERLE: How many are on the task force, and who are they? You don't have to tell me their names.

Mr Quinlivan: The Chief Operating Officer is Nico Padovan, who was previously a division head in the department.

Senator STERLE: But he's not with you now?

Mr Quinlivan: He's been seconded to the task force. Colin Hunter has also moved to the task force and, I think, one or two others.

Senator STERLE: So you've got three or four. How many are there on the task force?

Mr Quinlivan: Twenty-seven.

Senator STERLE: They're made up of people from of Home Affairs, are they?

Mr Quinlivan: Pretty much half the government has an interest in it, so probably a dozen agencies have people on the task force.

Senator STERLE: What is the life term of that task force? Is there a set date?

Mr Quinlivan: I think the CEO, who is Shane Stone, has been appointed for a five-year period and the executive agency, if it has a life span, will also have been for five years.

CHAIR: There's a thing nagging me here. If I'm a landowner—and I know such people—where my property is mortgaged to billyo, yet I don't have a stock mortgage, and I've now lost all of my stock, all of my livelihood, and I want to restock, but I don't have a capacity to borrow money. I won't be eligible for the \$400,000 matched funding, will I?

Ms Standen: One of the requirements is for you to match the amount of the grant.

CHAIR: That's a given. We both understand that. I saw this last time we did this. Some landowners destocked early, put their money in the bank and were prudential; they went and got all-farm support to continue. The neighbour, who let their stock die at the dam, was eligible for help from us whereas the prudential operator was not. Mr Quinlivan knows the stone in my beak about this, because I have developed a piece of policy that will overcome this in future. In this circumstance, you have a genuine punter who is mortgaged to the hilt on their property, with unmortgaged stock that are all now dead and gone. They don't have a capacity to match the funding.

Ms Standen: One more element of the package is through the Regional Investment Corporation. The Regional Investment Corporation is developing a loan product specifically for flood affected farmers.

CHAIR: To do up the other half? A loan product of \$400K, relatively unsecured—or secured only on the stock if that is what they are going to use the money for?

Ms Standen: Yes.

CHAIR: If they don't use it for restocking, RIC becomes the second or third mortgagee on a completely bloated asset? I assume RIC is going to look for security.

Mr Quinlivan: I think the other element here that is relevant to your basic point is that the authority is expecting that all of the grants will be conditional on the property owner having a business plan that is acceptable to the authority and to the Queensland delivery agent, which is—

CHAIR: The Queensland Reconstruction Authority.

Mr Quinlivan: In the design of the program, there was an understanding that there was a potential equity program. Although this is not a drought situation, there are still potential equity issues. So I think the plan the authority has for dealing with that is that property owners would need to have a business plan which will—

CHAIR: Yes, but last time the QRA got involved in this—and you need to monitor this, trust me—they wanted priority security. So where the bank had first mortgage on a loan of \$1 million and the punter wanted to take \$300,000 of that away from them to the more attractive conditions of our packages, instead of the Queensland Reconstruction Authority being the second mortgagee, they went to the banks and wanted priority mortgage over this. It had the opposite effect: the banks didn't want any part of the lender then; and not only that, but they said you could go and get some money from somewhere else. I imagine RIC will want some form of security. They operate on prudential terms, don't they?

Mr Quinlivan: It will. And the government also has an agreement with the commercial lenders—I am not quite sure what the precise terms are—that they'll exercise forbearance for, I think, three years and they will have some products available that reflect the circumstances of the borrowers in that area. So I don't think we'll see that behaviour from the commercial banks in this case.

Senator STERLE: I want to go now to the National Agricultural Workforce Strategy. My question is around page 21, where it is indicated that the government will invest \$1.9 million over four years beginning in 2019-20 to develop a National Agricultural Workforce Strategy. How does the department expect to allocate the administered component of the program, noting that the departmental funds are front-loaded while administered funds are slightly delayed?

Ms Grainger: Indeed, Senator. The plan of attack is to pull together an expert panel who would conduct a review of agricultural education—predominantly across the sector but really looking at our schools and also, potentially, universities—to look at the quality of the agricultural education that is available to students now to prepare the future workforce that the ag sector will need. That will be a holistic review, and then plan would be for that review to come up with a strategy and a range of implementation options. The departmental funding is effectively to run that review in the beginning of that first year. Then remaining funding would be going towards what the panel has recommended to government as some implementation options to actually put that strategy into place.

Senator STERLE: Is that that program that we talked about the other day? Does that touch on that? Do you want farmhands or tractor drivers? Or do you want to go to those who may study agricultural science or do university degrees and that sort of thing? Where are we going?

Ms Grainger: I think it's fair to say there is a lot of discussion in the industry about the different sectors that require workforce. There is the low-skilled element. There's that medium-skilled element; farmers tell us it is particularly difficult to find a skilled farm manager, for instance. Then there are the jobs of the future, which is a voc ag discussion that AgriFutures have been focused on in terms of a much broader skill set for agriculture, because we will be looking towards a protected cropping industry where we have a very high skill sector, where people need STEM skills—they need engineering and a range of precision IT skills. So, ideally, this review will encompass the full gamut of skills required for the

industry, but I do think that the government had in its mind a particular focus on the skills of the future—more high-skill and ideally high-paying jobs for the agricultural sector.

Senator STERLE: So the \$1.9 million is to just develop the strategy?

Ms Grainger: No. As you said, there are some departmental funds to run the panel and the review, and then there is some administered money that would go to some key implementation options that the strategy would—

Senator STERLE: What is a key implementation option?

Ms Grainger: For instance, if this panel and review told us that actually IT jobs were really what would be required in the industry, then potentially there are some measures that some funding could go towards. Obviously, this would be done in consultation with the states, which are responsible for education.

CHAIR: How does this sit with the fact that the Queensland government are closing two agricultural colleges that provide skills in this mid-level for agriculture?

Ms Grainger: I think that is pertinent to why this was a discussion that the minister chaired at the AGMIN forum recently with his colleagues across the states and territories. I think there was endorsement at that meeting to pursue a review of what is the current state of agriculture—

CHAIR: But did the Queenslanders hang their heads? They have closed two agricultural colleges that have been there for my entire adult lifetime.

Senator STERLE: Why did they close them?

CHAIR: You'd have to ask them.

Senator STERLE: You might tell me. Were they full? Were they empty?

CHAIR: Yes. They have been functioning for 100 years.

Mr Quinlivan: I think it would be fair to say that the state agriculture ministers were all very keen on this process to try and give this issue higher profile nationally and within their own governments.

CHAIR: You don't see any counterbalance here?

Mr Quinlivan: No. I think everyone was acutely aware of that.

CHAIR: They want more education while they're closing down the institutions they're providing.

Mr Quinlivan: They would like some more ammunition in [inaudible] discussions.

Senator STERLE: We had a similar thing in WA where the feds have now come in and funded an agriculture college where the state Labor government was going to close it down. Did anyone at these meetings say, 'Hang on, can't you channel some money into the Queensland agricultural colleges?' Is anyone aware of that conversation? Did someone ask? Does anyone know?

Senator Colbeck: I think it reinforces Mr Quinlivan's point that they want some more weight in their own internal discussions around agricultural education.

Senator STERLE: I am only raising that because Senator O'Sullivan said there were agriculture colleges that were chock-a-block.

CHAIR: Two agriculture colleges—they shut them down.

Senator STERLE: So who is going to be on this expert panel?

Ms Grainger: That will be a matter for government. No decisions have been made at this point in time.

Senator STERLE: There are still a couple of days left to appoint some ex-senators or members of parliament, surely. Was that a bit cheeky? Don't tell me there are none left?

CHAIR: I am free. Is there any fee involved?

Senator STERLE: You're not free. You are still employed until 30 June. We don't know who the expert panel will be?

CHAIR: Don't ring me even.

Senator STERLE: The particular workforce problems or shortages that the department expects to address with the strategy, what are they? You have touched on middle. You say 'entry level' and then 'middle' and 'high'; that is pretty wide-ranging. \$1.9 million over four years is not a big spread of a spend. Is there anything more focused?

Ms Grainger: I think that's the point of a review: to see what education services are currently available to students. Then, on the basis of that review, you come up with a strategy to inform some improved—

Senator STERLE: But, if you've got an expert panel, and we don't know how many people will be on the expert panel but one would assume that every sector of the industry will want to be on it, how are you going to control that? You don't know that? All right.

Still on page 21, I want to talk about the \$4.2 million provided over four years starting, I think, from 2019-20 to maintain a National Drought Map. Noting that the budget is entirely allocated to departmental expenses, can you advise where in the department this exercise will be conducted?

Ms Standen: The National Drought Map has been developed by the drought task force in the Department of the Prime Minister and Cabinet, and the intention is that, from 1 July, responsibility for maintaining and improving the information on the National Drought Map will be transferred to the Department of Agriculture and Water Resources. So it will sit with us from 1 July. That's what that \$4.2 million is for; it's for the maintenance and improvement of the drought map and the associated staff.

Senator STERLE: So the staff will come from Prime Minister and Cabinet across to the Department of Agriculture and Water Resources?

Ms Standen: Funding has been provided in the budget for additional staff to manage that.

Senator STERLE: But that's over four years, isn't it?

Ms Standen: Over four years.

Senator STERLE: How many staff are there?

Ms Standen: In relation to developing the National Drought Map, there'll be a number of staff throughout the department who will have a role to play. In our information services division, which is IT, and in my own division, rural policy and farm performance, we'll given support by ABARES, who have quite a degree of expertise in data and data management and

so forth. So there will be a number of staff expenses, if you like, around the department, but much of the money will go towards the maintenance of the drought map.

Senator STERLE: Here is a question out of left field: what is the drought map?

Ms Standen: The National Drought Map was developed by the Department of the Prime Minister and Cabinet to provide an interactive information hub, if you like, of what services are available and where in relation to drought in Australia. It includes information from the Bureau of Meteorology, for instance, about rainfall and temperatures and conditions on the ground. It provides information from the Department of Health, for instance, about where their Public Health Networks are located, the provision of mental health facilities and where they're located. So the range of information from across the Commonwealth you can actually find there by clicking on an interactive map.

Senator STERLE: That explains it brilliantly. So we've had this information all working in silos and now we can put it all on one map and say: 'Push a button. What do we want to know? Here it all is.'

Ms Standen: Yes, and the budget over the forwards is to make sure that that's maintained and, where possible, we can also improve the information and expand the information that's there.

Senator STERLE: A good idea. Thank you very much.

CHAIR: There being no other questions, we thank you for your preparation and your time and your patience today and we wish you the best on your journey home. This is my bon voyage, Mr Quinlivan, so I want to pay tribute to you on your performance and oversight of this department in the three or four years that I've been sitting in the chair, at least as long as you've been here. I've found you and your department to be open and frank and very professional. So, through you, I'd like to extend my thanks to them, and I'd like you to pass that on.

Mr Quinlivan: Thank you, Chair, and we'd like to wish you well. It hasn't always been a pleasure! But it has been a very well-organised and orderly process, and you've handled issues very well, so we'd like to thank you.

CHAIR: Thank you. And I was joking before: nobody is to ring me once I leave this place!

Senator STERLE: And on behalf of the Labor Party, Chair: it's been an absolute pleasure working alongside you all these years. You came in here as a grumpy old so-and-so, and you're going out as one, but in the interim you've been a fantastic chair; you've been a great colleague to work with. And I certainly hope that the coalition can fill that massive pair of shoes you're going to leave. But we'll have a few farewell drinks to say our goodbyes before 30 June at midnight.

CHAIR: Thank you for your reflections. Thank you all, and all have a safe journey.

Senator Colbeck: And I'd like to add my thanks, while we're sharing the love around. It has been good sitting across the table from you, and from the committee. I just thank you for your leadership of the committee in the chair, particularly for standing up for the committee and the committee process. I think that's been an important part of what you've done and certainly will be appreciated by other committees, because there are a few things that you

have pushed and achieved, and that's important for the process. So, thank you, and all the very best.

CHAIR: Thank you, Senator Colbeck. I appreciate your reflections as well. Thank you all.

Committee adjourned at 16:46