



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
LEGISLATION COMMITTEE

Estimates

(Public)

WEDNESDAY, 27 MAY 2026

CANBERRA

BY AUTHORITY OF THE SENATE

[PROOF COPY]

RURAL AND REGIONAL AFFAIRS AND TRANSPORT LEGISLATION COMMITTEE

Wednesday, 27 May 2026

Members in attendance: Senators Cadell, Canavan, Colbeck, Darmanin, Dolega, Faruqi, McDonald, McKenzie, Mulholland, Scarr, Sheldon, Shoebridge and Whish-Wilson

AGRICULTURE, FISHERIES AND FORESTRY PORTFOLIO

In Attendance

Senator Chisholm, Assistant Minister for Agriculture, Fisheries and Forestry, Assistant Minister for Regional Development, Assistant Minister for Resources

Senator McCarthy, Minister for Indigenous Australians

Department of Agriculture, Fisheries and Forestry

Secretary

Ms Victoria Anderson

Executive

Ms Kerren Crosthwaite, Deputy Secretary, Strategy, Enterprise, and Engagement Group

Ms Tina Hutchison, Deputy Secretary, Agricultural Trade and Regulation Group

Mr Matt Lowe, Deputy Secretary, Agriculture, Fisheries and Forestry Policy Group

Ms Justine Saunders APM, Deputy Secretary, Biosecurity Operations and Compliance Group

Agriculture Policy Division

Mr Paul Denny, Acting First Assistant Secretary

Ms Courtney Bryant, Assistant Secretary

Ms Kaz Graham, Acting Assistant Secretary

Mr Matt Worrell, Assistant Secretary

AGVET Chemicals, Fisheries and Forestry Division

Ms Sarah-Jane McCormack, First Assistant Secretary

Mr Guy Bursle, Assistant Secretary

Mr George Day, Assistant Secretary

Australian Bureau of Agriculture Resource Economics and Sciences

Mr David Galeano, Acting First Assistant Secretary

Mr Kurt Hockey, Assistant Secretary

Australian Chief Veterinary Office

Dr Beth Cookson, Australian Chief Veterinary Officer

Dr Sam Hamilton, Deputy Chief Veterinary Officer

Biosecurity Animal Division

Dr Brant Smith, First Assistant Secretary

Biosecurity Operations Division

Ms Monica Collins, First Assistant Secretary

Biosecurity Plant and Science Services Division

Dr Allison Jones, Acting First Assistant Secretary

Biosecurity Strategy and Reform Division

Dr Peter Finnin, First Assistant Secretary

Compliance and Enforcement Division

Mr Graeme Grosse, First Assistant Secretary

Digital Business Division

Ms Amanda Chalmers, Chief Digital and Data Officer

Exports and Veterinary Services Division

Mr Tom Black, First Assistant Secretary

Farm Resilience Division

Ms Melissa Brown, First Assistant Secretary

Mr Chris Toyne, Acting Assistant Secretary

Ms Fiona Slater, Acting Assistant Secretary

Ms Laura Smith, Assistant Secretary

Finance and Investment Division

Mr Matthew Geysen, Chief Finance Officer

Ms Sophia Farmakis, Assistant Secretary

Mr Paul Howe, Assistant Secretary

Ms Maria Loyman, Assistant Secretary

Mr Sam Wells, Assistant Secretary

ICT Service Division

Mr Grant Rebikoff, Chief Information Officer

Legal Division

Ms Cassandra Ireland, Chief Counsel

Middle East Regional Conflict Taskforce

Ms Christie Sawczuk, First Assistant Secretary

Ms Joanna Stanion, First Assistant Secretary

Ms Sarah Burr, Assistant Secretary

Office of the Chief Environmental Biosecurity Officer

Dr Gabrielle Vivian-Smith, Australian Chief Environmental Biosecurity Officer

Office of the Chief Plant Protection Officer

Dr Rosa Crnov, Australian Chief Plant Protection Officer

People, Property and Security Division

Mr Tim Simpson, Chief People Officer

Ms Jane King, Acting Assistant Secretary

Mr Shane Lysons-Smith, Assistant Secretary

Plant and Live Animal Exports, Welfare and Regulation Division

Mr Andrew McDonald, First Assistant Secretary

Ms Rossana Carr, Assistant Secretary

Strategy, Performance and Engagement Division

Ms Michelle Wellington PSM, First Assistant Secretary

Ms Lucy Vincent, Assistant Secretary

Sustainability, Climate and Strategy Division

Mr Nick Blong, First Assistant Secretary

Ms Joanna Grainger, Assistant Secretary

Ms Heather McGilvray, Assistant Secretary

Ms Jessica Mitchell, Assistant Secretary

Trade and International Division

Dr Jared Greenville, First Assistant Secretary

Mr Chris McDonald, Assistant Secretary

Mr David Garner, Assistant Secretary

Ms Deborah Langford, Assistant Secretary

Committee met at 09:05

ACTING CHAIR (Senator Mulholland): I declare open this hearing of the Rural and Regional Affairs and Transport Legislation Committee into the 2026-27 budget estimates. I begin by acknowledging the traditional custodians of the land on which we meet today and pay my respects to their elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

The committee is due to report to the Senate on Tuesday 23 June 2026, and it has fixed Friday 17 July 2026 as the date for the return of answers to questions taken on notice. The committee's proceedings today will begin with corporate matters of the Department of Agriculture, Fisheries and Forestry. 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 a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence.

The Senate has 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 purposes 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 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 a superior officer or to a minister. This resolution does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Witnesses are reminded of the Senate order specifying the process by which a claim of public interest immunity should be raised. I incorporate the public interest immunity statement into the *Hansard*.

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)

ACTING CHAIR: I remind senators of their obligations under the Behaviour Code for Australian Parliamentarians to treat witnesses with dignity, courtesy, fairness and respect.

Department of Agriculture, Fisheries and Forestry

[09:07]

ACTING CHAIR: I now welcome Senator the Hon. Anthony Chisholm, Assistant Minister for Agriculture, Fisheries and Forestry, representing the Minister for Agriculture, Fisheries and Forestry. Minister, do you wish to make an opening statement?

Senator Chisholm: It's good to see you, Acting Chair Mulholland—big shoes to fill today! I wish you all the best, and there's no opening statement from me.

ACTING CHAIR: I welcome Ms Victoria Anderson, Secretary of the Department of Agriculture, Fisheries and Forestry. Ms Anderson, do you have an opening statement?

Ms Anderson: I do have a brief opening statement, if that's okay. Thank you for the opportunity to make a brief statement. I just wanted to outline the department's key area of focus in recent months, which has been the impacts of the conflict in the Middle East on the agriculture, fisheries and forestry sector.

As you would be aware, the availability and price of agricultural inputs, particularly of fertiliser and fuel, have been areas of significant concern for industry. We established a taskforce in the department to be responsive to developments and bring together information and analysis quickly to support government decision-making. We engaged early with our colleagues across the Commonwealth and in states and territories, and we've ensured that food production and animal welfare are front of mind in considerations around fuel availability. We've taken a whole-of-supply-chain lens to understanding the impacts. Food production isn't possible without being able to source the right inputs, such as fertiliser. And, of course, producers need to be able to get their product to market.

We've been engaging closely with industry since the early days of the conflict. Minister Collins has hosted 10 industry roundtables, which have been invaluable for us in understanding the impacts on the sector, including industry-specific considerations. We've brought in other government departments and relevant speakers to ensure industry has up-to-date information and gets questions answered in real time. On top of the roundtables, we've had many other discussions with stakeholders, and I take this opportunity to acknowledge the constructive engagement and approach to information sharing that has happened right across the sector. The conflict isn't over yet, so we remain engaged with industry and across government and will continue to assess the resourcing required and be ready to flex our effort up or down as needed.

As I did last estimates, I acknowledge today the ongoing impact on our industries of persistent drying conditions in some parts of the country. While there has been welcome rain in some parts of the nation, other regions remain dry. We remain closely engaged with state and territory governments and industry to understand the impacts and ensure information is available about options for support, both for those in immediate hardship and for longer term preparedness. ABARES is currently updating its forecasts for agricultural production and exports, which will be released next week. As part of these hearings, we'd be happy to go into more detail about what ABARES has been hearing in its consultation process.

Finally, I introduce Ms Kerren Crosthwaite, who joined the department as chief operating officer and deputy secretary of our strategy, enterprise and engagement group on 4 May. Ms Crosthwaite has joined us from the Department of the Prime Minister and Cabinet and has previously worked at DAFF, so she may be familiar to some committee members. Thank you very much for the opportunity for this statement and I welcome your questions.

ACTING CHAIR: Thank you, Ms Anderson. Deputy Chair.

Senator CADELL: I'll process questions on staffing first—numbers and all those sorts of things—if we want to go there.

Ms Anderson: Yes.

Senator CADELL: Can the department provide its current ASL for 2025-26 and projected ASL across the estimates?

Ms Anderson: Yes. I'll ask my colleagues to provide those answers. I think we're running at about 6½ thousand, but they can be more precise.

Mr Geysen: That is correct. For 2025-26 we have an ASL estimate. The ASL estimate for this year is 6,561. Then, as per the portfolio budget statements, for 2026-27, that grows to 6,654.

Senator CADELL: None beyond that?

Mr Geysen: Yes.

Senator CADELL: How does the current ASL compare with the 2024-25 actuals?

Mr Geysen: The ASL actuals for 2024-25 were 5,885.

Senator CADELL: What was the 2025-26 budget estimate?

Mr Geysen: The budget estimate in the 2025-26 budget year was 6,373. That was updated through the 2026-27 budget process. As shown that in the PBS, that's now 6,561.

Senator CADELL: Perfect. On notice., can we get staffing levels for 2021-22, 2022-23 and 2023-24.

Mr Geysen: I'm happy to collate those, noting that the department was different. We were the Department of Agriculture, Water and the Environment back then—

Senator CADELL: So the crossover between the—

Mr Geysen: Yes, so it won't necessarily be a one-for-one comparison.

Senator CADELL: I understand. So there has been some growth. Which divisions or business areas have experienced the largest staffing growth?

Mr Simpson: Across those financial years, the largest growth we did see was in our biosecurity operations and compliance group. That's both ASL figures and actual headcount.

Senator CADELL: Is that just general operations that are stepping things up, or has there been any change in structure or focus?

Mr Simpson: There hasn't really been a change in structure and focus. It's just an uptick in headcount to deliver services.

Senator CADELL: You can get labour-hire staff now, how many ongoing and non-ongoing labour-hire staff are there?

Mr Simpson: Do you mean how many contractors?

Senator CADELL: Yes.

Mr Simpson: The department currently has 802 contractors. I don't have the specifics about whether they're part-time or permanent arrangements, but they're contractors. That's the headcount.

Senator CADELL: Are they ongoing and non-ongoing? You don't know that? Are there no terminating contracts? Are they all ongoing contracts?

Mr Simpson: They're all ongoing for a period of time, but they're all varied and delivered for different things. Some are like labour hire, to your point, who come in for a specific purpose. Others are linked to contract or service providers.

Senator CADELL: We can work out percentages if you've got actual numbers, but what proportion of the department's workforce are currently APS employees, contractors, consultants and labour hire? Do we have that?

Mr Simpson: I can give you that breakdown. Currently, 90 per cent of our workforce are public servants and 10 per cent are contractors. We don't have a breakdown between contractors and consultants. Of that 90 per cent that are public servants, 85 per cent are ongoing, two per cent are non-ongoing and two per cent are casual. Obviously, there's that variance in there of a percentage point.

Senator CADELL: Rounding—yes, that's fine. Can we get year by year, 2024-25 and 2025-26, on consultants spend?

Mr Geysen: I might not have it back that far, but I can certainly give you what I have with me.

Senator CADELL: Yes.

Mr Geysen: For expenditure on consultancies, year to date this year it's \$1.62 million. In 2024-25, it was \$8.24 million, and in 2023-24 it was \$9.48 million.

Senator CADELL: It's a lot lower this year. Are there reasons behind that? We're not going to get to \$8 million or \$9 million in a month and a half, are we?

Mr Geysen: I wouldn't expect so.

Ms Anderson: We do make a concerted effort to undertake consultancies only where they're needed. I'm not sure if there were some particular drivers for the higher numbers in the past, but, generally, I don't think we'll have particularly high consultant usage.

Senator CADELL: That's fine. There's no particular agenda here; it's just sort of information gathering.

Senator Chisholm: He says that!

Senator CADELL: Oh, Chis, you've taken off the nice jacket.

ACTING CHAIR: He wants to show you the maroon tie and make sure you get a look at it.

Senator CADELL: So that's consultants. What about contractors or labour hire? Are you bundling those two together?

Mr Geysen: No, consultancies are definitely—

Senator CADELL: No, but contractors and labour hire—do you have those separate, or are they together?

Mr Geysen: Not specifically on labour hire contracts. I do have a contractor spend in general, but that encompasses—

Senator CADELL: Can you give me contractors?

Mr Geysen: In terms of what I would call general procurement spend, the value, year to date, is \$225.36 million. In 2024-25, it was \$665.37 million, and in 2023-24 it was \$616.57 million.

Senator CADELL: Once again, it's considerably lower this financial year. Again, hopefully you're not going to spend \$400 million in a month and a half.

Mr Geysen: What I would say is that that's the value of the contracts we've entered into in that year, and if it's a multiyear contract it can be lumpy.

Senator CADELL: Okay. What about APS staffing—so wages—for those same periods? If you need to take it on notice, that's fine.

Mr Geysen: I might need to take that one on notice, specifically.

Senator CADELL: Do you keep data on numbers of staff working from home?

Mr Simpson: We do, yes.

Senator CADELL: If I were to be specific, I would say, 'How many staff work from home two days a week or more?' Have you got that sort of thing?

Mr Simpson: I'm not sure if we've got that background of days per week and more, but I can have a quick look for you, take that on notice and maybe come back.

Senator CADELL: Tell me what you've got, and we'll see where we go from there.

Ms Anderson: I think we do have something. I'll just read it out, Mr Simpson, if you trust me.

Senator CADELL: Trick question on bonus time!

Ms Anderson: I have the breakdown by number of days per week and a total. I probably won't be able to do the maths on the spot for two days or more. As at 31 March, we had 1,092 with three days per week, 626 with four days per week and 327 with five days per week.

Senator CADELL: Just for my own maths, they're not accruing? So, if I'm doing four days, I don't appear in three as well?

Ms Anderson: No, that's right.

Senator CADELL: Thank you for those. What is your ASL cap? Is that the 6,561, and we're operating at that cap currently?

Mr Geysen: Very slightly under it.

Senator CADELL: Do you know how many vacant positions exist across the department?

Mr Geysen: We don't keep that data. We don't actually have vacant positions. We run off budget, so we don't keep positions that are vacant.

Ms Anderson: To help you, Senator, you could infer from the fact that we're close to our ASL forecast and our affordable ASL that we're fairly close to being fully staffed.

Senator CADELL: So there are no key positions that remain unfilled for periods of time or anything like that?

Ms Anderson: Not generally. At the moment there are key positions, like the head of ABARES, in the field for advertising, but we don't tend to hold those for long periods of time.

Senator CADELL: I'm relatively new to this committee, so I haven't read your staff census, which is always fun. How is your staff turnover?

Ms Anderson: Our attrition rate is fairly low. I think it's running at eight point—

Mr Simpson: Just below; it's about 7.5 per cent.

Senator CADELL: I'm missing NEMA now. They had 50 per cent, so yours is considerably lower than that.

Ms Anderson: I think we have the benefit of a larger department and people who like to work here—it's not that people don't like to work elsewhere, of course, but we're a great place to work and I think our attrition rate's always fairly low.

Senator CADELL: I haven't read your staff census, but are staff generally happy and feeling empowered?

Ms Anderson: Yes. I would say our census results across most of the key metrics are fairly good—at the APS average, sometimes a bit better, sometimes a little under. I don't know if others want to add to that.

Senator CADELL: Are there any areas you're focusing on? Yes, just a general summary would be useful.

Ms Crosthwaite: We would always like to see better results in the APS census. It's always a process of improvement. Whenever we ask staff to tell us what they think, we'd really like to think that they're going to give us things that we can action. Some of the things that we are particularly focusing on, where we can see some room for improvement, are around our communication and enabling innovation, and we can always do better on wellbeing support and policies—because you can always improve that.

Senator CADELL: How many SES-level staff are currently employed across the department?

Mr Simpson: As at 31 March, we had 101 SES positions within the organisation. We manage by position. Some of them did have acting EL2s, but we run off the positions within our org structure.

Senator CADELL: Do you know what it was 12 months ago?

Mr Simpson: Twelve months ago it was about 107, so we have had a reduction since that period.

Senator CADELL: What was it at the change of government back in 2022? Do you know that number?

Mr Simpson: I don't have that with me.

Senator CADELL: Could you take that on notice?

Mr Simpson: I'll take that on notice.

Ms Anderson: Again, we might get caught up with MOG changes as well, so it won't be necessarily—

Senator CADELL: Understood. I withdraw.

Mr Simpson: Excellent—one fewer!

Senator CADELL: What's the total remuneration cost of your SES levels? Do you know that?

Mr Simpson: We probably don't have total remuneration here. We'd need to take that on notice.

Senator CADELL: Fine. What do you have? I'll take anything you've got and then put the rest on notice.

Mr Simpson: We don't have much on remuneration itself for the SES as a whole. We do have the broader bands that our SES operate within. That can give you some context, but—

Senator CADELL: Take it on notice.

Mr Simpson: Absolutely.

Senator CADELL: That's fine. You said you had some in acting positions. Do you know how many are acting of that 101?

Mr Simpson: Not specifically, but there are about four EL2s that are acting. There's another range of acting arrangements when we have vacancies at higher levels, but most of those would be SES, so, if it's a band 2 vacancy, generally a SES band 1 would act. It's only in our SES band 1 vacancies where we have EL2s act, but most of those are related to temporary positions or positions that have been advertised at the moment in the market or where we are finalising recruitment processes.

Senator CADELL: Was the reduction from 107 to 101 part of the efficiency measures, or is it just changing?

Mr Simpson: It's a change in approach but also about the fact that the department does have an SES cohort number. It was, I guess, looking at stabilising the organisational structure and positions during that period.

Senator CADELL: I don't expect you to be able to give me now—I'll be impressed if you can—the six SES positions in the reduction from 107 to 101. Do you know what they were?

Mr Simpson: Not all of them off the top of my head, no.

Senator CADELL: That's fine. I'll take that.

Mr Simpson: I could have a crack—no, I couldn't.

Senator CADELL: Really? I was almost impressed! Are there any voluntary redundancies planned or have there been any in the last 12 months?

Ms Anderson: We don't currently have any voluntary redundancy rounds open. However, voluntary redundancies are a standard part of the HR toolkit to help us manage within our available resourcing. Yes, we have offered some and they've been accepted, but, if you want some details, Mr Simpson can go into that.

Senator CADELL: How many were there?

Mr Simpson: This financial year until 31 March we had five voluntary redundancies across the department.

Senator CADELL: Not a heap.

Mr Simpson: No, not a heap. That's kind of comparative to last financial year as well.

Senator CADELL: Are there no offers currently out?

Ms Anderson: There would be. With regard to that 31 March figure, I am aware of some further voluntary redundancies, but—

Senator CADELL: Of a similar quantum?

Ms Anderson: It might be slightly higher than that. I haven't got it in my head. They're still under negotiation. We actually don't know who will accept and who won't, but there'll definitely be a few more.

Senator CADELL: On notice as well, could you provide the number that you did offer, not just the number that will accept?

Ms Anderson: Yes. I think that by the time we are due to return questions we will have an end-of-financial-year figure of concluded ones for you, Senator. That might be the best year-on-year comparison.

Senator CADELL: I'd also like the number of offers.

Ms Anderson: Yes. We can do any that are open for offer.

Senator CADELL: Given their redundancies and change of roles, are there any particular departments that they have been focused on?

Ms Anderson: Yes, actually, because it is targeted. Like I said, it's not an open round for anybody. There are a few areas where we are contracting our staff, and that is where we've focused, but just in one-on-one discussions with individuals who we think may be interested. They approach us and we negotiate. So, yes, there are a couple of areas that are—

Senator CADELL: Clearly not biosecurity, because that's going up. What areas are they?

Ms Anderson: There are parts of biosecurity that are appropriation funded as well as cost-recovery. The complicated thing about our budget is that we can have two different things going on at one time. Trade volumes can be increasing, and therefore our revenue can be increasing, and therefore you need to staff to support those services. At the same time, if there's a contraction in other areas there may not necessarily be transferrable staff, as people have different skills in some of those roles. So you can get a little bit of lumpiness around where there's growth and where there might be a little bit of contraction to meet savings targets and an affordable budget.

Senator CADELL: On the contractors we were talking about earlier, do we know how many contractors—not contracted services, labour hire or contract within the building—have more than 12 months of service?

Mr Simpson: We don't have that with us. That would take some time.

Senator CADELL: Can I get that on notice? If you could break that down to one, two and three years, that'd be great.

Mr Simpson: Yes.

Senator CADELL: Given the data you've got versus what I expect you to have, if you've got contractors in the ICT area, can you break that down separately? Is ICT contractor heavy? I know a lot of departments are having trouble getting APS staff to do that. Is that the same for you?

Ms Anderson: Absolutely. I think the vast majority of our contractor workforce works in ICT or the digital space.

Senator CADELL: Is that a recruitment problem?

Ms Anderson: It's a bit of a market problem.

Senator CADELL: Yes.

Ms Anderson: I think there's always an opportunity to, obviously, convert as many as we can into Public Service roles, but it's a highly competitive and specialised area. We do find, like some other departments, that you have to go through a contractor workforce.

Ms Crosthwaite: There are also certain roles or tasks that only really happen in IT areas where you need a contractor to come in and do that piece of work, and then they move on to their next job. It's a mixture of ongoing work but also very specific tasks which will always have an element of that.

Senator CADELL: Could I have a breakdown of daily rates for contractors on the highest paid stuff? Do you know how many contractors are on more than \$2,000 a day, \$3,000 a day or \$4,000 a day? You wouldn't have that data here, I imagine.

Mr Geysen: No. We would need to take that on notice.

Senator CADELL: I'm happy with that. Just for those limits. I understand there are some key people. How many? Not stacks, like we did before, but the 432. That'd be great.

Ms Anderson: Yes. No problem.

Senator CADELL: We're all fishing in the same pond for ICT. Do we talk across departments about what we're paying and compare that sort of data?

Ms Anderson: Yes, we do. I've attended a Secretaries Board meeting where that was discussed. The idea is that, obviously, some of the larger employers set a market price, and it's very important that we're not driving each other up, if you know what I mean. There are conversations, probably in both the Chief Operating Officers Committee and the Secretaries Board, about ensuring we're talking to each other about what are appropriate rates of pay in a contractor sense.

Ms Crosthwaite: Also, the CIOs across the Public Service are in very regular contact about staffing and a range of other things. That idea that the biggest operators are those that are going to be setting the price is something that we're very alert to.

Senator CADELL: That's the end of that, if that section is more on corporate.

ACTING CHAIR: I'll rotate the call to Senator Dolega, who's got some questions in corporate.

Senator COLBECK: Just quickly, on contracting: does the department do any contracting to the division within the Department of Finance that was set up to replace external contractors?

Ms Anderson: Do you mean in PM&C—the Australian government consultants?

Senator COLBECK: Yes. I thought they were in the Department of Finance.

Ms Anderson: Sorry; I'm not sure if it's the same thing. There is an Australian government consulting service in Prime Minister and Cabinet.

Senator COLBECK: That's the one I mean.

Ms Anderson: We have had at least one project, maybe two projects, with that over the last couple of years, but none very recently. Do you have the details?

Mr Geysen: No, I don't have the details to hand. I'd echo the secretary's comments. I'm pretty sure we have used them.

Senator COLBECK: Can you, on notice, give us advice of what those projects have been, and their value?

Ms Anderson: Yes.

Senator COLBECK: Thank you.

ACTING CHAIR: Senator Dolega.

Senator DOLEGA: I'm very happy to hear my colleagues talk about labour hire within the Public Service. I know the department's been doing a lot of work to rebuild the in-house capability of DAFF. Just following on about the redundancies: have these been mostly in the rank-and-file workers or in the senior executive? Can you just clarify that for me.

Ms Anderson: They've been both—not junior staff but mostly executive level staff.

Senator DOLEGA: Not frontline staff?

Ms Anderson: Definitely not frontline staff.

Senator DOLEGA: Can you just take us through some of the roles in which we've been rebuilding capacity. When it comes to frontline operational roles, can you give us some examples of the work they're doing for farmers and exporters in the biosecurity system.

Ms Anderson: I'll ask my colleagues to jump in. Through our regulatory services, as you would know, we support export certification. That supports a whole range of industries exporting. We are required to certify to exporting country standards and requirements, and they are sometimes quite complex. We have a large workforce that does that day in, day out—attends meat operations at ports and airports to basically ensure that product can go overseas and be accepted by importing countries.

On the import side, as you'd be aware, we manage biosecurity risk and a whole range of operational activities that support trade. In terms of the nature of the growth in those areas, I might see if my colleagues want to add anything, but I think, largely, it's been to support—the growing revenue that's been received because of trade volumes both ways has meant we have been able to employ more staff, and most of those staff are located outside Canberra in a range of different locations on the ground.

Mr Geysen: Just to give you some examples: that might be staff supporting Western Sydney International Airport and the operation of that. It also might be for new and redeveloping ports—so, whether that's at Perth, Sunshine Coast or Newcastle, it's definitely the frontline staff.

Senator DOLEGA: With the increasing trade and the cargo and travel volumes, how does that flow through to the day-to-day work of the department, and what does that extra cargo mean for the inspections and biosecurity checks?

Ms Anderson: We have to meet service level standards to ensure things can flow as freely as possible. The more people we have on the ground able to support that, that's benefiting consumers in being able to receive products quickly and benefiting businesses in being able to export as quickly as possible. There's always more we can do to improve those services, but the growth in that area, the growth in revenue, has meant we are able to support a workforce that can assist industry to grow their opportunities internationally.

Senator DOLEGA: What does the increased export demand mean for the certification work?

Ms Anderson: 'There's a lot more of it' is the short answer to that. It's not just the growth in demand; it's also the growth in complexity. As you know, there's a pretty vexed geopolitical environment internationally. A lot of countries are looking at imports in a particular way—I guess everybody looks at imports in a particular way, but there's additional pressure in making sure our product is accepted. That requires quite a degree of precision and negotiation through our trade area to support a reduction in the requirements—and those requirements can grow. The entirety of our export certification workforce has to be highly responsive to importing countries so that we are meeting the needs of our businesses in exporting.

Senator DOLEGA: Are the increased demands mainly being felt in operational areas?

Ms Anderson: Yes—although it's both the policy and the operational areas, I would say, in terms of additional resourcing. In a staffing sense, it's mostly operational, but obviously there's a lot of pressure placed on our scientists and our vets to ensure they can assess requirements and give the best advice possible to operational staff so they're able to do their job. So it does have a flow-through.

Senator DOLEGA: Can you run through how you match your staffing levels to the actual service demand—say, for farmers or for exporters—and what the industry needs.

Ms Anderson: That sounds a little technical for me. I'll see if my colleagues want to add anything there.

Mr Geysen: A range of services the department provides are cost recovered from industry. We make sure that we have adequate staff to be able to deliver those services at the price point that we charge for that activity.

Senator DOLEGA: How do you assess the demand, say, for export certification?

Ms Hutchison: As the secretary has mentioned, we have service-level standards. We make a public undertaking to exporters about the time in which we will give effect to something. If you make a phone call, if you send an email, if you lodge a request, there'll be a certain amount of time in which we intend to respond to that. We can then look at how much staffing we need in order to respond to that. As the CFO mentioned, we also have a large proportion of that workforce that's cost recovered. We assess how much it costs us to deliver that service. We have a look at demand. We have a look at what's happened in the previous year and what we anticipate coming up in the year ahead. We engage with our industries on things like volumes, the countries that we're exporting to and how much volume we've seen over time. We issue tens of thousands of certificates every year, so we watch that very closely. We have a very good understanding of what goes into delivering those services, and we look to match our service availability to the demand that's coming towards us.

Senator DOLEGA: Obviously that balancing act would be pretty fine. What happens if you don't keep that balancing act? What are the impacts?

Ms Hutchison: In our export services, there are absolute direct impacts to exporters. In order to get agricultural product into overseas countries, you need the certification, the assurance that's provided by the department. Agricultural exports can be different to other types of exports, where you need government-to-government certification. If we're not available to issue the certification, the goods can't go and those opportunities are lost. So the department work extremely hard to make sure that we're understanding the demand coming and that, when people submit their requests for certification, we're able to issue that so that goods can get on planes and on ships and get to the destinations. There's a direct impact on Australian exporters and value down the value chain if we're unable to provide that certification service in a timely way.

Senator DOLEGA: Thanks for that, and many thanks for the work of the DAFF staff. I know there are many CPSU members that are looking forward to commencing bargaining very soon. Thanks for all the work they do.

Senator CADELL: Does he need to authorise that recruitment video with DAFF?

Ms Anderson: The more the merrier. Come and work for DAFF!

Senator COLBECK: I would like to ask some questions off the back of that in relation to the services provided to farmers that we've just been talking about. How proactive are we actually in that space? I've been talking to some farmers at home in Tassie. They've been exporting onions into the Indonesian market. We're competing with New Zealand. Last year I don't think we sold any onions to Indonesia. They all went to New Zealand. The Indonesians changed their fumigation requirements a couple of years ago. The New Zealand MPI has been quite proactive in getting a new protocol to support onions going into Indonesia without fumigation. Where are we in that sense? They've got a new protocol that replaces that need that has registration of farms, trimming of roots and tops, labelling with farm IDs in Bahasa, some fan forced cleaning to remove dust and soil, and a few other requirements. So they've got this new system that New Zealand's government have proactively put in place. Where are we with that? We're still languishing, having to fumigate, and we've lost a market. It's not a huge market, but the growers who are growing were growing specifically for that market. We're trying to get back into the market. Are we being as proactive as the New Zealand department is in getting a new protocol or getting a protocol that allows us to regain that market?

Senator Chisholm: Given it's a detailed question, I think it best fits in outcome 2.

Senator COLBECK: We've just had a question from a government senator talking about how good and proactive we're being. Here's a very practical example where we're losing access to a market. My simple question is: how proactive are we being in actually working with our growers to maintain a market—not necessarily to grow it but just to maintain it? I get that protocols change. We've all seen plenty of that.

Ms Hutchison: We are proactive. We maintain a network of counsellors across many countries. In Indonesia, in particular, we have two counsellors, given the importance of that market generally to Australian agriculture. So we have proactive activities where we're engaging in markets and we engage closely with industries. We have formal and structured ways to engage with industries on where pressures might be coming, where their interests are in getting into particular markets or where they're getting pressure in particular markets. Then, of course, our markets can make different decisions about their requirements. When that happens, we work hard to understand what they are, we work with the industry and we work with our colleagues in biosecurity, who negotiate the protocols.

There are a range of people involved in engaging with overseas markets and understanding what they need and why, and whether it's practical, feasible and appropriate. We then work through our scientific capabilities as to whether that's reasonable and what we can do to meet those requirements, and then we work with the exporters and growers about how we might go about doing that. So I think we are proactive. We have an eye to that. We know that, when you lose market access, it can take a long time to get it back, so we do work very hard to maintain it. But the specifics of the issue you're talking about in relation to where we might be up to with negotiating very specifically on onions to Indonesia would sit with our biosecurity colleagues, who will be here later in the day.

Senator COLBECK: I'm happy to come back to it, but I wanted to ask. If the Kiwis can do it, we can.

Ms Anderson: As you would appreciate, maintaining market access is a constant need for vigilance. Each country has different priorities, and where we place those priorities becomes quite important. I know it's a matter of frustration for industry. They get access and they can lose access through the stroke of a pen in a foreign government. So we do do our best. Sometimes other countries have more luck for different reasons other than

effort. I would make that point as well. But we're very happy to go into the details of that specific one in outcome 2, which is the science part. The trade negotiation part is with Ms Hutchison. We can talk about it a little further.

ACTING CHAIR: I want to alert officers and the committee that we've got a member of the media present taking photos. If there are any objections from officers, please let us know.

Ms Anderson: I've never been asked before; that's very exciting!

Senator COLBECK: If they're using Nikon cameras, I say no.

ACTING CHAIR: You can also direct us to your best side, Ms Anderson. We'll take that under advisement. Thank you, and welcome to our member of the media. Back to you, Senator Colbeck.

Senator COLBECK: I'm happy to come back to it, but this is both a trade and a biosecurity issue. I have personally been actively engaged with the Indonesian embassy to talk to them about it. It's not just 'leave it to the government to play' here. These growers were growing specifically for that market and growing a product specifically for that market. They've lost their market through a couple of different circumstances, and I want to do as much as I can from where I sit to make sure that they can get back into the market and maintain what they're doing with an important trade partner.

Ms Anderson: I agree. Thank you for raising it. We'll make sure we give it some attention.

Senator COLBECK: We'll come back in biosecurity.

Ms Anderson: Yes.

ACTING CHAIR: Deputy Chair.

Senator CADELL: I'm not sure if this is in this section. I've been handed these questions by someone else, and if they miss out I'll be in trouble. If we were talking about Northern Australia and Rangelands Fire Information, NAFL, and NBIC, would the funding for that be in here, in corporate?

Ms Anderson: No. I'm not even sure it's our portfolio. No, I don't think it's in the DAFF portfolio.

Senator CADELL: I've never heard of them. So not your portfolio at all?

Ms Anderson: No, not that I'm aware of. Correct me if I'm wrong.

Senator CADELL: Northern Australia and Rangelands Fire Information and the NBIC, which is the bushfire information centre?

Ms Anderson: I suspect that is NEMA. I think they're also on now.

ACTING CHAIR: That might be in NEMA.

Senator CADELL: It used to be NEMA, yes. It's regarding use of the data. We'll come back to that later.

Ms Anderson: I'll get someone to check to make sure we're not misleading you.

Senator CADELL: We have time, because it's the travel section now! Can we get the total travel expenditure for the year to date and previous year? Then we're going to go to domestic and international—all of the detail.

Mr Geysen: Year to date is \$19.6 million. That's for domestic and international. For 2024-25 it was \$29.8 million and for 2023-24 it was \$26.2 million. Domestic-international split?

Senator CADELL: Yes.

Mr Geysen: These won't add up because we also have whole-of-government fees within this, but I'm happy to provide those. For year to date, domestic was \$14.9 million and international \$3.1 million, with the balance being administration fees. In 2024-25 domestic was \$21.4 million and \$6.3 million for international. In 2023-24, it was \$20.3 million for domestic and \$5.1 million for international. That's encompassing the total cost of travel including airfares, accommodation, travel allowances, taxis et cetera.

Senator CADELL: Do you have that broken down into accommodation, flights and other? On notice would be fine.

Mr Geysen: I do have it. It might become a bit of an extensive list, but I'm happy to go through it. Year to date of the \$14.9 million: travel allowance and incidentals of \$4.8 million; airfares of \$4.2 million; accommodation of \$4.1 million; car hire and taxis of \$1.7 million; and then there was a small other rounding, which is likely to be parking receipts and the like. For international, year to date was \$3.1 million, airfares were \$1.9 million and travel allowance was \$500,000. We separate out overseas counsellors' regional travel of \$400,000, accommodation of \$153,000 and then some other incidentals of \$126,000.

Senator CADELL: In all the costs we're getting this financial year, I think cost management has been really good. I think we're lower on everything.

Ms Anderson: I think we got the memo; people like us are spending less money. We're doing our best to do that.

Senator CADELL: How many international trips does that number represent?

Mr Geysen: I don't know whether I have the specific number of trips. What I do have is the number of tickets. Year to date, that's 900 tickets.

Senator CADELL: International?

Mr Geysen: International, yes. If you'd like domestic year to date, number of tickets—9,579.

Senator CADELL: Wow! Was there any single event or thing that was the most expensive overseas trip? Was there a conference, a seminar or anything like that?

Mr Geysen: Not specifically that I am aware of. Obviously different locations will have different costs, particularly in terms of flight costs for different destinations.

Senator CADELL: There's never 10 or 20 people to one event?

Ms Anderson: Probably the more expensive trips are usually on-the-ground trips by operational staff to verify, say, with an in-country assessment of pest and disease issues or an offshore inspection sometimes occurs as well. Those sorts of things often involve more than one staff member, sometimes to quite interesting areas. They are the more expensive ones, but I don't think there's a lot of big conference attendance and those sorts of things.

Senator CADELL: I'm making an arbitrary line in my mind right now. If any individual trip costs more than \$100,000, can you just have a look at that?

Ms Anderson: We're happy to do that.

Senator CADELL: What is the guidance for departmental travel approvals? How does it work? What's the process?

Mr Geysen: In its simplest form, it's an electronic approval process. You have to use our internal system. We have a system called The Shed.

Senator CADELL: The Shed?

Mr Geysen: It's our intranet portal that we use. It's the workflow system. Through that, people are able to apply and get the appropriate financial delegation exercised by their supervisor. Through that, they need to demonstrate the genuine business need for that. They book the travel and conduct it. On their return, they fully acquit it.

Senator CADELL: Has that changed in the last 12 months or has that been constant for a while?

Mr Geysen: We have been making refinements and improving the electronic tracking and the capability of people to book.

Senator CADELL: But the overall process and changes are a refinement to the way it happens?

Mr Geysen: I'd say improvement and further assurance over that.

Senator CADELL: With that lowering of travel, has that been a change in policy?

Ms Anderson: Mainly because there might be an uptick coming, I just need to talk about why. During the Middle East situation we have asked across the service, but particularly in our organisation—we had quite a large footprint—for people to reconsider the need for travel that's not essential or not essential to occur now. Sometimes there is a bit of a recovery period. I don't want to get too excited about telling you all of our costs are going down. There may be a little bit of a rebound, I suppose, in some of those expenses where people have put off travel. Now that the cost of fuel is still very high—it has moderated a little bit—we have eased that, but effectively in terms of approvals, particularly for international travel, we decided not to be profligate in how we were travelling. We were only doing really essential travel that had to happen at that particular time or where Australia's interests were affected by not being at a meeting and having a voting right, for example. For domestic travel, we were just trying to be prudent. I think the figures that Mr Geysen read out were as at 31 March, so I do expect there'll be a further drop this quarter; that will probably rebound a little bit going forward.

Senator CADELL: That will be next year's estimates where I get grumpy!

Ms Anderson: Yes, you can get grumpy next year, but I'll have a good reason for you, is what I'm saying.

Senator CADELL: Do you have guidelines—if I'm doing more than four hours a day or a three-hour flight—for a staff level or how that works internally?

Mr Geysen: In terms of distinguishing between economy and business?

Senator CADELL: Yes.

Mr Geysen: Where a flight exceeds domestically four hours, SES are permitted to travel business. That doesn't necessarily mean they do. Broadly speaking, most international travel is business except for where it might be a near neighbouring country and that flight is below four hours; we will assess that on a case-by-case basis.

Senator CADELL: If I'm going to New Zealand, would that be on the level of employment as well?

Mr Geysen: No. Normally, when it's overseas it will be consistent across executive.

Mr Simpson: Part of that for staff travelling overseas is under our enterprise agreement; it stipulates the four hours in that. That's a requirement that we have to comply with in there as well, to that point.

Senator CADELL: That is all I have on travel.

Senator COLBECK: Did anyone go to COP?

Ms Anderson: I believe we have two staff attending some elements of the COP meeting. Under outcome 1 we might be able to explain that further. I just remember seeing something very recently in terms of approvals. I think a couple of staff members are attending one of the meetings, especially with Australia having some role in that going forward as well in terms of supporting COP.

Senator CADELL: Just going on to administration spend now, what was the total procurement expenditure year to date and previous year? I think you gave that to me earlier? No, that was contracting.

Mr Geysen: That was total procurement spend.

Senator CADELL: Can I just get those numbers again in this section so I can write them down?

Mr Geysen: Certainly. They were the contracts entered into in that year?

Senator CADELL: Yes.

Mr Geysen: For the year to date that was \$225.3 million. For 2024-25, it was \$665.3 million. For 2023-24, it was \$616.5 million.

Senator CADELL: Do you separate those numbers through limited tender rather than open tender?

Mr Geysen: I'm happy to get that on notice. I won't have that with me, but I'm sure we can get that.

Senator CADELL: On notice, how many individual contracts were over \$1 million each?

Mr Geysen: I'm definitely happy to get that.

Senator CADELL: And the 10 largest by dollar value? On that same link, do you know the top couple of largest firms getting consultancy contracts?

Mr Geysen: Yes, I do have the consultancy details with me. For consultancy expenditure year to date in terms of the top 10, highest to lowest, there was McGrathNicol Advisory, \$203,000; Clear Horizon Consulting, \$147,000; Cambridge Economic Policy, \$136,000; Synergy Group, \$135,000; Ausvet Pty Ltd, \$114,000; Noetic Solutions, \$109,000; CSIRO, \$96,000; Proximity Advisory, \$61,000; Sententia Consulting, \$58,000; and Callida Consulting, \$54,000.

Senator CADELL: Thank you. There are no real big ones there, are there?

Mr Geysen: No.

Senator CADELL: No KPMGs?

Mr Geysen: We do use the big four but in very restrained and for very specific activities. For example, most recently we did engage KPMG for some specific accounting and impairment advice to a total of \$60,000.

Senator CADELL: I'm on Senator Dolega's CPSU bandwagon. All of those specific things couldn't be done by internal staff?

Mr Geysen: Through our procurement process and our contracting process we really do stress test the need for that. In particular, you can see that, with that drop in consultancy spend, we are making sure that expenditure is on activities where the department might not hold that capability or expertise. Really it's for a time limited, temporary piece of work.

Senator CADELL: What value-for-money or audit functions happen post this?

Mr Geysen: In terms of how we engage when we go out, depending on what arrangement we use to engage a consultant, we will normally go to multiple vendors to seek different quotes for that piece of work. They will then get evaluated by an evaluation team. They'll get overseen by my procurement team, who will put a quality

assurance over the top of that. Once you get into the engagement of the contract, you go through a contract management process to hold that firm accountable for the services and the milestones that they're delivering.

Senator CADELL: Have you had to do any audits, procurement breaches or examinations over the last 12 months or two years?

Mr Geysen: Not that I'm aware of.

Senator CADELL: If that changes, just let me know. How much has the department spent on advertising, media monitoring and communications contracts?

Ms Anderson: While we're waiting for Ms Wellington, I just wanted to say—and it's not just Google—we have a website indicating that the program you asked about, the NAFI, is still operated by NEMA.

Senator CADELL: Thank you.

Ms Wellington: Can I ask you to repeat the question? I heard the part about advertising, but I didn't catch the end.

Senator CADELL: How much are we spending on advertising and marketing at the moment, and how much of that is contracted?

Ms Wellington: The year to date to 31 March, the department has spent \$619,084 on advertising.

Senator CADELL: What about media monitoring? Do you do that as well? What about general comms?

Ms Wellington: I might need to come back to you on the media monitoring. I'm happy to do that. In terms of general comms, did you mean specific in terms of staffing?

Senator CADELL: No, external.

Ms Wellington: External would just be our media monitoring and also our advertising costs.

Senator CADELL: Do you use a marketing firm or anything like that or it's all in house?

Ms Wellington: No, we don't; it's all in house.

Senator CADELL: I'm very happy with what we have on this section. I think I'm ready to move on to the next one a bit early.

Mr Geysen: In terms of what you asked before, I don't have the SES specifics but last year for the department it was \$527.4 million—this is just for wages and salaries, not on-costs on top of that—and year to date at the end of 30 April was \$627.5 million.

Senator CADELL: So wages have gone up?

Mr Geysen: They have, and that's reflective of that staff growth that we spoke about before.

Senator CADELL: Thank you. I was very impressed with the way questions were answered.

[10:03]

ACTING CHAIR: I think we're ready to move out of corporate into outcome 1. I welcome officers from the department in relation to outcome 1, and I invite questions.

Senator CADELL: I refer to what we see as some grant cuts that we read about. You can tell me I'm wrong or we can go there. In the budget papers, the department has a full program-by-program breakdown of \$104.6 million in reduced uncommitted funds over the forward years. Can we get a breakdown of what that is?

Ms Anderson: Obviously, the overall budget is managed out of our CFO area, but many of the programs you'll be talking about are under this outcome, so that will be fine, but I might just wait a moment for Mr Geysen.

Senator CADELL: We get \$104.6 million in reduced uncommitted funding across the forwards in five years. Is there a program-by-program breakdown on the grants?

Mr Geysen: Sorry, the uncommitted grants?

Senator CADELL: Yes, the government will achieve savings of \$191.6 million.

Mr Geysen: Would you like a breakdown of the \$191 million?

Senator CADELL: If you can.

Mr Geysen: That was the offset provided through the budget: the Future Drought Fund, \$52 million in savings; National Heritage Trust, \$35 million in savings; the special purpose payment Pest and Disease Preparedness and Response programs, \$33 million; wine tourism and cellar door, \$20 million; ag and land sectors low emission future, \$16 million; the immediate assistance fund, \$12.2 million; accelerated adoption of wood processing innovation, \$10.7 million; improving traceability of exports under modernising agricultural trade, \$6

million; regional trade events, \$4.4 million; international ag cooperation, \$1 million; Australian seaweed farming, \$0.8 million; and, to round it out, Australia's biosecurity system livestock traceability, \$0.2 million.

Senator CADELL: The budget refers to 'other trade related grant programs'. That would be those at \$1 million; they're those bottom ones, are they?

Mr Geysen: Yes.

Senator CADELL: When we're doing this, what criteria were used to determine which uncommitted funds would be reduced? Were any program risk delivery impacts or sector dependency assessments undertaken prior to choosing these savings?

Mr Geysen: Without getting into the specifics of what was put forward to cabinet to make those decisions, the offsets that were put forward were largely either underspends in the current year or uncommitted funding in the out-year.

Senator CADELL: There have been some specifically around pest, and that's the one we'll get to later. What consultation was done on these cuts and the effects on the cellar door and pest; how do we go on that?

Ms Anderson: Usually budget processes are held pretty tight. Obviously, just like any other department, we have been asked to find savings. The attempt was to minimise impact on the ground and obviously avoid—and we did—any cuts to existing programs. We're talking about a future contraction in some uncommitted grant programs across all of those categories. No consultation was undertaken in the context of the budget. These savings exercises are usually cabinet processes, and we participated in that. We were asked to make sure we were contributing to the government's budget repair objectives, which we have done in a context where we always want more money in each portfolio.

Senator CADELL: Something had to get cut. You had to assess that internally?

Ms Anderson: Exactly. We tried to minimise the impact of those cuts on actual delivery of things now and prioritised looking at areas where we can make sure there's no-one really seeing a significant withdrawal of any financing or services.

Senator CADELL: Was any of that contractually committed in any way we're not going forward with, or was it all genuinely not committed?

Ms Anderson: Genuinely uncommitted, yes, across all of those areas.

Senator CADELL: For pest and disease, I think you gave me \$33.3 million. I'm answering my own questions.

Mr Geysen: It was \$33.3 million.

Senator CADELL: That was genuinely uncommitted. Are there any initiatives that we're looking at doing that will be cut back because of that reduction in spending?

Ms Anderson: That's probably more of a question to go into outcome 2.

Senator CADELL: I can do that. Most of these questions about the cuts will be specific because the wine and tourism grants would also fall—

Ms Anderson: That's outcome 1. It's only the biosecurity related programs that would be outcome 2. Most of the rest of that list belongs in the outcome 1 part of the department.

Senator CADELL: Again, going over the page, the cellar door has been cut; that's correct?

Senator COLBECK: On the pest and biosecurity disease preparedness, would that not span outcomes 1 and 2, particularly with respect to pest management?

Ms Anderson: It's a special account, as far as I understand it, for emergency disease responses. It's a reduction in what is sitting in that special account. As has been shown, when there's an actual outbreak, it's important to be able to get going quickly. That special account and access to that special account allows us to draw down to do pest and disease responses. This saving means there's slightly less in that account. We would need to go to government sooner if that account is exhausted to ask for additional funding to manage an outbreak.

Senator CADELL: Going to that point, there is still money in that account, though?

Ms Anderson: There is still money in that account.

Senator CADELL: How much?

Mr Geysen: The total funding profile from 2025-26 through to 2029-30 for that program is \$440.2 million.

Senator CADELL: If we get a foot-and-mouth outbreak tomorrow, there's still something there to react with?

Ms Anderson: Absolutely, and that's always been the intention. Like I said, I think the impact will be we'll have to go to government sooner if we run out of available funds there to be able to get topped up.

Senator COLBECK: I was curious in relation to the pest element. If it's at the border rather than, say, pest management or invasive species management, which I would see as more domestic—

Ms Anderson: That's right. There are domestic elements to some of the elements of the saving. Again, that's still outcome 2, though, in terms of our environmental biosecurity area. How we run the pest and disease structure is still primarily run out of our biosecurity area. Even when it relates to pest management domestically, they do the leadership role primarily. The states and territories obviously have the key role on the ground constitutionally. On the ground, we can't do too much in terms of that. That has to be done by states and territories. We have more of a coordinating and strategising national leadership role.

Senator CADELL: How much was cellar door again?

Mr Geysen: It was \$20 million over two years. The profile of that—

Senator CADELL: Did that cut a specific part of it? It's been mentioned that it's been retained, it's being cut; is the cellar door program still operating at all? What's its status?

Mr Lowe: The existing three-year agreement with Wine Australia to administer the program will proceed as planned, just to assure you. Round 8 will open as planned in August 2026. Round 9 will proceed as planned as well in mid-2027. There will be no grants from 2028 and 2029.

Senator CADELL: There's no ongoing—

Mr Lowe: That would be a matter for government.

Senator CADELL: Your recent recruit was hailed as retaining the cellar door item, but it's gone; there's no aspect of it going beyond 2027, is there?

Mr Lowe: Any future consideration around the program will be a matter for government.

Senator CADELL: I think they've said it was on pause. A new decision would be required to fire that up again by that time?

Mr Lowe: Yes.

Senator CADELL: Have you had industry representation come to you on that and those concerns? I grew up in the Hunter Valley. In a lot of those places it costs the same to produce a bottle of wine that you could sell at wholesale. It was only the cellar door keeping those things viable. What has industry come to you and said about this program, if anything?

Mr Lowe: We're aware that industry has raised concerns about the savings involved with the program. Specifically, they were just concerned about the cut to the program and the support it provides for the industry. That is balanced, in that, separately from 1 July 2026, the wine equalisation tax rebate cap will increase from \$350,000 to \$400,000. This will provide an extra \$50,000 to eligible wine producers as a cash refund every single year—so up to \$50,000. Effectively, the Wine Tourism and Cellar Door Grant program was commenced as part of a change to the wine equalisation tax rebate. That change to the program and those savings in terms of the average grant under the program for the last four rounds was \$49,031. In terms of an offset, that up to \$50,000 is a positive.

Senator CADELL: If you're selling the wine though.

Mr Lowe: If you're selling the wine, of course.

Senator CADELL: The guys coming to me are saying, quite concerningly—because I think there's also some changes somewhere—that if you're now making more wine off your cellar door in sales, you'll be a hospitality business, not a primary producing business. I think that's a double layer of concern coming through.

Mr Lowe: I haven't heard those concerns, but I'm happy to follow up on those.

Senator CADELL: Have we modelled the impact? You say it could be offset by that, but have you modelled the impact of what it could do to cellar doors? Is the industry working with you—Wine Australia or anyone like that—on what the impact could be?

Mr Lowe: We haven't, no.

Senator SCARR: I have a follow-up question in relation to that, with indulgence. This is also potentially relevant with respect to what is considered primary production income, which is now a key question if people are moving from family trusts or considering moving from family trusts to companies—this definition of 'primary producer income'. It seems to me those cellar door sales that Senator Cadell is referring to may well fall square in

relation to income which isn't necessarily primary producer income but falls into another category of income earned by a primary producer, which is a primary producer income. Is that something which potentially you'll be in discussions with the ATO on?

Mr Lowe: It is primarily the Treasury department, just to understand the implications. We hadn't had that raised with us either, but it's something we will be following up as we try to understand the implications of CGT.

Senator SCARR: I'll ask some further questions about that, but I just wanted to put a peg in the ground because it seems to me that falls within that area.

Senator CADELL: I think Grape and Wine have come to me. They had a number of asks prior about increasing. We've got a glut; we've got an oversupply, especially in red, at the moment. We've got all these sorts of issues. There was a government response to the inquiry leading up to that. They were looking for a bit more. What made that a decision? Why did you decide to put that up as an area, given the industry was struggling a bit at the moment anyway? Why did we think this was an attractive thing?

Mr Lowe: We're very mindful of where the industry is at currently. Consideration was given. To put it in context, all savings are challenging and difficult, and hard decisions have to be made. Our focus was thinking about ensuring that the savings weren't impacting the industry in the short term. That's why round 8 and round 9 will proceed as planned in addition to the wine equalisation tax rebate cap increasing. In the short term there should be additional money flowing to the sector and so those savings then will apply in later years. Hopefully the industry is on a better footing in the future.

Senator CADELL: I will potentially come back on that.

Senator SCARR: I've got some questions in relation to the budget changes to discretionary trusts, capital gains tax et cetera. I'm not asking Treasury related questions. I'm going to be asking a series of questions in relation to programs your department operates but also what work the department has done in relation to assessing the impact of those changes on primary producers in the context of outcome 1, productivity et cetera in the agricultural sector. If I'm taking you into areas where you think it should be in Treasury or the ATO, feel free to raise that. My intent is to deal with the operations of this department and the input you're providing on these important issues for primary producers. With that introduction, Secretary, you acknowledge that a great number of our primary producers are held in family trust structures, discretionary trust structures; is that correct?

Ms Anderson: That's right.

Senator SCARR: The numbers I've seen indicate that potentially at least half are held in those sorts of structures? Do you have any figures, even ballpark figures, with respect to ownership structures for our primary producers?

Ms Anderson: I don't personally have that. I'm not sure if Ms Brown or others can assist; please come forward if you can. Even on that question, Treasury is probably the best source of truth given they have the ATO and those sorts of definitional issues. We may have it, but they would be the ones who release all the stats.

Senator SCARR: Let's see what you've got.

Ms Anderson: Yes, I'm happy to see what we've got.

Ms Brown: In terms of your question, we don't actually look at what numbers are impacted. That is the authority, I guess, of the Treasury and the ATO to look at what the impacts are.

Senator SCARR: You have a general knowledge, though, that a lot of farms are held with family trust structures; that's correct?

Ms Brown: Yes, that's correct.

Senator SCARR: My understanding is approximately—and I'll pursue this with Treasury—about half of farms are held in family trust structures, and that's been a structure that's been supported by both sides of politics for a long period of time. Under the Farm Management Deposit Scheme there are eligibility requirements linked to the ownership structure of the farm of a primary producer; is that correct?

Ms Brown: Yes, that is correct. It's a risk management tool for primary producers. The Farm Management Deposit Scheme provides tax concessions to encourage farmers to build cash reserves in the high-income years, so they have it there available in the low-income years.

Senator SCARR: So it's a very important scheme to support farming families across this country survive, if I can put it that way, bluntly, the ups and downs of the farming cycle including the drought periods? Is that correct?

Ms Brown: That's correct.

Senator SCARR: It's a really important scheme with respect to the resilience of our farming communities. You would agree?

Ms Brown: Yes.

Senator SCARR: At the moment, my understanding is that with certain ownership structures, if a farm is held by a company, it cannot access the Farm Management Deposit Scheme; is that correct?

Ms Anderson: That doesn't sound like—

Ms Brown: I think we need to take that one on notice.

Mr Lowe: I am not sure of that.

Ms Anderson: Sorry, what was the proposition, just to make sure we're clear?

Senator SCARR: I had a look at that this morning. My understanding at the moment is under the Farm Management Deposit Scheme you're eligible to apply as a natural person, as someone who's a partner in a partnership structure, as someone who's a beneficiary under a trust—and we've spoken about those 50 per cent of farms that are held in a family trust structure—but a company is not permitted and is not eligible to participate in the Farm Management Deposit Scheme.

Ms Brown: That's correct. Companies aren't included.

Senator SCARR: That's the point. You've got a situation then where the budget has introduced changes and in fact provided rollover relief for small businesses, in effect—and a family-owned farm is a small business, or it might be a medium-sized business—for CGT and they will need to roll over their structures to transition from a discretionary trust structure to a company structure. That's actually something the government has put on the table for small businesses to consider because of the tax changes. You then have this disconnect because, if a family-owned farm business does that and transitions to a company tax, a family owned farm under a family trust structure was eligible to participate in the Farm Management Deposit Scheme but if they've got a company structure, they're not eligible to participate in the scheme. Is that something which the department has considered at this stage, in relation to the impact of family-owned farms transitioning from family trust structures to company structures?

Ms Brown: We have commenced conversations with Treasury around this. We haven't had a formal meeting with them. We are looking at preparing that meeting and having that in terms of how FMDS, the Farm Management Deposit Scheme, operates, and what the impacts may be, but that is a consideration that needs to be undertaken by Treasury in terms of the new measures that they have put forward.

Senator SCARR: I understand that. My focus is—my concern, to underline it—to make sure that your department's secretary is actively involved with Treasury so that they understand the impact on the ground of family-owned farm structures, ownership structures, changing and what that means under this scheme. When did that consultation occur? Do you have the details?

Ms Brown: We've only had conversations with Treasury this week.

Senator SCARR: This week?

Ms Brown: This week, and due to estimates we've arranged to meet with them in the coming weeks to discuss our programs that we have in place and how the impacts of the new measures may be implicated through the farm management deposits and how the rules are set up through the FMD scheme and then how that reciprocates through the new budget measures.

Mr Lowe: There is an exemption for discretionary trusts, just to emphasise that, for primary production.

Senator SCARR: Yes, I'll get to that.

Mr Lowe: Obviously, therefore, there will be matters for farmers to decide whether it is better to stay in a discretionary trust or move to a company.

Senator SCARR: I will get to that. That is a very complicated issue. I am impressed, Mr Lowe, that you raised it, which gives me some confidence. It's a very complicated issue. We will get to that. If we can just stay on the FMD scheme first, and Senator Cadell had a follow-up.

Senator CADELL: Are you looking to Treasury not only about what that means going forward; there is probably just under six billion in FMDs at the moment.

Mr Lowe: That's right, yes.

Senator CADELL: What happens to the treatment when someone does transition and takes advantage of this rollover provision? Do they lose access? Is it taxable? Are you going to be talking about what happens?

Ms Anderson: Transitional arrangements would absolutely be part of it. I'm fairly confident that Treasury has been in contact with the National Farmers' Federation as well and I think they've raised some of these issues of the ongoing impact, the transitional impact and some of the things that Senator Scarr has raised. I don't deny these are little things we need to work through. They're quite significant things. We absolutely undertake to do that with Treasury and in consultation with industry over the coming few weeks.

Senator SCARR: Ms Anderson, you said you were fairly confident. On what basis did you form that confidence?

Ms Anderson: I am aware that there has been correspondence between the National Farmers' Federation and the Treasurer, for example. I am aware that in the context of the budget Treasury provided advice to us on what the measure was likely to be and how that would affect agriculture. It was obviously not the sort of detail we're talking about today, which we need to take up further, but the example Mr Lowe gave. It's important for Treasury to work up tax changes discreetly and confidentially; it's very important we respect that process. I'm obviously aware of some of the conversations they're having through correspondence I've seen and those sorts of things. I'm confident that's occurring, but as you say there are some more things we need to work through.

Senator COLBECK: What data would you have that they don't?

Ms Anderson: In a tax sense?

Senator COLBECK: With respect to some of these issues that we are talking about here. For example, the information around the proportion of farms that use trusts—all of that sort of information. Is there information that you would hold that they don't hold that directly relates to this? We saw the Treasurer the other day being quizzed about people under 35 who invest in shares being challenged by information out of ASIC. The different sets of data are my concern. The Treasurer is not unreasonably quoting from Treasury data, but then someone is quoting from ASIC data, which is very different—and twice the impact, effectively. Is there any critical data here that you hold that Treasury don't hold in terms of the way that this works? I've expressed this at previous estimates. I just worry that people don't talk to this agency a lot. I think we heard some evidence to that effect in the environment estimates in the last couple of days, with people who operate their businesses impacted by this department and ending up with the rough end of the pineapple because this agency is not being consulted.

Ms Anderson: I think in terms of the question about data, I would say that we do have data holdings, particularly administrative data holdings—for example, access to our programs, how many people are accessing them—but in terms of tax data we would not have anything that Treasury or the ATO wouldn't hold, including around FMDs. The things that we would hold would give colour and light to what's going on in the sector. The ABARES data and their analysis of ABS stats and things like that would absolutely be something we can bring to the table in discussions, but not the literal data about tax.

Senator COLBECK: They're a critical agency who understand this sector really well because of the work that they do.

Ms Anderson: Yes.

Senator COLBECK: One of our previous conversations related to ABS information and data, which is world class, not being listened to by another agency; and decisions being made and policy being developed without consulting that data is a real problem.

Mr Lowe: This is an area where we do talk regularly to Treasury, and Treasury estimate the cost of the FMD Scheme annually in consultation with us as well. It is something where we kind of have a shared conversation with Treasury.

Ms Brown: In terms of the FMD data, that's held by the banks. We meet with the ABA on a regular basis and talk through what are the holdings, where are they at et cetera. Are we seeing drawdowns in terms of drought? Are they drawing down in the key areas that are in drought or not? As Mr Lowe has said, we work very closely with the ABA and with Treasury and the ATO in relation to all of this. We do have a very good platform of communication and sharing information.

Senator SCARR: Ms Brown, you talked about that contact between Treasury and the department in relation to your department's programs. How was that contact initiated and what programs does it encompass where you're going to be considering the impact of the changes in the budget in terms of your programs?

Ms Brown: The contact is initiated through my financial team. I have a financial policy team that looks after all of the farm finance policy and includes things such as the RFCS, the Regional Investment Corporation, FMDs and FHA. We work across a number of—

Ms Anderson: You might say what that is.

Ms Brown: Sorry, that was farm household allowance and the Rural Financial Counselling Service. We work across a number of agencies, not just Treasury. We're working closely with Services Australia because they're critical and key to knowing where the impacts align for farmers in terms of where they're seeking support through different issues, but mainly for us it's looking at drought.

Senator SCARR: In relation to these budget changes with respect to the treatment of family trusts and capital gains, and the impact of those budget changes in relation to your department's programs, which programs do they potentially impact where there needs to be some consideration of the nature we've discussed?

Ms Anderson: Obviously we've covered our Farm Management Deposits Scheme primarily.

Ms Brown: It would be mainly FMDs.

Ms Anderson: We would probably need to double-check around the farm household allowance as well.

Senator SCARR: Can you just double-check that? Someone can even provide you a heads-up during the course of the day with respect to whether or not that's something that's being considered. That's comforting to know, that there's consideration being given both first through transition arrangements but also with respect to eligibility under the FMD so it can be extended potentially to companies in the event some of these trusts, the owners, determine to roll over into a company structure. Can you run through the list of issues that are potentially impacted that need to be considered or are being actively considered in relation to the FMD Scheme?

Ms Anderson: You've already identified a couple of key ones, like the primary production income. I think it was Senator Cadell who raised that, in terms of what is primary production income and making sure we fully understand the issues around farm management deposits and company structures. You've raised transitional issues, and just to confirm our understanding of how that will play out and what impact that would have. I won't speak for Ms Brown, but I suspect there will be a look at the entire program suite we have and making sure in terms of our definitions of certain things and the eligibility criteria that we use for our programs we ensure there are no unintended consequences as well. That would probably be my starting list. Correct me if I've got any of that wrong.

Ms Brown: The secretary has covered off nicely. The conversations that we'll have are around what are the impacts to our programs and are there going to be, as the secretary said, any unintended consequences for our programs? Those will be the detailed discussions. We haven't received any representations to date from our stakeholders—

Senator SCARR: They're coming.

Ms Brown: in relation to this. We'll be having those meetings so that we're ready to have those discussions with our stakeholders around the programs and if there are any consequences to those.

Senator SCARR: Was there any consultation prior to the budget in relation to, for example, the FMD?

Mr Lowe: No. We wouldn't ordinarily consult on taxation measures. That's solely the purview of the Treasury department.

Senator COLBECK: But did they talk to you?

Mr Lowe: No.

Ms Anderson: Not in advance, no.

Senator COLBECK: I get it that there is outside consultation; I understand that. I chaired the consultants inquiry. I've seen the outcomes of that. Within agencies, it should be—

Ms Anderson: I should just clarify that we're speaking for the department. I'm not sure if other consultations happened between ministers and obviously—

Senator COLBECK: That's a separate matter. We're talking to departments—

Ms Anderson: there is a process that's associated with the budget. Again, I can't speak to exactly how that played out, but in terms of actual advance consultation, again, as Mr Lowe said, that wouldn't be usual in the tax space. In many other spaces it can be, but in the tax space that's usually held fairly closely by Treasury.

Senator SCARR: Ms Brown, I understand from you that the department reached out to Treasury; they didn't reach out to you after the budget? Is that correct?

Ms Brown: We didn't have conversations prior to the budget, as the secretary has stated.

Senator SCARR: After the budget?

Ms Brown: After the budget, we've had discussions, yes, with Treasury.

Senator SCARR: Who initiated those discussions?

Ms Brown: I would need to take that on notice, but we work very closely with Treasury. Because all of our programs interlink quite closely with Treasury and other agencies, we work very closely with them, but I would need to confirm who made the initial contact. Every second day, we're talking to Treasury in relation to these programs.

Mr Lowe: We do tend to be a proactive department, so I wouldn't be surprised if it was us reaching out.

Senator SCARR: Ideally you would have a competition between the two departments as to who contacts who first.

Ms Brown: I have just been informed that we reached out.

Senator SCARR: So you reached out to them? They didn't reach out to you?

Ms Anderson: I think in the aftermath of the budget it's hard; I think they get a lot of inward traffic.

ACTING CHAIR: They had a bit on.

Senator SCARR: I accept that, Chair, but—

Senator COLBECK: Like what?

Senator SCARR: Yes, exactly; that's the concern. I am a bit surprised there wasn't consultation beforehand, but you've commented on that, Secretary. This is a really important issue.

Ms Anderson: It is, yes.

Senator SCARR: I'm just watching your management of time.

ACTING CHAIR: We have five minutes until we're due to break.

Senator SCARR: I want to move into this issue of primary production income. I'm impressed, Mr Lowe, that you seem to be across the issue and the relevance of the issue. Perhaps I can ask you to articulate the nature of the issue in the context of family-owned farms and farming operations arising from this exemption of primary production income, as defined, from the changes to the taxation of discretionary trusts?

Mr Lowe: As we understand it, it's income derived from your primary production enterprise that is exempt in the context of discretionary trust distributions. So it's a specific exemption for income derived from your primary production enterprise. If you sell a grain crop, you receive that income and that income is exempt.

Senator SCARR: What are the issues that this poses from your perspective that the department needs to liaise with Treasury on?

Mr Lowe: Perhaps it might be better framed as we are aware that there have been issues raised by the sector in relation to the discretionary trust distributions and more broadly—

Senator SCARR: You could frame it that way. I'm happy for you to frame it that way as long as you tell me what the issues are.

Mr Lowe: which is effectively the transfer of land, the sale of primary production land, and the application of the discretionary trust exemptions or other concessions within the tax system to the sale of that land. We understand that is a key issue.

Senator SCARR: Can you run me through the sort of scenario you're talking about in terms of a sale and the trigger point?

Ms Anderson: You promised me we could pull up stumps at some point, and I think we might be getting to the point where it's a very complex area. As Mr Lowe said, we are aware that the transfer of land through trusts has been raised as a potential issue by the sector. I think it's been in the media as well, so it's not something we're unaware of. Exactly how that plays out is so specific to the circumstances of a range of different business structures that I would be very worried that, if we did that, we would mislead you somewhere and Treasury would need to clean that up next week.

Senator SCARR: I'll defer to you, Secretary, on that point. I might ask this as a final question before morning tea. The other issue in relation to this particular carve-out for primary production income is, as you would know, so many farms have income arising from their core primary production business but also other income streams. In the Queensland context there might be a gas pipeline which goes across the farming property for which they get a licence fee. There might be access arrangements to resources companies for which they get the licence fee. They might have a small ecotourism business. They might be selling wine at a cellar door as well as growing crops.

Senator COLBECK: They might have a wind farm.

Senator SCARR: Exactly. They might be assisting the government to achieve its goals with respect to net zero by hosting a wind turbine on the land and getting a revenue stream in that regard. To what extent is the

department considering the impacts of the changes to a farm which is getting different streams of income from those activities, which I would say in the modern world—

Senator CADELL: Non-traditional.

Senator SCARR: They might be non-traditional, but they're actually very usual now in terms of the expectations, in fact, on farms to assist other industries including our energy industry.

Mr Lowe: I think you've raised an important point. As the secretary said, we're fast getting out of my knowledge of tax law. They are matters that we will discuss with Treasury, and I understand they're on next week and they would be very relevant matters to raise with them as well.

Senator SCARR: Those are matters you would consider are within the scope of the discussions you're having with Treasury?

Mr Lowe: Absolutely.

Ms Anderson: Yes. I think the government has made clear that it's primary production income that is exempt. Exactly how that's defined and in all the different circumstances you've raised I would leave them to answer, and we will obviously have those discussions. However, that was the intention, that it's primary production income. Whilst we will engage, it won't be to question the policy intent—that's for the Treasurer and the Treasury—it will be to understand, like I said, the impacts on our industry, whether there are any unintended impacts that we might need to take into account and then the crossover into our program suite and how that might work. I think Senator Cadell raised a point about transition. We'll ensure that we understand these things properly. I'm confident that will have been taken into consideration by Treasury, but that's a matter for them to raise in response to questions.

ACTING CHAIR: We will now suspend for a morning tea break.

Proceedings suspended from 10:45 to 11:02

ACTING CHAIR: We will now resume on outcome 1. Secretary, I understand you've got some updates for us?

Ms Anderson: If it's okay with you, Chair, the CFO, Mr Geysen, would like to correct a number that he gave to Senator Cadell in the first session.

Mr Geysen: Senator Cadell, I wanted to update some of the figures that I provided you. I think I might have given the wrong financial year for our wages and salaries. For 2025-26 to the end of April is \$582.7 million. For the 2024-25 financial year, it's the \$627 million, and then also for 2023-24 it was the \$527 million figure. I just had them back to front.

Senator CADELL: Right numbers, wrong order.

ACTING CHAIR: Senator Shoebridge has a few questions on sugar. We might see if we can deal with those quickly.

Senator SHOEBRIDGE: I have some questions that cut across both sugar policy and also some of the investments and actions by Sugar Research Australia. I think it's both points. Can I firstly ask on policy? Is there a policy position about the Australian sugar industry's global links and links with other regional countries? Is there a policy decision to link the Australian sugar industry with the industry in the Pacific or the industry in Indonesia? Is any of that work happening?

Mr Lowe: Not to my knowledge.

Senator SHOEBRIDGE: I'll put the cards on the table so you can see where I'm coming from on this. There's evidence that Sugar Research Australia has been developing pest and bug resistant sugar crops at significant public expense—and I was going to ask Sugar Research Australia about that, but we may have to wait for a later point—and that research and the genetic information that's been obtained as a result of Australian public funds, are now being used to progress the sugar industry in Indonesia. The genetics were transferred across in 2024 into the industry in Indonesia and specifically in West Papua. Is this part of some policy plan, for us to be giving a leg up to other nations' industries competing with our own sugar industry? Is this part of a policy plan?

Mr Lowe: We will have to take that on notice. They are really questions for Sugar Research Australia, the RDC. I will clarify one aspect of your line of questioning, which is RDCs are funded both through public funds—it's a co-funding model—and industry levies. I just clarify that point. More broadly on your question around the research and where that's going, we simply won't have the detail to assist you.

Ms Anderson: I will add that I think that demonstrates there is no active policy that we're encouraging this. I think the work we're doing here is not related to those sorts of things. We would tend to leave those things as

commercial matters for the industry. Obviously the research and development body can answer for themselves, but that's not something we would tend to intervene in.

Senator SHOEBRIDGE: It's not just industry money; it's public money, too, that goes into Sugar Research Australia. My understanding is that agency reports to the minister. Is that the reporting chain?

Ms Anderson: Our agencies have statements of expectations that are provided to them by the minister. That's correct in the case of Sugar Research Australia. There are statutory bodies and non-statutory bodies, and I'll ask people to correct me if I have that wrong. That's correct in this case. Then they have a response. Obviously, as part funder of these activities, we provide priorities to those organisations as well but they are their own accountable authority and make their own decisions. We do have a broad oversight role, and Mr Lowe has taken on notice your specific question about how that plays out. Where the public funding has indeed done what you have suggested, we can definitely look into that and come back to you.

Senator SHOEBRIDGE: I might give you some more context. The other concern is that genetic material was transferred over to PT Global Papua Abadi in July of 2024 and that is now being used by that Indonesian sugar company to grow profitable sustainable crops in West Papua, which previously was not possible because it didn't have the genetic protection against pests in particular. It has now been used as part of a campaign of widespread deforestation and systemic removal of Indigenous peoples in West Papua. Indeed, the headquarters of the company who Australia gave the genetic material to in West Papua basically sits alongside an Indonesian military outpost that has been used to remove Indigenous peoples from the land so that the sugarcane that has been genetically developed in Australia can be planted for profit. I would have thought before those sorts of things happen that there would be some sort of joined up policy consideration in terms of not only how it impacts our own sugar industry but how it might impact foreign relations, how it impacts particularly on the ground in West Papua where we know there are very substantial human rights concerns. That's why I'm putting it forward as a policy question as well.

Ms Anderson: I really appreciate the additional information. That gives us some good context and we will definitely come back to you.

Senator SHOEBRIDGE: Just so there are no surprises, I also have concerns that—and maybe you could take this on notice—the non-executive director in Sugar Research Australia, who was there from October 2021 to March 2024, has now moved across to have a position of head of mills and distilleries with PT Global Papua Abadi. It says that he commenced that position in November 2023. He was both sitting with Sugar Research Australia and in the position with PT Global Papua Abadi. Then we give them the genetic material to not only compete against Australian industry but cause the human rights issues. That's why I'm asking these questions. Could you take on notice what checks and balances were put in place before the transfer happened, if you're able to find that? Was some payment made? What, if any, probity issues were considered when Mr Mark Day moved from Sugar Research Australia into that position with the West Papua Mills?

Ms Anderson: We'll take that on notice. I understand that at the root of what you're talking about are some conflict-of-interest issues that we'll need to look into as well. We'll take that on notice and come back.

Senator SHOEBRIDGE: There are three issues really. There are the human rights and foreign affairs issues: should Australia be assisting the deforestation and the attacks on Indigenous First Nations peoples in West Papua, which is a policy issue? There are the industry issues: why are we having public money being spent to fund our competitors overseas in the industry? Then there are the conflict-of-interest issues as well. Thanks for looking into that and I'll look forward to some answers on notice.

Senator SCARR: Can I just ask a follow-up question in relation to that? Just teasing out what Senator Shoebridge has asked, one of the concerns is that some of the mega projects being progressed in West Papua are not going to be subject to the regulatory controls with respect to agricultural production, which are costs that have to be met by, for example, sugarcane farmers in my home state of Queensland. Just from a cursory examination of some of the information that is publicly accessible with respect to these projects, you would never be able to develop a project in Australia in the way that some of these projects appear to be being developed in West Papua. You simply would not be able to do it. It raises a material question in relation to the competitiveness of our sugar industry, which has all sorts of controls placed upon them from an environmental perspective and land use perspective. What you will find is that what's being proposed and progressed in West Papua, in my view from what I've quickly seen, falls within a different category.

Ms Anderson: Yes, I think that goes into the first part of the foreign relations impact of that.

Senator SCARR: It's the competition element, also in terms of what we expect our producers to bear in terms of costs in Australia compared with how projects might be developed in other jurisdictions. I think there's a real issue there.

Ms Anderson: I totally agree; it's a competition issue. I think the answer is not necessarily lowering our standards but ensuring others are held to the same standard, which I think is something—

Senator SCARR: I wasn't proposing that; I understand what you are saying.

Ms Anderson: I know, but I think there are a few different dimensions to that.

Senator SHOEBRIDGE: To be clear, this issue was brought to my attention by some West Papuan activists and traditional landowners who had that happen to their community. The images they showed me of broadscale deforestation, the environmental damage and the lack of controls were devastating when I looked at them. Their evidence to me was it was devastating for them and their communities as well. What Senator Scarr is saying is, putting to one side all of the human rights concerns, on an economic basis if you can have an exploitative industry like that with no checks and controls—no human rights controls, no environmental controls, no regulatory controls—why are we investing public money to create that industry to compete with our ethical industries here?

Mr Lowe: We appreciate the questions and we will act on following them up.

Senator SHOEBRIDGE: I would appreciate that.

Senator COLBECK: Just on the plants' rights, are there any protocols in respect of the government deed that the government has with SRA in relation to plants, plant IP and plant IP control? That would be a first line of—

Mr Lowe: The short answer is that we don't believe so, but we can take it on notice. The statements of expectations don't go to that level of detail, but we can take it on notice.

Senator SHOEBRIDGE: I appreciate this has come as a side wind into this part of the agenda and I appreciate the time, Chair, for exploring it.

ACTING CHAIR: Deputy chair.

Senator CADELL: Do you have any more on your line of questioning?

Senator SCARR: I might pursue the definition of 'primary production income' in the context of the announced budget changes. I note Senator Canavan has joined us. To summarise where we're up to, as I understand it, the department is having discussions with Treasury in relation to impacts of the tax changes in the budget on the Farm Management Deposit Scheme. That would include any transitional changes, issues around eligibility of companies, and that it's countenanced that farms held in family trust structures roll over into a corporate structure. We've had that discussion. We've had the preliminary discussion in relation to the meaning of 'primary production income', which becomes a key definition because of the exemption given with respect to income distributions under discretionary trusts. The question of whether or not something falls within the 'primary production income' definition or outside of it is going to be a key issue. We've spoken about the different streams of income that farms in the modern world in Australia maintain, in some cases to maintain their viability, including through drought periods. In that regard, does the department have any information or insight in relation to how many farms actually rely upon that non-primary production income to be viable?

Ms Anderson: I'm not sure if ABARES would have any information on that through survey results.

Senator COLBECK: I'll bet they do.

Mr Lowe: We'll see if ABARES can come to the table.

Mr Galeano: We've got our long-running farm survey program, which covers the broadacre sector. We ask questions in there about sources of revenue and one of the components is off-farm income. If one of the partners of the business or the owner is a truck driver, a teacher or whatever, we collect that information. Then within the agricultural revenue, we know what their livestock revenue is, their cropping revenue and so on. I need to check what specificity we've got with other income, whether it's just lumped into 'other' or we've got any more detail within that might help you. I'll have to check on that for you and get back to you.

Senator SCARR: We're probably not talking about other income in terms of if one of the partners is a teacher or a truck driver; we're really talking about—it's almost not off-farm income—non-primary production income generated from the land on which the farm is located, access rights to exploration companies, renewable energy projects, ecotourism, sale of wine at a cellar door, as Senator Cadell referred to. How quickly can you have a look?

Mr Galeano: We can have a look at that now and get back to you. It's been a long time since I've looked at the questions on revenue from our farm surveys, but we can have some people look at it now.

Senator SCARR: You understand the significance now in the context of the discussion we're having?

Mr Galeano: Yes.

Senator SCARR: How often do you do that survey?

Mr Galeano: Every year. We're about to head out in the field in about another month.

Senator SCARR: Is there an opportunity to include additional questions to take into account these budget changes?

Mr Galeano: Not formal questions, no, because we've got that all locked in the IT system, but we do have the opportunity to maybe ask some informal anecdotal questions so that collectors can sit around the kitchen table and ask questions about those things and try to collect that information.

Senator COLBECK: With the changes in how farming is operating and the number of farms that we're talking about—and we've debated it in this committee plenty of times—with energy income, so renewable from, say, a wind turbine or two or a few solar panels and even transmission lines now with the increases in payments to farmers, that is something that wasn't there 10 years ago. I get the value of long-term datasets, but these are new and probably will be long-term income streams over time. How they're treated and how they're counted as a part of our datasets is going to be important.

Mr Galeano: Yes, I think what I need to check is how detailed is that other information that we've got or is it all just lumped into an 'other' category? Then there's a question about, if it is lumped into 'other', we probably need to have a think about whether we want to split that out and collect a bit more detailed data. One of the issues for us will be that our sample is about 2,000 farms, give or take, and we've got to be careful about how representative our survey is. If you pick up the odd one here and there, you've got to be careful weighing that up as a population estimate.

Senator COLBECK: It depends where they are, what they're doing and how they fit into the broader dataset.

Mr Galeano: That's right. We design our surveys to be representative to do with the agricultural revenue, livestock numbers and revenue from cropping and those sorts of things. We need to be careful about how many farms we're picking up in our sample that get that other income and how representative that will be of the whole sector. There's a bit of a statistical question in there for us to think about.

Senator COLBECK: The number of farms that rely on off-farm income, which is also part of this conversation, is something that has been quoted for a long time and is pretty well understood has a long run and has been applied more broadly across the sector for a long time.

Mr Galeano: For a long time, and especially with small farms we see that inverse relationship has played out for quite a long time.

Senator SCARR: To tease this out a little bit more, what's the department's understanding of the reason for introducing the minimum 30 per cent trust tax on farm income that isn't from primary production?

Ms Anderson: I think that's probably a matter for Treasury.

Senator SCARR: I thought you might say that, Secretary. From the department of agriculture's point of view, though—maybe I can attack it from a different direction—in terms of sustainability of the farming industry in Australia you recognise there is benefit in terms of farms, if they're able to, having some sort of diversification of income?

Ms Anderson: Absolutely, yes.

Senator SCARR: You do?

Ms Anderson: Yes.

Senator SCARR: Why is that important?

Ms Anderson: We talked about FMDs, farm management deposits, as a smoothing mechanism. The more ways farmers can earn income, whether it's off farm or through diverse income sources, that helps manage through a range of different circumstances. Diversification of income has been a long-running goal across many in the ag sector to ensure they are able to draw some sort of income in years when the weather is unfortunately against you, which is pretty frequent in this country. It's a longstanding desire of industry and also of government to support that.

Senator SCARR: If income diversification is good for farmers, is it a good idea to tax farms that diversify their income streams?

Ms Anderson: I don't think I'm going to be drawn on that one, either, but I appreciate it.

ACTING CHAIR: Good try.

Senator SCARR: Would you at least recognise that farms that are engaging in diversification of income and sometimes doing so in connection with, say, the resources industry or renewable energy industry, are legitimate, bona fide activities of family-owned farms?

Ms Anderson: Yes, absolutely.

Senator SCARR: You agree?

Ms Anderson: Yes.

Senator SCARR: I think we've dealt with those other questions.

Senator COLBECK: I have one on tax and while you're talking to the tax department—I was just talking to a farmer. We're opening up this pot in relation to tax and half the farms are using a trust as their model. They've done that and set up that way because that's what they've been told to do over a long period, particularly in respect of family succession. This farmer is actively looking at that right now but has said, 'I've just stopped all conversations in relation to that because I'm not sure exactly what it is I'm going to be doing now.' Also, part of the discussion is the escalation in farm values of late and where the thresholds sit, so the impact on the capacity of family farms to make that appropriate succession planning to maintain them as a family farm, rather than having to flip into a corporate situation. For those of us who live in communities where it's family farming versus what's encroaching, which is corporate farming, that's of value. Can I put in an ad for looking at some of the thresholds that impact on these tax elements while we're having this conversation? If we're going to open the box, let's look at the stuff that impacts in the box. While you're talking to your friends in Treasury about issues around farm price escalation and the thresholds, if I think of my neck of the woods, a \$6 million threshold was mentioned a minute ago. There's a lot of stuff bumping against that threshold right now because of the value of land and escalation in land that's floating around; and he still hasn't got any onions into Indonesia yet.

Mr Lowe: We are aware of those issues that have been raised more broadly by the sector as well, particularly in relation to the small business concessions and where those thresholds apply.

Senator SCARR: Mr Lowe, in relation to those issues of valuation, the valuation of farmland can fluctuate as well depending upon what the conditions are. That could have a material consequence, especially when you're talking about a system which is looking to bring in what were previously CGT-exempt properties. As part of the discussions with Treasury, are they including discussions in relation to valuation issues on farmland and how you could potentially get some difficult results, problematic results, due to the fluctuation in the price of farmland, which doesn't necessarily reflect long-term values et cetera which could distort the system. It's a bit different from owning CBA shares, for example, or other asset classes; that is the point I'm making.

Mr Lowe: I think you're right to point out that there is some complexity associated with valuation of farmland, depending on conditions and the current context of the market or the context of the market at the time. More broadly though—and ABARES will have this data—we have seen agricultural land prices increasing, as Senator Colbeck mentioned, in the long run consistently over at least two decades. It has been quite significant.

Senator SCARR: Is that within the points of discussion the department is having with Treasury, this issue of the application of the new CGT regime on farmland? Is that within the list of matters being discussed?

Mr Lowe: It's a material consideration in terms of how thresholds apply, as Senator Colbeck mentioned.

Senator SCARR: In connection with that, as a subset of those discussions, does it include discussion with respect to family succession planning in relation to farms?

Mr Lowe: Family succession planning is an incredibly important issue and matter for agriculture more broadly. All of the matters we've discussed today would in some way impact on or be a consideration in terms of family succession planning.

Ms Anderson: Coming to Senator Colbeck's point—and you mentioned a specific example—I think our goal is to try to create clarity as soon as possible. I know people will need to take financial advice about their own circumstances. I know Treasury is consulting on policy implementation details. They'll consult with us, but they'll consult with others as well. What we would say is it's important to understand the range of different circumstances. It's not to say that people, as a result of this, may not decide to change their arrangements in order to suit their own personal taxation situation. Importantly, our goal is to really make sure there's clarity and understanding of that and ensure the unique circumstances of agriculture are considered in those conversations.

Senator COLBECK: Pre-1985 assets, for example—and I can think of plenty of examples in my neck of the woods where it's more than one generation, so it is well and truly pre-1985, and that changes the whole equation with respect to family succession. As to all of the plans that have been made for those who have been smart

enough to make them—and some people are better at it than others; we understand that—for those who have done their planning for their properties, which are multigenerational, the removal of the pre-1985 exemption is a seriously material change to that planning process. How that affects agriculture is really significant.

Senator SCARR: As an additional point—we're trying to increase your list, flush out your list and add to your list of matters to discuss with Treasury—

Ms Anderson: I've never had such a detailed agenda set in estimates, but it's excellent. Thank you.

Senator SCARR: We're going to come back to it. At the next estimates we'll go through each matter.

Ms Anderson: We'll be ready.

Senator SCARR: You've got the principal place of residence definitions in a farm context, which is that the principal place of residence can only be a certain area in terms of CGT exemptions. That's a further complication to be considered, isn't it?

Ms Anderson: That's right, yes. It's always been in the context. Principal place of residence has always been a matter that—

Senator SCARR: Secretary, would you agree that, whilst there has been discussion in relation to the complications arising for, say, startups as a consequence of the tax changes, there are also unique circumstances dealing with family farms that need to be considered very carefully through the consultation process you're engaging in with Treasury?

Ms Anderson: I would agree with that. I would acknowledge, though, that the unique circumstances of farms in some ways are captured in some of the elements of the tax changes that were announced in terms of the primary production income. I absolutely agree. There are a range of other things that we will take forward in terms of implementation and have discussions with Treasury about.

Senator SCARR: Finally, does the department have any information or have you received any feedback from industry with respect to the costs which farming families, owners of farms, are going to have to incur in relation to getting tax advice, valuation advice, restructuring ownership structures, moving from a family trust potentially to a corporate vehicle as a result of these changes? Have you received any feedback in that regard?

Mr Lowe: Not that I'm aware of. At this stage the representations that we're aware of have largely been on some of the issues we've already canvassed. Not on that one.

ACTING CHAIR: I'll rotate the call to Senator Dolega and then we'll return to the deputy chair.

Senator DOLEGA: I have a question potentially for you, Ms Hutchison, about market access. The Albanese government has been very clear on its focus on trade diversification and expansion, particularly for Australian agriculture. I understand our agricultural trade is now more diversified than it's ever been. Can you tell us what the government has been doing to support the agricultural sector with trade diversification and expansion?

Ms Hutchison: As we mentioned earlier today, the department is committed and a significant focus of our work is enabling two-way trade and pursuing market access for exports through negotiating technical measures such as biosecurity and food safety requirements. We're what's known as Australia's competent authority, so we take the lead on negotiating and maintaining market access, negotiating directly with other countries. We've spoken this morning, for example, about the Indonesian Quarantine Authority. We take that responsibility very seriously. We work with the Department of Foreign Affairs and Trade, Austrade and other government agencies in pursuing that outcome for, as you've pointed out, diverse markets for Australian agriculture. A preliminary analysis of the first three quarters of this financial year, the 2025-26 financial year, has identified around 42 achievements to open, improve, maintain and restore international market access and, as we've spoken about, maintaining and restoring is as important as gaining new. For example, in this financial year to date we've had new access for Australian blueberries into Vietnam, an achievement made possible by four years of technical negotiations, and the trade commenced in December 2025; new access for breeder cattle to Samoa in February this year; reopening access for the export of Australian rendered products for animal feed to Indonesia—this is a really important piece for regaining market access and that reinstates access that was lost in 2018. The department has been working hard on that with counterparts since then, and that outcome was announced in July last year. Improving access of wheat into Indonesia, a significant market for Australia, and removing the requirement for mandatory fumigation. This is a market that was worth \$1.5 billion in 2024-25. And improving access to Indonesia through signing the Mutual Recognition Arrangement on Organics Equivalence between India and Australia, which occurred towards the end of last year.

We're also improving access for halal red meat into Malaysia by finalising a strategic halal red meat partnership memorandum of understanding. We've improved market access for apples into Canada with the

removal of fumigation and cold treatment requirements, improving access for canola into Pakistan through approving genetically modified canola from Australia. A slightly different type of access is improving access for alcoholic beverages into Japan through their inclusion in the Australian-Japan organics equivalency. This builds on achievements from last financial year when we recorded 79 technical access achievements across maintaining and restoring markets. It's an important and ongoing focus of the department.

Senator DOLEGA: Do you have any examples for Tasmania of some of the—

Senator COLBECK: Onions?

Ms Hutchison: For onions to Indonesia?

Senator COLBECK: I was talking to the farmer a minute ago. I rang him during the break. They've had no access and there's tens of thousands of tonnes going in from New Zealand. To my point earlier—

ACTING CHAIR: All roads lead to onions at the moment.

Senator DOLEGA: I have some very good mates in north-west Tasmania who grow onions, so I'm sure they'd be particularly interested as well.

Senator COLBECK: It was the farmer where Tony Abbott ate the onion.

Senator DOLEGA: I think it was the exact same one, my mate. Yes, absolutely.

Ms Hutchison: We do have some information, and I'll hand over to my colleague Dr Jared Greenville, who can talk to the value of agricultural trade, particularly from Tasmania.

Dr Greenville: Yes, certainly. In terms of where Tasmania has been sending products and the types of products that we're seeing go out, in 2025 in the calendar year, fish and fish meat was the biggest export item, with our largest market being to China. About \$418 million went out from Tasmania. Then we've got a number of dairy products that back up in terms of main exports. We've got cheese, curd, as a second at about \$95 million; milk, cream and other concentrated products at \$87 million; sheep meat, the same amount, \$87 million; and then wood and some of the wood products, worth around \$78 million.

Senator COLBECK: Wool?

Dr Greenville: Wool is not in that top five, no. Wood was the last one.

Senator DOLEGA: Because my Queensland colleague is in the chair, I might ask, for the chair, about some Queensland achievements as well.

Dr Greenville: Yes, certainly. Queensland has a significant share of our exports, particularly focused around beef and veal. In the calendar year 2025, we saw close to \$9.5 billion worth of trade out of Queensland in beef and veal, which is about a 29 per cent increase from the previous year. USA, South Korea and Japan were the biggest markets for Queensland beef and veal. Cotton was the second, at around \$1.6 billion, and then we're into chickpeas at around \$1 billion, sorghum \$721 million and then other red meat and animal offal, at about \$600 million.

Senator DOLEGA: In terms of money back into the pockets of farmers, what do some of these achievements do in real terms for them?

Dr Greenville: We really see that trade is the engine of growth for agriculture. With over 70 per cent of what we produce exported, it's a key driver of both on-farm employment incomes and a way to manage the risks of different markets, domestic conditions and so forth. It makes a real material impact in terms of the profitability of our producers.

Senator DOLEGA: Minister, what do you see as some of the highlights of the last 12 months in particular for the sector?

Senator Chisholm: I certainly think it's been important work from the department and also Minister Collins and I shouldn't leave out Minister Farrell in the work that he's doing as well. I know there's been a lot of emphasis on blueberries, which has been important. I also think that the red meat sector continues to go from strength to strength, which speaking with my Queensland hat on is something I'm very excited about. I think what the department has talked through is the length and breadth across the country that are benefiting from these opportunities. I know the department will continue to do that work and we will as a government as well.

ACTING CHAIR: Senator Canavan.

Senator CANAVAN: Can I go back to the capital gains tax changes? On budget night, the documents did say that the startup sector would be consulted on the changes. Is the department involved in any consultation with the agricultural sector about the proposed capital gains tax changes?

Mr Lowe: Are you saying going forward, just to clarify?

Senator CANAVAN: Either in the past, now or, yes, going forward?

Mr Lowe: Not in the past. As we've mentioned previously in this committee, those taxation proposals were developed by Treasury and they wouldn't ordinarily be a matter that we're consulted on, given the sensitive nature of taxation policy and law.

Senator CANAVAN: Did you say that you would ordinarily not be consulted on?

Mr Lowe: That's correct.

Senator CANAVAN: I might have missed the negative. Yes?

Mr Lowe: Going forward, as we mentioned in this committee previously, we will be discussing the nature of the changes with Treasury, primarily to understand their impact on the sector and ensure that they're aware of any impacts in relation to the agriculture sector.

Senator CANAVAN: How is that working? Is a departmental committee being established? What's the process?

Mr Lowe: We have a regular dialogue with Treasury more generally across a range of our programs, as we discussed in this committee previously on Farm Management Deposits, for example, Farm Household Allowance, which have an important intersection with Treasury and the ATO. As part of those regular discussions, we'll be discussing with them the implications of the proposed tax changes.

Senator CANAVAN: Are you extending that consultation to the sector, the representative bodies involved in these discussions?

Mr Lowe: Treasury would ordinarily have those conversations directly with the sector.

Senator CANAVAN: Is that happening or are you aware—

Mr Lowe: My understanding is that there's certainly interaction happening.

Senator CANAVAN: You said you ordinarily wouldn't be involved. Did Treasury at all ask ABARES for any information leading up to the tax changes? Did they ask for their assistance?

Mr Lowe: No.

Senator CANAVAN: I understand that Treasury wouldn't necessarily disclose the precise nature of changes, but that does seem remarkable given the potential impact of these changes. There's been much discussion of them this morning in this committee, that Treasury didn't even seek basic statistics from the premier agricultural advisory body. Minister, why didn't the government seek out the advice of ABARES on the impact of these massive tax changes? In fact, the government calls them the biggest tax changes for 30 years. Why didn't the government seek advice from the premier agricultural advisory body about its broken promises on tax?

Senator Chisholm: That would be something that's best put to the Treasury Department. I think the department have talked through this morning in answer to questions from your colleagues about the role they've played. They've taken on board some feedback that they'll be able to follow up on in their engagement. That sounds entirely appropriate as a way for government to function.

Senator CANAVAN: I think this might have been canvassed earlier, but I just returned from a farm near Bungendore. Paul, Leanne and Josh are great people and have a family farm that's been in the family since Paul's father's days. He is very concerned about the way these changes unfairly tax him again on capital gains, given they unwind the pre-1985 exemption. Does ABARES or anyone have an understanding about how many family farms are in this situation of having the last capital gains event pre-1985?

Ms Anderson: I think we did have some questions early on from Senator Scarr about that and we've taken on notice a couple of key questions. I might take the opportunity, if it's all right, just to mention this. Senator Scarr, you asked about the other category in terms of income. We don't break that down by type of income. We'll take on notice what we can provide, but it's a good source of input going forward as to whether or not ABARES surveys can collect that. Coming back to Senator Canavan's point, though, I think it's quite dangerous for us to comment on individual circumstances and, also, to make assumptions about who Treasury did or didn't talk to. I don't know. I'm aware that they are having direct discussions with the National Farmers' Federation, as did the Treasurer in the past, based on correspondence to which we've been privy. So I think it is best to discuss the specific implications and considerations with Treasury.

Senator CANAVAN: I was really just trying to get Paul's concerns on the public record, but my question was broader than the individual case. I was asking whether you have information on what proportion of farms in this country have their last capital gains tax event as being pre-1985?

Mr Lowe: No, we don't.

Senator CANAVAN: Just going to some ABARES data, I have here a media release, dated 31 March, titled 'Broadacre farmland price growth continues but pace slows'. It states:

ABARES' Farmland Price Indicator March 2026 update shows the average price per hectare of broadacre farmland has grown at an average annual rate of 9.8 per cent over the last decade.

Is anyone familiar with that report?

Mr Galeano: Yes.

Senator CANAVAN: It's healthy growth, of course, and those familiar with farm statistics probably realise that capital growth tends to be quite healthy in farming; with recurrent profit not so much, but that's how people make money. Has your department or Treasury sought any advice on what will be the change in the effective capital gains tax rate on farms that are making a capital gain of 10 per cent a year?

Mr Lowe: We haven't sought an answer to that specific question but, broadly, we'll be having discussions with Treasury about the nature of the capital gains tax changes and how they will apply to the farming sector.

Senator CANAVAN: They probably haven't shared this with you, but in the last couple of weeks the government, in a desperate attempt to change the narrative on their lies about tax, released modelling, in secret, to various select journalists. This secret modelling was reported in the *Australian Financial Review* by John Kehoe. Quoting from his description of the modelling, he states:

A 10 per cent annual return would face an effective capital gains tax rate of 36.6 per cent for the decade-long investments.

So, using ABARES' figures, which show a capital gain of 10 per cent a year for the average farm, does this mean that the effective capital gains tax rate of the government's changes would be 36.6 per cent on Australian farms?

Ms Anderson: I don't think we're going to answer that question specifically, as we don't have the expertise at the table to do that. Also, I would point out, though, that with the small business CGT concessions, until we understand and know whether there's an ability to claim those concessions for farm businesses—for many of them, there will be—one of the things we've agreed to take up with Treasury is how those small business concessions apply in the context of farm businesses, given the range of different financial arrangements. So I don't think we can go to the specifics and answer your question, other than to say that we're highly conscious of the fact that the removal of one discount does necessarily come with some other replacements. So, to come to a figure like that is impossible without understanding the specifics.

Senator CANAVAN: I am only quoting the government. This is the government's modelling and not mine. For some unknown reason, Treasury is using a three per cent inflation rate here to minimise the impact of the government's tax changes. The forecasts are for a 2.5 per cent inflation rate; but if you use a 2.5 per cent inflation rate, the effective tax rate on a 10 per cent annual return is actually 38 per cent or over. However, by the sounds of it, effectively, we are flying blind here, because we don't know the impacts on farming of this. You have mentioned the concessions. I note that the VFF has come out calling for change of those. Why weren't these things considered before the government announced the tax changes?

Ms Anderson: I'm sure that a range of things was considered before; I just don't have personal knowledge of what they are. You will have to ask the VFF.

Senator CANAVAN: Will changes to those concessions be in the legislation to be presented to the parliament tomorrow?

Ms Anderson: That's a matter for Treasury; I don't know.

Senator CANAVAN: So the government's plan here is to put in legislation, which at best is clearly half-baked, pass that through at least the House of Representatives and then seek to go and consult with farmers, effectively holding a gun to their head. Why would the government put forward legislation which is its own agricultural—

ACTING CHAIR: Senator Canavan, you are asking for an opinion from the officials.

Senator CANAVAN: I'll ask the minister. The minister can answer it for me. I'm not asking the officials, I'm asking the minister: why would the government put forward legislation that we don't know basic details about and when we don't know what impact it would have on farming, which we're still consulting about? Why would they try to push that through the parliament without showing farmers some respect in allowing them to have their say first?

Senator Chisholm: Obviously, there will be the opportunity for people to have feedback. The department has taken on board some of that work today, in terms of their being in discussions with Treasury. Also, I'm sure that

the Labor Party caucus and senators will be out and about across their communities as well, listening to people, and there will be the opportunity to provide that feedback.

Senator CANAVAN: Going back to the secret modelling, have you seen that? Has the Department of Agriculture seen this modelling, as reported in the *Australian Financial Review*?

Ms Anderson: I'm aware of the report, but I haven't seen the modelling.

Senator CANAVAN: No. They're keeping things very close to their chest; maybe it's a bit of a problem. I will just go back to the issue of the pre-85, which Paul raised with me and I'd forgotten about. It's a very good point. From Paul's perspective, his issue is that he bought this farm off his dad in the 1970s. After his dad passed away, he had to pay probate—what are known colloquially as 'death duties'—on that property, as that was the law then, and now the government is going to come back and tax him again on the capital gain. How does this not amount to another death tax, a secondary death tax, when it has been paid already pre-1985?

Ms Anderson: Again, I would defer to Treasury on those questions. As an official I would have difficulty accepting the premise of that. I appreciate that's your view, but I would urge you to ask Treasury about those things.

ACTING CHAIR: Senator Whish-Wilson.

Senator WHISH-WILSON: Perhaps I could I ask a few questions related to the budget papers. In particular, the government has said that they would achieve savings of \$191.6 million, over the five years from 2025-26, across the Agriculture, Fisheries and Forestry portfolio; \$104 million over five years by reducing uncommitted funding in a number of grant programs, including pest and disease preparedness and response, wine tourism and cellar door, agriculture and land sectors' low-emission future, and a bunch of others, such as empowering Australia and developing Australia's seaweed farming. Can I ask why these particular sectors or areas were chosen?

Ms Anderson: We have on the record, from earlier today, a detailed breakdown of that from our CFO, Mr Geysen. Effectively we assessed all uncommitted grants across the portfolio in order to determine how, on behalf of the government, we could contribute to the task of budget repair. There was not any particular targeting. Obviously, there's a range of different options, but our goal was to minimise any impact on on-ground delivery of things now and to target things that had not been committed yet in future programs.

Senator WHISH-WILSON: So it wasn't a merits based allocation or reallocation?

Ms Anderson: I think there were considerations that came into play around the merits, but we started from the premise of not disrupting existing programs and existing rights I think people have to grant funding, for example. As to the choices that were made—as we go through the detail of some of those changes you will see that every attempt has been made to minimise the impact of on-ground delivery of a range of different grants and programs.

Senator WHISH-WILSON: Specifically, in relation to empowering Australia and developing Australia's seaweed farming, how much has been cut from that particular program? Also, is this going to be done through Agrifutures, or will it be something more specific?

Mr Lowe: The saving involves \$800,000. Again, as the Secretary mentioned, it was funding that was not committed, so it won't impact any existing agreements. The project that the funding was subject to was one delivered by FRDC, in partnership with the Australian Sustainable Seaweed Alliance.

Senator WHISH-WILSON: Just as a matter of interest, was that around *Asparagopsis* in farm feed? I'll have to go and look that one up.

Mr Lowe: I'm not sure that I have that detail with me; I'm sorry.

Senator WHISH-WILSON: When you say that it was uncommitted, does that mean it just hadn't been allocated? Were people applying for it?

Mr Lowe: Yes. Effectively it's an underspend from that grant program.

Senator WHISH-WILSON: Was anyone seeking that \$800,000?

Mr Lowe: There was a conversation with the grant recipient about that underspend. Ultimately, we judged that we didn't need to continue with the program.

Senator WHISH-WILSON: Perhaps I could ask about \$52 million that was cut from the Future Drought Fund over four years. I'm sorry if you went through this a little earlier. Which initiatives are going to be cut from the Future Drought Fund? I know there are the Drought Resilience Adoption and Innovation Hubs, which were \$28 million over two years; the FDP Communities program, which is \$36 million over four years; and the

Regional Drought Resilience Planning Program, which is \$67 million over four years. Which initiatives are going to be cut or are they going to be cut across-the-board?

Mr Lowe: Perhaps just to reiterate the Secretary's comments, at a high level our focus, in terms of the reprioritisation, was on uncommitted funding as well as funding in the out years, as much as possible and where we could. The changes to the Future Drought Fund won't result in any changes to on-ground programs that have been announced or contracts that have been put in place. In terms of the specifics, I will go to my colleagues shortly.

Senator WHISH-WILSON: On notice, can you provide for me a list of those that hadn't received funding but were in the pipeline of applying for funding under the program?

Mr Lowe: We can do that. Just so you have some context in terms of how the Future Drought Fund works, I can say that we go by funding plans. We're in a current funding plan that will end in 2028, and then we'll enter into a new funding plan from 2028 to 2032. That new funding plan will be subject to review and, in relation to the performance of the previous plan, it will be subject to advice from the Productivity Commission. So, as to how that funding is allocated in that future plan, it will be subject to a range of different inputs. As a result, that funding plan isn't set and, therefore, the programs that we'd fund through that aren't allocated yet.

Senator WHISH-WILSON: Did you want to add anything to that, Ms Brown?

Ms Brown: What Mr Lowe has said is correct. There are no programs that weren't approved and are not going to receive funding. They're all going to continue to be funded. The priority is to ensure that the farmer-facing programs will continue, which they are. It was just to look at the unspent and uncommitted funds in the program, which were removed.

Senator WHISH-WILSON: I'd be interested in knowing how many people or organisations were applying for that funding that hadn't yet been approved. Is that classified as 'uncommitted'?

Ms Brown: Nothing was taken out that had gone out to communities or the public to seek grants for.

Senator WHISH-WILSON: So there was nothing in the pipeline?

Ms Brown: No. I can take you through what was changed.

Senator WHISH-WILSON: Perhaps you could provide that on notice.

Ms Brown: Yes.

Senator WHISH-WILSON: I don't think it's any secret that weather models and climate models around the world are predicting that, with a Super El Nino event occurring, this will be one of the hottest years on record, and I would have thought this is absolutely the wrong time to be cutting funding to this kind of program; it's going to be critical.

Ms Brown: All of the programs that were agreed to in the funding plan for 2024 to 2028 are funded and will continue to be funded for drought preparedness.

Senator WHISH-WILSON: I'll wait for the details on that. I have a couple of questions on fertiliser. Once again, apologies if you've gone through this already this morning. Perhaps you could remind me of how much the federal government has committed to purchasing, underwriting or otherwise helping secure fertiliser for Australian farmers since the start of Donald Trump's Iran war.

Mr Lowe: At a high level, the government has established a \$7.5 billion fuel and fertiliser security facility through Export Finance Australia, and that funding isn't broken down between fuel and fertiliser.

Senator WHISH-WILSON: Are you able to split that up for me? Do you have any thoughts? Has any work been done on what goes to fertiliser versus fuel?

Mr Lowe: Not specifically. What I can comment on, in general, is that fertiliser is quite specific to the agriculture sector, whereas fuel, I guess, is an economy-wide focus and need, so we would expect the majority of the funding in that facility to be directed towards fuel.

Senator WHISH-WILSON: So how does it work then, in terms of fertiliser? Do you look at the supply of fertiliser that's available at the moment and say, 'We need more'? Can you explain to me the processes around how much of that you buy internationally and secure?

Mr Lowe: If you're prepared to bear with me, I can say that there is some complexity to it. Perhaps just as a contextual piece, I can tell you about Australia's urea supplies. I say 'urea' because Australian agriculture's overwhelming need is for nitrogen based fertilisers, and the particular deficit that we have is of nitrogen based fertilisers. So, previously, in 2025, with 62 per cent coming through the Strait of Hormuz, it was really important

for us to look at options globally for alternative urea supplies in particular, with urea being about 70 per cent of our total nitrogen need, in terms of what we would generally predict for an average year.

We then established a range of lines of effort. We established a fertiliser supply working group, and that is supporting the real-time sharing of industry insights, supply challenges and priorities to inform timely and proportionate policy responses as market conditions evolve. There was the establishment by government of the fertiliser facility. Additionally, there was work across the Australian government's international network, working with fertiliser suppliers, DFAT and our counsellor network to explore alternative sources, particularly of urea. In terms of establishing what the need is, which I think was central to your question—

Senator WHISH-WILSON: Yes. You spoke of a fertiliser supply working group. Are you happy to provide, just quickly, the details of who's on that group?

Mr Lowe: Yes. I chair that group, then there's a range of government organisations involved: DFAT, within the international context; the Department of Industry, Science and Resources, with which we work in close partnership because they've got the industry-manufacturing angle of fertiliser; Prime Minister and Cabinet; Export Finance Australia, which governs the facility; the NFF; Fertiliser Australia; and the ACCC.

Senator WHISH-WILSON: I'm obviously very interested in the demand side. In particular, do you have any thoughts on how, when it's needed, the fertiliser gets allocated? Are there any sectors of priority, for example, or is it just whoever needs it gets it?

Mr Lowe: Yes, that's a good question and, as the crisis has played out in the Middle East, it's one that we have thought about. More broadly for Australian agriculture, backed off ABARES' March forecasts, we estimate that there's about a 2.3 million tonne need for urea.

Senator WHISH-WILSON: Is that per annum?

Mr Lowe: That is just for this year. I guess it depends very much on the nature of the cropping that is going into the ground and those sorts of things. We're in a particularly important window at the moment. This is planting and sowing season, so it's really important for farmers to have some confidence that they can sow their crops and that there will be fertiliser available. That window is roughly from April through to June; it might be a bit later this year, say July, depending on where you are in Australia. Then it's important to have fertiliser available for topdressing; as the crop establishes and grows, there's a need for subsequent layers of fertiliser to be applied.

Senator WHISH-WILSON: How does that then translate into addressing my question?

Mr Lowe: About demand?

Senator WHISH-WILSON: Do you have any metrics or overlays as to how you allocate that fertiliser? Is it just on a first come, first served basis?

Mr Lowe: We don't allocate the fertiliser.

Senator WHISH-WILSON: Do you just provide it to commercial sellers, retailers or wholesalers?

Mr Lowe: I think we're talking particularly about the fertiliser mechanism under the facility.

Senator WHISH-WILSON: Yes.

Mr Lowe: It's more about recognising that the availability of urea in the international market is very challenged at the moment. We have mentioned the constraint in relation to the Strait of Hormuz. Also, we're aware of significant countries that are urea suppliers into the international or global market which have put export controls in place, either formally or informally, constraining the supply of urea and a range of other fertilisers in that market. There are also tenders from major agricultural countries that have been put out which are also very competitive in terms of attracting urea to those countries. So it was really important that we had in place a facility that could support Australian companies, Australian domestic fertiliser suppliers, to access urea on the global market. We had heard of cargos, if you like, being swiped out from under our suppliers' noses. The facility itself is effectively trying to remove price risk from the consideration of fertiliser suppliers. So, if they're out bidding for a cargo, they can do so through a contract with the—

Senator WHISH-WILSON: So it's kind of business as usual in terms of the supply chain. Could all farmers get access to it, including smaller farmers?

Mr Lowe: Yes.

Senator WHISH-WILSON: Is there going to be fair and equitable access to that supply, with prices being put on it?

Mr Lowe: Yes. The supply chain works. Suppliers or importers bring it in. Then, depending on the nature of that particular importer, they might have a distribution business themselves or they might sell it into a retail distribution business within Australia.

Senator WHISH-WILSON: If things get worse, would there be any consideration as to how the available supply might be prioritised on a sectoral basis or for industries within the sector, such as for the growing of vegetables?

Mr Lowe: We don't envisage a situation where government is dictating where fertiliser goes within Australia.

Senator WHISH-WILSON: No, I wouldn't have thought so. My concern was more about food security for Australia and export markets versus local consumption, and that kind of thing.

Mr Lowe: Yes. We tend to see that those with the greatest need for fertiliser—cropping; if you're growing canola, you'll need a nitrogen-based fertiliser more—will make those commercial decisions themselves. Our key focus was to ensure that there was sufficient supply.

Senator WHISH-WILSON: I understand. Obviously, the agricultural sector has done some work over the years to achieve a more efficient use of fertiliser, such as by reducing synthetic fertiliser use and maintaining or improving yields. Is this a good opportunity to do more work in that field, given that this stupid war has shown clearly how vulnerable we are to mass political psychopathy?

Mr Lowe: Without commenting on that, I would say that, as part of the food security strategy more broadly, we do think, for agriculture sectors, sovereign capability more generally or reliability of supply is an important consideration. So that is looking at organic fertiliser sources; crops that need less nitrogen based fertilisers; and farming systems that, as a whole, need less fertiliser. I think those are really important considerations.

Senator WHISH-WILSON: Such as hemp, perhaps?

Mr Lowe: I'm sure that would be an important consideration.

Senator WHISH-WILSON: Indeed. I was just wondering whether it is a prudent time to be looking at strategies to fund programs that are researching a reduction in synthetic-fertiliser use and whether anything will come of this crisis.

Ms Anderson: Mr Lowe has mentioned the food security strategy. It is a current commitment that we're working through, so it wouldn't take into account only the sorts of things that you've mentioned just broadly.

Senator WHISH-WILSON: That probably goes to my next set of questions on food security.

Ms Anderson: I think that's the real opportunity for us. It's about making sure that we're learning all of these things in real time now. Obviously, some of them have been longstanding and others are new takes on old issues, but it's really important that strategy is an opportunity to think about all of those things holistically.

Mr Lowe: Broadly, you can shore up a supply of inputs or reduce your dependence on them, or you can do both. So we're thinking about that in this context.

Senator WHISH-WILSON: Just more broadly, though, does the department accept that? Obviously, we absolutely need fertilisers, including synthetic fertilisers. But synthetic fertilisers do come with environmental costs, which are quite well researched and could actually reduce farm productivity. As a broader strategy, could we be looking at how to wean ourselves off fertilisers?

Ms Anderson: Our RDCs are all appearing tomorrow, and I think there would be a range of things going on at the moment to reduce fertiliser usage. It has been part of the landscape already, because I think those things are not just good for the environment but also good for farmers. They don't have to be mutually exclusive. Also, from a policy perspective, I think the opportunities for doing both of those things are really what we're trying to look for, and we are making sure that we're supporting that.

Senator WHISH-WILSON: I will put my other questions on notice.

ACTING CHAIR: Senator Dolega.

Senator DOLEGA: Perhaps I could just ask a follow-up question in relation to that line. Minister, I understand that Minister Collins today has announced that, through the fuel and fertiliser security facility, another 80,000-odd tonne of urea has been secured. Could you take us through the minister's announcement.

Senator Chisholm: Minister Collins did media this morning, and a media release has gone out as well. As mentioned before, under the EFA arrangement, there has been an additional 80,000 tonnes of urea now locked in through the arrangement that we mentioned before. One of those shipments is part of the 250,000 tonnes of agricultural-grade urea that's been locked in through PT Pupuk. That's been secured by the Albanese government

and through Incitec Pivot, and that was part of the deal that Minister Collins has announced this morning. I appreciate the department and everyone else who has been working on securing that for Australia.

Senator COLBECK: Is that the same volume that was announced last week by the Tasmanian government?

Mr Lowe: I'm not sure that I'm familiar with that announcement. We can follow up for you.

Senator COLBECK: The Tasmanian Deputy Premier was in Indonesia two weeks ago negotiating that volume through Incitec Pivot. I just wonder whether it's the same amount.

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

Senator COLBECK: I was talking to Indonesians about it last week when I was in Indonesia.

Mr Lowe: It's my understanding that it wasn't.

Senator COLBECK: So, 250,000 is—

Senator Chisholm: That is what was negotiated by us.

Senator COLBECK: The Tasmanian government, I think, had another 80,000 or 90,000 on top of that, through Incitec Pivot, and now there's another 80,000 on top of that again. Is that what we're talking about, or is the 80,000 part of the 250,000?

Senator Chisholm: I don't know.

Ms Anderson: I don't think we know. We'll just take it on notice to find out what the 80,000 is that the Tasmanian government is talking about. If it is the same amount, that means it has been supported by the EFA arrangement; so they may have played a role in those discussions, but I don't know. We'll come back to you on whether it was the same amount or a separate thing. Effectively, if we're talking about the underwriting of \$80,000, that can only be done through the EFA facility, unless the Tasmanians have bought it directly; but I'm not sure of that.

ACTING CHAIR: Senator McDonald.

Senator McDONALD: I want to turn back to capital gains tax treatment for agriculture businesses. The Victorian Farmers' Federation has publicly stated they estimate that less than 50 per cent of Australian farmers now fall below the capital gains tax threshold of \$6 million in assets or \$2 million in turnover. What percentage of Australian farmers are below the capital gains tax concession threshold?

Mr Lowe: I'm not sure we'd have that information. We can check with ABARES. I don't think we have that data.

Senator McDONALD: The agriculture department doesn't know how many farmers are exposed to Labor's tax grab?

Ms Anderson: As we've said earlier in the hearing, we'll be running through a range of these things with Treasury. I would expect they have a fairly solid understanding of those sorts of issues as they work through the policy.

Senator McDONALD: I hope so, unless they were hoping that the agriculture department would provide some advice. Were you consulted by Treasury before they made the announcement?

Ms Anderson: As we've said earlier today, no.

Senator McDONALD: Turning to the agricultural income carve-out for trusts, it is the policy of the government to be increasing the number of ACCUs that are taken up by farming businesses. Would ACCUs form part of agricultural income or would they be treated as outside or off-farm income?

Mr Blong: While I'm not an expert on tax, I understand there has been an ATO determination dating back some time that ACCU income is treated as primary production income for farmers.

Senator McDONALD: What about if you have wind turbine or solar farm income? Would that be treated as agricultural income or would that be treated as off-farm income?

Mr Blong: Again, I'm in danger of treading into complex tax law but, as a generalisation, I understand that the ATO has made a determination that wind turbines, other renewable energy infrastructure, transmission lines et cetera are classed as energy related income and would be taxed as such.

Senator McDONALD: I'm seeing very good business for agricultural accountants. I can see a flourishing business in that. What about if you are a farmer who has a cane harvester that, when you have finished your own fields, you contract to other people? Is that going to be treated as agricultural income or off-farm income?

Senator Chisholm: I think these are matters for Treasury.

Senator McDONALD: You understand why I'm concerned. The agriculture department would be interested in the viability and the future sustainability of agricultural businesses, and this will affect the sustainability of agricultural businesses. I'm keen that you understand what the impact is and provide representation to the Treasury department.

Ms Anderson: We have been through a range of issues this morning that we will be discussing with the Treasury department, including some of the things you have raised. It is not our job to lobby our colleagues; it is our job to ensure the impact on the sector is understood and considered in the process and in implementation of the government's policy. That's absolutely what we'll be doing. I agree with you; it is our job to be aware of all of the different things that affect the viability and sustainability of Australian agricultural businesses.

Senator McDONALD: If the agriculture department is not playing that role, nobody else will. Thank you for providing that data to Treasury. I turn to testamentary trusts. I believe that they're not carved out of the policy. That means that agricultural businesses, for the purposes of succession planning, will not be carved out of the tax treatment for what would otherwise be agricultural income as it's passed through on death?

Ms Anderson: I think we'd have to be a little bit careful about commenting there. I think you're right; the sale of the asset is not exempt. It's the primary production income, as far as we understand it. As to exactly how that plays out in a succession example you gave, I think I would defer to Treasury in talking that through, because there is obviously a range of other settings in the tax system that may come into play that, again, we're not the experts on. I'm aware of the issue. We're also aware that the agriculture sector is talking directly with the Treasury department on this issue as well.

Senator McDONALD: That's all I have on trusts. I understand that Senator Cadell asked some questions on the Northern Australia and Rangelands Fire Information service. Every year I come to this department and I ask about it, and each year somebody has to go away and remember that you have an input into that.

Ms Anderson: Yes, I'm afraid we're going to disappoint you, because we did exactly that this morning. As far as we understood, that was a NEMA program. Are you suggesting that we have input into that program?

Senator McDONALD: It's a shared funding model.

Ms Anderson: I don't think so.

Mr Lowe: To the extent that I'm able, it's a shared funding model that involves NEMA and maybe DCCEEW.

Ms Anderson: This department was part of the broader agriculture and water resources department, so maybe that's what has been a little confusing. When the machinery-of-government changes happened to push agriculture out, it possibly stayed with DCCEEW. I suspect that's causing confusion.

Mr Lowe: That's right.

Senator McDONALD: Thank you for that. I did ask questions of NEMA on it this morning. I have some questions around ACCUs. I just want to test your knowledge on this. Under the Carbon Credits and Other Legislation Amendment Bill, is upfront consent from native title holders and claimants for area based ACCU scheme projects required if on native title or claimed native title land?

Ms McGilvray: The administration of the ACCU scheme sits with DCCEEW. It would have the detail on when eligible interest holder consents need to be obtained. I understand that there is an issue that's under some consideration in relation to amendments to the CFI Act. DCCEEW has been consulting on those, so it would be best to go to them with the question directly.

Senator McDONALD: I shall do that. I have some questions on invasive species, the funding for prickly acacia and other—

Ms Anderson: Outcome 2?

Senator McDONALD: The policy setting is outcome 1, isn't it?

Ms Anderson: I think that would be outcome 2. We'll have the relevant staff here for that one.

Senator McDONALD: Thank you.

Senator CANAVAN: I turn to the European Union free trade agreement. Was the department or ABARES involved in any modelling associated with the negotiation of the EU free trade agreement?

Ms Hutchison: The department was involved with our DFAT colleagues in discussions over the years of the free trade agreement. On the specific matter of modelling, I will ask Dr Greenville.

Dr Greenville: On the specific question of modelling, no.

Senator CANAVAN: Was any modelling done?

Ms Hutchison: Not by the department.

Senator CANAVAN: You're not aware of any modelling? You were not involved in anything? I'm particularly interested in the potential impact of this deal on Australian cheesemakers. Has there been any analysis, discussion with, consultation, assessment of the potential impact on Australian cheesemakers of the deal coming into full effect?

Ms Hutchison: Over the course of the years that the discussions were underway there were discussions with the industry. The role of the department is to understand the position of industry and what their concerns are. We made sure that we engaged with DFAT as the lead negotiators on that. Certainly, a range of issues was raised by the dairy sector over the course of that time, including in relation to things like geographical indicators or the use of particular terms. There were some outcomes on that agreed as part of the free trade agreement, including free use of the term 'parmesan' and grandfathering outcomes for 'feta', 'Gruyere' and 'Romano', and allowing Australian producers to continue to use those terms. That was an important issue raised by the dairy industry over the course of the discussions.

Senator CANAVAN: I'm particularly interested in the impact of our removing the tariff we impose on European cheese and not getting a corresponding change in the subsidies that Europe provides to its own cheesemakers. That's my knowledge of the situation. It seems quite asymmetric to me. Has there been any specific investigation of what the impact would be of removing the tariff on European cheese and nothing else changing?

Ms Hutchison: In relation to tariffs and subsidies, they are different matters negotiated in different places. The department hasn't been involved in that, but I will pass over to Dr Greenville.

Dr Greenville: In terms of the specific assessment, there's not been one that's taken place, but it's useful to note that the trade agreement itself is fairly comprehensive across a range of different industries and different access arrangements. When we think about those broader aspects, Australia has a long-term position where we're trying to address trade- and production-distorting policies across the world to enable, I guess, freer markets that help more broadly, not just our own producers. One of the instruments we can use is free trade agreements in the sense that they do help address one of those key policies around trade- and production-distorting supports. That's tariff barriers and so forth. Through this agreement, there is some improved access which will help address some of those issues. We maintain a very active role in a number of multilateral fora which are the ones which have seen traction on some of the government budgetary outlays such as subsidies and so forth—that is, the WTO. Importantly, some of the institutions like the OECD measure subsidies that provide a level of transparency over where they go. Also, at the FAO we've been involved in discussions about trying to repurpose some of these distorting measures to things that will be meaningful for farmers, such as growing productivity and all those other things we've done at home and have a useful story as a case study to tell.

Senator CANAVAN: It would have been good if we had the agreement to do that before we gave away access to our market. What percentage of agricultural products will have tariff-free access to EU on full implementation?

Ms Hutchison: I'll just find the right number for you.

Mr Garner: Once fully implemented, 92.8 per cent of EU tariffs on agricultural products will be eliminated, covering 94.8 per cent of the current value of Australia's agricultural exports to the EU.

Senator CANAVAN: That seems low to me. How does that benchmark against recent free trade agreements with developed countries? I know India is different, but we didn't call that a free trade agreement either for that reason. How does it compare with other free trade agreements?

Mr Garner: That would compare well with FTAs with other countries. Anything around the 80 per cent or above to 90 per cent is a good outcome.

Senator CANAVAN: Maybe we'll go through this in the treaties committee, but I have evidence that all of the other agreements we have are well over 95 per cent in terms of the tariff for access. I thought the benchmark for us was about 95 per cent. We have to be WTO-plus of course when signing a bilateral trade agreement.

Dr Greenville: It would be fair to say that Australia's globalisation push and so forth—our free trade policy and free trade agreement agenda—has moved on. We're moving into more difficult markets where there's more negotiation and so forth. That's why that still is important for our producers, because they're the markets where there's opportunity. In terms of some of the historical trade where it was easier to get these wins in a more reciprocal nature and so forth, some of those early ones have been banked. It's still prudent for us, when we apply our policy settings, to move forward and try to improve access for our producers over time, even if it is difficult and we don't get as good outcomes.

Senator CANAVAN: What percentage of agricultural goods from the EU will be able to access the Australian market tariff-free on full implementation?

Dr Greenville: We'll see if we have the numbers on notice, but as you know we don't run many tariffs overall.

Senator CANAVAN: We do have one—on cheese.

Dr Greenville: But our general trade policy stance has been fairly open. We've liberalised a number of our tariffs already in the past.

Senator CANAVAN: Is it 100 per cent?

Mr Garner: I'll take that question on notice.

Senator CANAVAN: I think it's 100 per cent or it's very close. I'm just trying to understand: how is it that we have a deal where we only get access to 92.8 per cent of their market and they get 100 per cent access to ours? That doesn't sound like a good deal to me.

Ms Anderson: Our goal is always to get the best outcome for agriculture but, as you know, these are whole-of-economy agreements. In picking and choosing different commodities, we don't know, really, the entire picture of what's being negotiated. That's where the Department of Foreign Affairs and Trade—

Senator CANAVAN: We've had a free-ranging discussions, so you don't have to comment on the next thing, but it seems strange to me that we would roll over on the cheese tariff when the EU has just increased tariffs on steel from 20 per cent to 50 per cent while we were negotiating this deal and that's not included in the deal. We still face 50 per cent. The minister can respond if he likes, but why would we just give carte blanche for the EU to protect their own industries while just giving up any right—a justifiable right, might I add. I don't know the EU's justification for their steel tariffs, but we have every justification to have a tariff on European cheese, given the massive subsidies they give to cheesemakers. On that point, do we have a database of how large these subsidies are in Europe with different industries under the common agricultural policy?

Dr Greenville: We're a member of the OECD. The OECD does keep track of subsidies of member nations and some other nations, capturing most of that agricultural trade. There is a very good independent source of data on that. At the moment, they measure it by what they call the producer support estimate, which is a measure of both those budgetary outlays that I was talking about before and also the impacts that trade barriers such as tariffs, quotas et cetera have. They call that 'market price support'. At the moment, the level in the European Union is about 17 per cent.

Senator CANAVAN: What is it 17 per cent of?

Dr Greenville: In terms of what it looks like, if you think about \$100 in both income a farmer will receive or in-kind income through lower inputs or so forth, about \$17 of that comes from consumer or taxpayer transfers. A big component of that, about 25 per cent, is driven by the tariffs and the like, which the trade agreement does start to address. That's a big component. If we look at dairy and the measures that are specifically targeted at dairy farmers in the European Union, it's only 1.7 per cent. Out of that \$100, about \$1.70 would come from government.

Senator CANAVAN: What about cheese?

Dr Greenville: That's part of it. I directed that at milk—

Senator CANAVAN: The Australian Dairy Federation—I think it was one of the representative groups in dairy—has said that the average European cheesemaker gets 30 per cent of its income from subsidies alone.

Dr Greenville: From the manufacturer? The numbers I quoted are about primary production. The OECD measures producer support at the agricultural level. It will pick up downstream.

Senator CANAVAN: You don't make cheese on farm, so to speak; it's a processed good.

Dr Greenville: That's true. We would pick up those specific measures that are tied to the cheese industry and so forth.

Senator CANAVAN: Is cheese in dairy or not?

Dr Greenville: Yes, but it's measured at a farm gate level. All of those things wind back to about 1.7—

Senator CANAVAN: But the OECD database would include non-agricultural industries, too?

Dr Greenville: No. They've just started some work on other industries such as steel and so forth. It's a limited set—

Senator CANAVAN: Maybe on notice, could we get the figures for that producer support estimate, a PSE? Could we get those for the major agricultural divisions you have? If you have something for cheese, I'm

interested. If you don't, that's fine; I understand. Has anyone done any analysis of how this agreement shifts or changes that PSE level? You mentioned about 25 per cent, but has someone sat down and done that in a quantitative way?

Dr Greenville: No, that wouldn't be done. It would be picked up. As the European Union is signing a number of free trade agreements with other countries over time, the OECD will pick that up in terms of their ongoing measurement. Again, it's critical for us to be there and to make sure that transparency continues. That is part of our strategy of engagement as we look overall at dealing with trade and production distorting support.

Senator CANAVAN: You did mention that you've been involved. What was the involvement of the department in the negotiations for the agreement?

Ms Hutchison: The department met with industry stakeholders over the course of the negotiation. The negotiation is led by DFAT, but there were specific discussions direct with the EU that the department was involved with, including within Europe. We can come back to you with specifics around that.

Senator CANAVAN: When was the last time the department was involved in consultation with industry and/or the trade department?

Ms Hutchison: We were continually engaging over the course of last year and into early this year. The announcement was made in March. I will come back to you on the exact timings.

Dr Greenville: It would be fair to say that every interaction we would have as a department in interacting with DFAT on this would be in line with making sure the department and industry voices are being heard throughout that process. It's not something that we do on and off; it's something that we do as a general point across our interactions.

Senator CANAVAN: Did the department meet with industry and/or the trade department in March this year?

Ms Anderson: There was a range of meetings. I will have to come back to you on the specifics of those.

Dr Greenville: Over the course of the FTA negotiations which commenced in 2018, the department has been representing Australian agriculture's interests in the negotiations through a variety of mechanisms. The Department of Foreign Affairs and Trade appoints a chief negotiator for the FTA and also appoints negotiators for the other policy areas or sectors, whether it be agriculture, industrials or services. They then conduct the negotiations in consultation with respective departments. Quite clearly, Agriculture was engaged with those and participated in those negotiations with the European Union at various stages over the eight to 10 years. In terms of the very detailed consultations, they were conducted by the government directly with Australian industry. Some of those consultations were broad consultations that DFAT conducted with Australian industry where there were representatives from the various sectors, including agriculture. Some of those were consultations specifically on agriculture that the Department of Foreign Affairs and Trade conducted or that the department of agriculture conducted as well. We either did them jointly with DFAT or separately with our industries on numerous occasions. Of course, supporting all of that was very direct engagement and discussions by the department with representatives of industry, whether they be peak bodies of industry, whether they be specific industry sectors or indeed whether they be specific companies on some occasions that had very strong interests and equity in the negotiations. Right throughout the period—from when the commencement in the FTA negotiation commenced in June 2018 and in the leadup to that in 2016-2017—we were involved. We were involved right through that period until the conclusion by the respective leaders on 24 March this year.

Senator CANAVAN: Having been involved, were you aware of the views of farm groups about this deal? I'm reading some direct quotes from statements by various farm industry groups. Some described it as 'pretty embarrassing', 'disappointing', 'pathetic', 'unfair', 'simply appalling' and a 'horrendous outcome'. Were you aware those were the views of the Australian agricultural sector before the deal was signed?

Senator Chisholm: I don't think that's an accurate reflection of everyone across the sector.

Senator CANAVAN: These are direct quotes, Minister. You obviously haven't spoken to many of them because, if you had, you would know that's exactly an accurate reflection of their views.

Senator Chisholm: I know there are people who are excited about the opportunities that the free trade agreement brings. It's disappointing that you aren't one of them, Senator Canavan, and that you want to continually talk down the industry. We're excited about the opportunity that free trade provides and what this agreement will do for the industry as well. I know there are plenty of people out there who are excited about the opportunities it presents as well.

Senator CANAVAN: I think any fair assessment of the response from the farm sector is that this deal is not supported. Was the department aware that Australian farmers were not happy with the deal that was put on the table?

Ms Anderson: I think we were aware of the range of different industries' preferences for what came out of that. As Mr Garner has talked through, we were constantly in contact with industry throughout the whole process. Obviously, we've read press, like you. I know there are some mixed feelings about it, but I think overall there is a range of significant benefits that it's important not to lose in the scheme of things. There is additional access in a range of different commodities, more than what we have. Of course we would like more. We would always like more. To come to your question specifically, we are highly aware of the range of different industry views.

Senator CANAVAN: Given the minister has contested my statements, I might just have a lengthy quote from the release put out by the National Farmers' Federation on the conclusion of the deal. They start their statement by saying:

Australian farmers are extremely disappointed that negotiations for a free trade deal with the European Union (EU) have concluded without commercially meaningful agricultural market access gains since Australia last walked away from negotiations.

What the Australian Government has accepted today appears to offer no material change for key agricultural commodities as what the Government rightly rejected in October 2023.

The NFF went on to say that farmers 'will now pay the price for this subpar EU deal for decades to come'. Notwithstanding the minister's assertions before, it's pretty hard to see how farmers see this as a good deal. As to the NFF's claim about no meaningful change—was there any meaningful change in the deal from October 2023 to what was signed earlier this year?

Ms Hutchison: There wasn't a deal in 2023. There is definitely a meaningful difference between what Australian exporters have current access to and what will be available under this agreement.

Senator CANAVAN: But there was a proposed deal that the government walked away from in October 2023. That's the point I'm asking about. The NFF has made the claim. I'm sure they'd like clarity from officials. Were there any meaningful gains from that proposed deal in October 2023?

Dr Greenville: Yes. I can get Mr Garner to give you some more details, but we have had some meaningful gains in both the amount of access that we've seen under the agreement and also some of the compositional changes that we'll see between fresh and frozen product for different meats in particular. That will have a material impact. Mr Garner has some specifics that he can share.

Mr Garner: Following the October 2023 discussions, which weren't able to conclude the FTA, the negotiations went into a period of abeyance for a while. After the election in 2025, there was a recommencement of the negotiations. There was a realisation by both parties that, having had the negotiations underway for quite some time, there was a lot already on the table, including for agriculture and also a few areas outstanding. Through the negotiations that were held between the respective parties, both formally and informally, there was discussion on the outstanding issues which of course were the sensitive issues. In the lead-up to the FTA negotiations, of course, it was known well to the government at the time that it was going to be a difficult negotiation with the European Union, that they are always very hard negotiators, and that agriculture in particular is very sensitive. That was the backdrop to the negotiations. Those were the issues that we continued to deal with right through until conclusion.

In relation to the outstanding issues that we re-engaged upon, there were further discussions and some good outcomes were reached in terms of improved access for Australia, specifically with red meat, but also, as Dr Greenville has referred to, improvements in the composition of the actual quotas. So there was more fresh or chilled meat, more grain for red meat as opposed to grass-fed meat, and also specifically with regard to beef there was no frozen beef component of the quota. That was a good outcome for the industry given that fresh and chilled beef is of more value than frozen. Also, there were some reductions in tariffs achieved through the final stage of negotiations, including for the red meat sector. Overall, there was a higher level of quota. Within that quota there was an improved split, as I mentioned, between chilled fresh meat and frozen in the case of sheep meat and between grass and grain-fed and also a reduction in tariffs. It was a very good outcome on the prevailing WTO tariff for red meat.

Senator CANAVAN: What was the increase in the quota for beef from October 2023 until March?

Mr Garner: In terms of the overall quantum, we won't get into the discussion of that.

Senator CANAVAN: But you just did. Hang on. You made the claim. If you couldn't provide the evidence, you shouldn't have disclosed it. You said there was an increase in quota. What was the increase?

Mr Garner: There was an overall increase in what was going to be available, yes, through the quota.

Senator CANAVAN: How much was it?

Mr Garner: That would probably be a matter for further discussion.

Dr Greenville: I think that would be something on which we'd have to go to the specifics. In terms of the access arrangements, we feel there has been some improvement.

Senator CANAVAN: I just want to see the quantities of those because there are a lot of assertions that this is great news, but was it one tonne, 5,000 tonnes or 50,000 tonnes extra? How much extra was it?

Ms Hutchison: As we've given evidence, the lead negotiation is led by DFAT. I think those questions are correctly put to DFAT.

Senator CANAVAN: I'm happy to rotate the call, but if you're going to come to the parliament and to the Australian people and say, 'We've magically increased the amount we got compared to a year and a half or two years ago', you should be able to back it up; otherwise, don't make the claim. We don't know if you've negotiated an extra five tonnes, 50 or 5,000. The evidence then is not really worth much.

ACTING CHAIR: Senator Whish-Wilson.

Senator WHISH-WILSON: I have some questions on the newly established National Food Council. Is the department aware of a recent open letter signed by more than 270 public health, food systems, nutrition, sustainability and community leaders regarding the composition of the National Food Council?

Mr Lowe: Yes, we are aware of that letter.

Senator WHISH-WILSON: Are you aware that hundreds of respected and expert voices are raising concerns about the newly appointed National Food Council?

Mr Lowe: We are aware of those concerns.

Senator WHISH-WILSON: How have you responded?

Mr Lowe: There's been a range of different concerns raised. We certainly appreciate those concerns, and we've engaged directly with a number of parties who have raised concerns. I should add that the National Food Council is an advisory body that is inputting into the National Food Security Strategy. Our overall intention is to ensure everyone is able to have a say and have input into the National Food Security Strategy. We have been doing quite a significant number of consultations across Australia on the National Food Security Strategy. As part of those consultations, a number of those people who raised concerns have been in the consultation and had direct opportunity to talk to me and my team about it.

Senator WHISH-WILSON: This occurred after you established the council, correct?

Mr Lowe: Yes.

Senator WHISH-WILSON: Do you accept concerns that the membership spans large food business, executive, processors, retail associations, corporate supply chain actors, the Australian Strategic Policy Institute and underrepresents civil society, small producers, First Nations, food sovereignty interests and other community based actors? How will you rectify this?

Mr Lowe: It was important to strike the right balance of skills and expertise amongst the members. It's also important to strike the right balance in terms of numbers on the council as well. We did conduct an open and transparent EOI process which sought applications across a wide range of skills and experience. As you'd appreciate, the food system is large and encompasses a wide range of interests, skills and experience to ensure its proper function.

Senator WHISH-WILSON: In terms of that EOI process and interest in being on the Food Council, did you get interests from public health, nutrition, First Nations communities, independent food system organisations, food security, environmental sustainability organisations? Some 270 people from around the country have written to you about this. What process did you use to select?

Mr Lowe: Maybe if I could just go to the skills and experience we're interested in? Primary production and processing, food sector workforce and skills, agri-food economics, distribution, retail, equity and access, climate and sustainability, First Nations, food safety and regulation, food innovation, research and academia, global food systems and trade relations, systems thinking, nutrition and public health. I'm pleased to say that a number of the areas of expertise—in fact I think all of them—are represented on the council in some form or another. One of the balancing acts that we needed to do was to try to think about whether delegates represented multiple aspects of those skills and expertise as well.

Senator WHISH-WILSON: Do you accept their concerns that they're underrepresented?

Mr Lowe: I would characterise our deliberations in relation to the membership of the council as balancing a really broad range of expertise that needed to be incorporated on the council. Some of those conversations that we've had with some of the people who have raised those concerns have been particularly focused on a relatively narrow set of concerns. We've been really upfront right from the outset that the National Food Security Strategy has to have a really broad scope to think about all the various interests in the food system.

Ms Anderson: We do have a dozen people on the council.

Senator WHISH-WILSON: A dozen?

Ms Anderson: Yes. I'm the chair. Is that right—11? Am I actually a member?

Senator WHISH-WILSON: Surely you would know that?

Ms Anderson: Yes, I am a member. I chair that group. As Mr Lowe said earlier, we've tried to ensure a range of different interests. Over 350 people have participated in the consultations, including people who were critics of the council membership makeup. There is a balance between having a really big, unwieldy council, which is effectively an advisory body to government—it will be government strategy—and making sure we pick up a range of different interests as we go through the consultation process. I came to this fairly new—in fact, I attended the first meeting on my first day in the job—and I was pleasantly surprised about the extensive nature of the consultation process set up. It is very difficult to say that there isn't an opportunity for hundreds of different interests to be represented through those discussions.

Senator WHISH-WILSON: Would it be fair to say that some of the concerns raised with you around pesticide exposure and the influence of CropLife Australia and other agrichemical industry associations both on this group and on the department generally—

Ms Anderson: I don't think that's fair, no. There's been an opportunity to raise a range of different production systems or approaches through both the council and the consultation process.

Mr Denny: We've proactively engaged with the groups that you've mentioned both through the consultation process but also through the Food Council. At the last meeting of the council we had a professor of public policy and health from the University of Sydney present to the council and talk about public health and nutrition aspects. The council had a very good discussion about those matters.

Senator WHISH-WILSON: It's good that you've had some discussions and consultation with the interests that see this as a very important process. Obviously, you're looking at health and nutrition and a lot of outcomes with food. It's qualitative as well as quantitative. Do you keep records of your meetings with groups like CropLife Australia across ministerial meetings, department briefings, industry events, informal networking functions et cetera? Do you keep detailed records of your contact with a group like CropLife Australia?

Mr Denny: We keep records. We meet with CropLife regularly. We have an agvet chemical team or a number of teams that work closely with APVMA. It's a core part of the work that we do. We engage with them regularly.

Senator WHISH-WILSON: Would it be fair to say the department has a good close relationship with CropLife Australia?

Mr Denny: I would say we have a robust relationship with CropLife Australia, and I think CropLife Australia would say the same.

Senator WHISH-WILSON: I'll put some more specific questions to you on notice. I have one other question for you around food insecurity. Food insecurity applies generally to Australians who can't access nutritious food through cost-of-living issues and income issues. In 2025, around 33 per cent of Australians were moderate to severely food insecure. They were skipping meals or making significant compromises. Are you familiar with the survey that Foodbank Australia ran?

Mr Lowe: We are.

Senator WHISH-WILSON: There was no funding allocated in the budget towards dealing with this issue. What action is the government taking to support Australians facing food insecurity in the cost-of-living crisis?

Mr Lowe: It's a really good point you raise. In fact, all of the areas of interest that you've raised are really important areas of consideration for us through the food security strategy. I'll ask Mr Denny to talk about the recent National Food Council where these matters were canvassed in some detail.

Mr Denny: As part of the development of the strategy, that is an issue that we're absolutely covering in the co-design workshops that we've been holding and also through the Food Council. At the last meeting, we invited Foodbank Australia and OzHarvest to present to the council on the things they're seeing on the ground, on the

data that they have on food insecurity. The Food Council is actively considering those issues, as is the department as we develop the strategy.

Senator WHISH-WILSON: But you don't have a team or a structure around this specific issue?

Mr Lowe: Around food insecurity?

Senator WHISH-WILSON: Yes—a taskforce?

Mr Lowe: We have a food security strategy team. It's dedicated to working on the food security strategy. More broadly—

Senator WHISH-WILSON: But that's more broad than food.

Mr Lowe: This kind of goes to the broader point that we're talking about. There are a number of interests and responsibilities both across Australian government and across society and industry in relation to food security. We're working with organisations like OzHarvest and FoodBank that don't naturally sit in our department, though we do engage with them.

Senator WHISH-WILSON: Thank you.

ACTING CHAIR: I think the Department of Social Services also has a base level funding for those organisations. It might be worth following up with them as well. We'll move to our lunch break.

Proceedings suspended from 13:01 to 14:01

ACTING CHAIR: We will continue with outcome 1 with our officials. I'll hand to you, Deputy Chair.

Senator CADELL: I'll go through a few more formulaic things. The government will provide \$45.1 million over four years from 2026-27 and \$11.4 million going forward to continue Australia's international engagement in agricultural forums and trade standards setting functions. Are there specific ones we go to? I'm certainly aware from a fishing or a maritime one that there's a very good one that we've shrunk our presence at overseas. I think that might be more trade than you guys though. What do you guys go to in consolidation with trade?

Ms Hutchison: The funding that you refer to is ongoing funding that underpins our international trade function in the department. You've heard earlier in the committee that we've got an important role to play in export certification, but we also have a very important role to play in international standard setting: ensuring that the global trade rules are in Australia's interest and that we have a strong international rules-based training system. So we've got counsellors around the world in key markets but we also engage in a range of really important bilateral and multilateral fora and standard setting around animal health, plant health and food safety so that when we're trading we have rules that are fair, that they're equitable, that we don't have a one-size-fits-all approach to rule setting, which can put Australia at a disadvantage, particularly if they're rules set with a northern hemisphere or a really different view about how agriculture occurs. Australia's got a very good story to tell about sustainable agriculture, about how we produce our animals, how we produce our food, and we need to make sure that's represented in the worldwide trading rules, so we have an active participation in this. So this goes to ensuring that we've got ongoing funding for those partnerships.

Senator CADELL: I understand. Are there specific ones that generally are year-on-year recurring?

Ms Hutchison: Yes.

Dr Greenville: Some of the multilaterals we engage with are the OECD, the FAO, the G20 and APEC in terms of those kinds of—

Senator CADELL: Would you go to all of those meetings, or just some?

Dr Greenville: It depends. Irrespective of whether we have people at those meetings, there's often work that we need to do to engage and work with our colleagues across DFAT and others. So there's work that's involved in putting Agriculture's voice into a lot of those things. But for the FAO and the OECD, for sure, we definitely go. With some of the others it depends on what's on, really. It's risk based.

Ms Hutchison: And we have counsellors located in Europe to represent our interests. We have a counsellor in Rome and in Brussels. We cover a range of things there. Also there are the three key standards setting bodies. There's the World Organisation for Animal Health and the international plant protection commission or committee. My colleagues will correct me later on that.

Senator CADELL: It begins with a 'C' and means a group!

Ms Hutchison: That's right. And, also importantly, there's Codex, which is in relation to international food standards. We chair one of the important committees that sit underneath that and in fact will host a meeting in Australia later this year.

Dr Greenville: Some of the other activities include our bilateral relationships and a lot of the arrangements that we have that are embedded under a number of free trade agreements and so forth have cooperation and dialogue aspects to them. Some of them are annual, some of them are every two years and so forth. So there's a schedule that happens that maintains our ability to talk about market accessibility and to also talk about approaches to agriculture policy and all those types of things.

Senator CADELL: Do they go to trade events too? Prior to getting dropped twice in six weeks from the shadow cabinet, which I believe is a record, I was shadow fisheries and they were talking about a big event in Spain and stuff like that. Do they go to trade events like that, or not really?

Ms Hutchison: Trade events, and I'll refer to my colleagues in relation to fisheries specifically—

Senator CADELL: Don't bring anyone up; it's fine.

Ms Hutchison: We tend to—

Senator CADELL: Not go to those things.

Ms Hutchison: We work in the government and standard-setting types of bodies. Where there are events that might sit more with Austrade, for example, without knowing the specifics of the one you're after—but I could take that on notice.

Mr Lowe: In relation to fisheries, our international focus tends to be on negotiations involved in quota around international fisheries, and particularly where voting decisions are made. We have a scientific role through ABARES and then a policy role as well.

Senator CADELL: Ms Anderson, you were saying that with the general mood to cut back to necessary travel with fuel at the moment, the ones where we have voting rights and could be disadvantaged are the ones we're still maintaining?

Ms Anderson: Yes.

Senator CADELL: Thanks very much. One of the things we said we're cutting funding out of earlier this morning is the Future Drought Fund. I think we're still predicting we're entering El Nino conditions during 2026. Is that the current understanding of the department?

Mr Lowe: I'll get colleagues to come up, but we certainly have been experiencing drying conditions in parts of Australia.

Senator CADELL: Victoria, South Australia and New South Wales, yes.

Mr Lowe: Particularly northern New South Wales and southern Queensland. There's been welcome rain in Victoria and South Australia, and it's been encouraging to see that there have been some strong plantings happening in both Victoria and South Australia.

Senator CADELL: We've cut some money from the Future Drought Fund. What are we doing if we've got funding coming out from the Future Drought Fund and we're predicted to go into drier conditions? What preparations is the department making for drought? What just-in-cases are we working on?

Mr Lowe: The Future Drought Fund is a preparedness fund. As we've mentioned in this committee previously, we've been very focused on ensuring that the changes don't impact on-ground programs or any contracts that are currently in place. Another piece of context for drought is that the Future Drought Fund is one component of what we do to support the sector in times of drought. As mentioned earlier in the committee, there are programs, including the farm household allowance program and farm management deposits, as Senator Scarr mentioned, but also the Regional Investment Corporation and the concessional loan facility through that as well are some key ones. There's also the Rural Financial Counselling Service, which is a key support for farmers in times of difficult circumstances, whether it be floods, fire or drought.

Senator CADELL: Do you have numbers for—given some of the dry conditions—how many times farmers or primary producers have accessed things like that in the past 12 months?

Mr Lowe: Say the RFCS? We probably do have those numbers on hand.

Ms Brown: We have seen an increase in access to a number of those programs. In terms of the RFCS, for the last 12 months to 31 March the RFCS assisted 7,347 clients nationally. This was an increase of 266 clients year on year.

Senator CADELL: So it's fairly consistent but just a slight increase. Other programs?

Ms Brown: For farm management deposits we have seen a fall in holdings of 12.5 per cent.

Senator CADELL: That's bigger.

Senator COLBECK: How long is it since there's been a real drop in farm deposits?

Mr Lowe: In farm management deposits?

Senator COLBECK: Yes.

Mr Lowe: Traditionally—

Senator CADELL: That would be a quantum of about \$700 million, wouldn't it?

Ms Brown: It was the 12 months to 31 March. In South Australia the holdings fell 12.5 per cent. That would be based on the dry conditions. People were pulling through—

Senator CADELL: Not overall.

Ms Brown: We have approximately \$5.95 billion held nationally, with 39,868 accounts.

Ms Anderson: If you want a comparison for the year, we could take that on notice.

Senator CADELL: Yes. But, to be clear, it was only 12.5 per cent of South Australian holdings, not across the country?

Ms Brown: That's correct.

Senator CADELL: Thank you.

Senator COLBECK: Historically they continue to go up.

Ms Brown: They have historically continued to go up, but we have seen a fall in particular in South Australia and Victoria. That would be due to the ongoing drought conditions.

Senator CADELL: So it's: how long is a bit of string? Has the department modelled a prolonged El Nino and the effect on agricultural output?

Mr Lowe: We do have some work underway through ABARES, supported by the Future Drought Fund, I think, around understanding the relationship between climatic conditions and farm profitability.

Senator CADELL: ABARES is doing that? I'd better ask them, or—

Mr Lowe: Yes. They can come to the table to talk about it.

Mr Galeano: Senator—and maybe even Mr Lowe—are we're talking about the commodity forecast that we're working on at the moment?

Senator CADELL: Yes, and drought.

Mr Lowe: The relationship in the work that we do between drought load and farm profitability and how that impacts—that's your predictive tool.

Mr Galeano: The commodity forecast—I'll start there. We are putting the finishing touches on our numbers for release next Tuesday, which is just our standard forecast of agricultural output and exports and so on. We're taking into account with that work the forecast from the Bureau of Meteorology, the drying conditions or expected drier conditions over the next three or four months. So we are expecting cropping to be down a little bit compared to 2025-26, although livestock might be going up a little bit because of increased turn-off. So overall impacts are not dramatic. We're not going back to some of those very difficult drought years. On the predictive tools, we've been investing for quite a long time on modelling to do with what we call farmpredict. It's a modelling tool that we can use to run scenarios of future dry conditions or different commodity prices or anything like that and explain the impact of that on farm performance. So, yes, we are investing in that work. If you've got a specific If you have a question about that, we're happy to—

Senator CADELL: No, it's just an interesting thing. Do we use that advice to advise—

Mr Galeano: Inform, yes.

Senator CADELL: That's good to know. We spoke about certain areas. We spoke about northern New South Wales and southern Queensland. I was there in floods just in January. It's hard to think they are in drought or hard conditions already. Are there any other areas we're more concerned about than others at the moment?

Mr Lowe: They're the primary areas of concern at the moment in terms of drying conditions in Australia. You'd be aware, Senator, that South Australia and Victoria in particular have experienced dry conditions over the last two years, particularly in western Victoria and across South Australia. There has been pleasing rainfall there that has meant that there are strong plantings happening there at the moment. But we continue to keep an eye on that.

Senator CADELL: Are there specific programs or initiatives of the Future Drought Fund that have been cut, or was that unallocated funds again? Where did those savings come from?

Mr Lowe: Yes, unallocated funds, so yet to be determined. As I mentioned to, I think, Senator Whish-Wilson, the way the Future Drought Fund works is in funding plans. We're in a current funding plan and in another two years time, from 2028 onwards, it will be subject to a future funding plan. Decisions around that are yet to be made and will be informed by a range of inputs, including Productivity Commission advice.

Senator CADELL: So it's the department's belief that this cut in funding will have no impact on farm production?

Mr Lowe: What we've done as part of the reprioritisation with the Future Drought Fund is to prioritise on-ground programs that deal directly with farmers.

Senator CADELL: I hear that. We're confident the cut, even if it's unallocated funding, will have no real impact on farm production?

Mr Lowe: What we're prioritising is programs that support farmers on the ground.

Senator CADELL: That's what you're prioritising, but what I'm hearing is: 'I'm not going that far. It may have a slight effect. We just don't know what we don't know yet.'

Mr Lowe: We're working through the implications of the savings for the program.

Ms Anderson: It would be fairly insignificant in the scheme of things, to be fair, including—going back to the question you asked, which was about farm productivity, I think, or production. But obviously these are preparedness activities and you deal with the envelope that you're working with. We have a slightly reduced envelope.

Senator CADELL: I get that. I'm happy to rotate the call.

ACTING CHAIR: Thank you very much.

Senator FARUQI: I have a few topics in outcome 1 that I need to ask questions on, starting with animal export—not live export but other aspects of animal export. I've asked questions before on this topic and put them on notice as well. I firstly want to ask if you know what a marmoset is.

Mr A McDonald: Yes, it's a primate.

Senator FARUQI: Yes. I'm asking because marmosets are pretty unique. They are Brazilian monkeys and they're highly intelligent, with social behaviours and cognition that rivals humans. Keeping them in labs, as is done in this country and others, in isolation is particularly cruel to them. I want to show you—and I will table them, Acting Chair—these two photos of conditions that marmosets are kept in in this country. This is a photo from Monash University's standard operating procedures manual. It's in the primate-breeding facility in Gippsland. It was obtained via FOI by Animal-Free Science Advocacy. These images aren't even images of cruel animal testing. They're just images of everyday practice of restraining these marmosets in this facility. Do you know if primates are being held at the Gippsland breeding facility for export?

Mr A McDonald: We only get involved when an application is made to export. So I don't have, or have reason to have, regard to what might be occurring at that facility you refer to.

Senator FARUQI: As far as I understand, there is a permit for 850 but we don't know how many are actually there. You're saying you don't know because export isn't involved at the moment?

Mr A McDonald: Correct.

Senator FARUQI: Who would we ask to find out? Would it be Agriculture Victoria, do you think? If you don't know, maybe you could take that on notice.

Mr A McDonald: I will take it on notice in terms of who the appropriate regulator is in a domestic sense. The, the department of environment is involved where there are CITES international agreement implications, at the federal level. I will take it on notice as to the specifics but we don't get involved at that stage.

Senator FARUQI: I did ask some questions on notice last time, and you told me that there was one export permit for marmosets between 2023 and 2025 for laboratory purposes. Can you tell me how many marmosets were exported under this permit?

Mr A McDonald: Yes, 48.

Senator FARUQI: So they were all under this one permit and that was the only permit. Where were the 48 marmosets exported to?

Mr A McDonald: The USA.

Senator FARUQI: For what purpose?

Mr A McDonald: They would have been exported for research purposes. As the regulator, we certify whether the export meets the importing country's requirements with regard to that animal or species, regardless of what it is. Our role is to certify that the animal meets the requirements of the importing country—in this case the USA's importing requirements for marmosets. Our role is limited to that distinction.

Ms Hutchison: In relation to animal health.

Senator FARUQI: Do you have any requirements or duty of care in relation to animal welfare?

Mr A McDonald: The legislation doesn't go to that.

Senator FARUQI: The legislation doesn't go to animal welfare. So there is no duty of care as to the animals while they are held here or to the receiving country's conditions?

Mr A McDonald: In our role, we don't get involved in that. I wouldn't want to leave an impression that there is no duty of care. It's just that our responsibilities don't go to that.

Senator FARUQI: You don't have duty of care in terms of the legislation, right?

Mr A McDonald: Responsibilities, no.

Senator FARUQI: You don't give any attention to the welfare of the animal. What does the export application actually require? You said the import country needs to meet the requirements. What are these actual requirements?

Mr A McDonald: I won't have the specifics with me, but for anything that's exported that is a regulated good, it will depend on what its health status is, how it's been treated, for an animal what its vaccination status might be, or any other sorts of lifetime conditions in terms of how it's been treated in terms of exposure to other populations et cetera.

Senator FARUQI: Could take that on notice as well and, if there are other requirements, could you give me all of those requirements that are needed in terms of an export permit application?

Mr A McDonald: Yes.

Senator FARUQI: Who gets paid for the export? Obviously there's some cost involved and some money that changes hands when a marmoset is exported from Australia to the USA.

Mr A McDonald: Yes.

Senator FARUQI: There is money involved?

Mr A McDonald: The Australian government department has regulated fees associated with the processing of permits. We cost recover for all of our activity, so there are fees and charges associated with this type of permit. I will take it on notice as to the specifics, but the department doesn't have any visibility or involvement in commercial matters or whether there are other transactions involved.

Senator FARUQI: So you don't know how much was paid for these 48 marmosets to be exported to the USA?

Mr A McDonald: No.

Senator FARUQI: Who would know?

Mr A McDonald: The proponents: whoever the exporter and the receiving entity would be. That's a private commercial matter between them.

Senator FARUQI: But you said there is a recovery cost involved.

Mr A McDonald: Yes, there's a fee for processing the permit application.

Senator FARUQI: So you would know that fee, right?

Mr A McDonald: Yes.

Senator FARUQI: And could you give me what that fee was for these 48 marmosets?

Mr A McDonald: Yes.

Senator FARUQI: You'll have to take it on notice?

Mr A McDonald: We will take it on notice. It will depend on whether it was processed under a single permit, which is what my understanding is, and there will be a permit application fee associated with that.

Senator FARUQI: The private entities could be making a profit on the export? They can charge whatever? There's no regulation around that?

Mr A McDonald: There's no regulation and I have no visibility.

Senator FARUQI: So they could be making a profit by the sale of these animals to other countries where these animals are treated horrifically. You can't deny that. You don't know.

Mr A McDonald: I can't confirm either way because I have no visibility.

Senator FARUQI: You don't know. I will move on to export slaughterhouses.

Mr A McDonald: I'll bring my colleague to the table.

Senator FARUQI: I think we've been over these a few times. In 2020 and 2021, you might remember, in export slaughterhouses there were 631 animal welfare incident reports over those two years. I guess it was an average of 300 per year. These reports related to 4,083 animals and revealed quite significant animal welfare problems with farmed animals arriving at meat export abattoirs. Many were dead, others had lameness, cancers, ingrown horns et cetera. When I asked a question of the department about animal welfare incident reports in export slaughterhouses from January 2022 to November 2025, I was told there were 2,700 animal welfare incident reports. If you take an average, that's 675 per year, which is more than double what happened in 2020-21. Can you tell me, in this time from 2022 to 2025, how many animals those 2,700 incident reports relate to?

Mr Black: I'd have to take the exact figures on notice, but we can provide those to you on notice.

Senator FARUQI: You're here in estimates to answer questions. Why don't you have that number with you?

Mr Black: Let me see what I've got, but, in terms of the exact figure, I want to be very clear and I would prefer to take it on notice.

Senator FARUQI: Why has there been such a significant increase, literally doubling per year, of animal welfare incident reports?

Mr Black: We've worked really hard with on-plant veterinarians and export-registered meat establishments in terms of animal welfare literacy and education. We have been working really hard with those establishments to ensure that when animals arrive at an establishment they are in the right condition to move through the slaughter process. We've been working hard with the establishments to report to the responsible agencies, which are the state and territory authorities who have legislative responsibility for animal welfare under the Australian system, to report where there are incidences of animals that have arrived in poor condition. So I'm not surprised that our vets—the on-plant veterinarian who is the Commonwealth employee who is the regulator on the establishment—have been working with the establishments to make sure that reporting goes through. In fact that's the right thing to do.

In terms of the numbers, we've seen significant increases in numbers, both small stock—sheep in particular—and beef cattle going through export-registered establishments in the last period of time that you've described, through both productivity gains and good seasons. You may have heard through other parts of the evidence given at estimates that we've seen record amounts of meat exported to other markets. In terms of the sheer numbers, we've seen in the order of 15 million extra head go through export-registered establishments. So sometimes there will be an increase in animals that might have challenges. Some of those challenges could be that a mob of sheep arrive on a truck and, when inspected, some of those sheep are not in great condition. They might be hypothermic if they've travelled in cold conditions; they might be wet. Vets have been working with the establishments to report that, and that's mob-based reporting, so that if there are animals as part of that mob that are hypothermic, they would report the full number of the animals.

Senator FARUQI: As they should be. That wasn't happening before?

Mr Black: We've worked really hard to ensure that there is more reporting of that. So I'm pleased to see that those reports have increased. We're seeing them level out as people work through that, but that also reflects the extra numbers of animals that are going through the establishments.

Senator FARUQI: So you think the extra number of animals is the reason why these numbers are high? Having reports doesn't mean that animal welfare is improving. Is animal welfare improving? Can you say that these numbers are high only because more animals were processed?

Mr Black: I think that's a component of it. I wouldn't like to speculate beyond that.

Senator FARUQI: Have any charges or actions been taken on these 2,700 incident reports?

Mr Black: The reports go to the state and territory authorities for follow-up. In the vast majority of those it's to do with the condition of the animals on arrival in the establishment. It's up to the states and territories as to whether they follow through. I don't have visibility of the actions that they might take against their legislation. Where there are incidents that might involve up to the point of slaughter that could be covered under the Export Control Act, which is the piece of legislation that we operate under, we can take action against that. But the vast

majority of those animal welfare incident reports, as we've mentioned, are to do with the state of an animal that might arrive on a truck.

Senator FARUQI: I do know that. You keep saying that states have responsibility, but the states say that the federal government also has a role in responding to these incident reports. As the Queensland Department of Primary Industries told the *Weekly Times* recently, federally appointed vets were authorised to direct abattoir management to take immediate corrective action to mitigate any animal welfare issues. In these 2,700 incident reports, did any of your vets take any corrective action?

Mr Black: They will have taken corrective action if they felt that immediate action needed to be taken in terms of injured or ill animals. I'll take on notice how many times that happened.

Senator FARUQI: So you don't know whether—

Mr Black: I can't tell you out of 2,700 reports how many times—I'll take it on notice.

Senator FARUQI: That's mainly because really there's very little care for animals. Can you make it clear right now, for governments across Australia, whose responsibility it is to respond to 2,700 animal welfare incident reports?

Mr Black: It is the states' and territories' responsibility to follow up on animal welfare incident reports, as I say, where their legislation covers the particular incident. If it happens and it is covered by the Export Control Act, and by that I mean the meat rules—and there are animal welfare provisions within that—that would be taken by the Commonwealth potentially against the licence of the export-registered establishment.

Senator FARUQI: Do you do any follow-up at all on the states once the referrals have been made to see if there was any investigation done or any action taken? Do you feel there's a responsibility there at all, or do you just give them the referrals and that's it—you wash your hands of the whole thing?

Mr Black: We meet with the states on a regular basis through the year. The export meat regulator meets with the states to talk about the animal welfare incident reports. Again, it's up to the states to follow through those incidents, and we don't always have visibility of where they take action or not.

Senator FARUQI: Could you provide me a notice where these referrals went, the 2,700 incident reports—a breakdown by state territory?

Mr Black: Certainly.

Senator FARUQI: How many of these referrals to state and territory RSPCA branches have resulted in animal cruelty charges, financial penalties or written warnings?

Mr Black: I'll take that on notice.

Senator FARUQI: Thank you. I asked for the 2020-21 reports to be released publicly, and they were. I've asked again for these to be released but the department has refused to do that, stating that it'll take time. Don't you think that the public has a right to know what is happening to animals in this country? People really care about animals in Australia. Why won't you release these reports? It's not good enough to say 'It'll take time.' Sure, it takes time to do everything. Could I put it on notice today for you to provide those reports publicly?

Mr Black: I take that on notice.

Senator FARUQI: Thank you. Chair, I know the time. You can come back to me in the next round.

ACTING CHAIR: Senator Cadell.

Senator CADELL: I'd like to go back to farmpredict. We were talking about this software before. I love a good spreadsheet or system. It sounds like this is. What are the variables? Have you been able to do stuff like input costs of farming as well as—everything like that?

Mr Galeano: I'll give a little bit of background about the modelling that we do. We've run the Farm Survey Program in ABARES for 50-odd years. That collects information on revenue, costs of operating capital and all sorts of things, operating costs of—

Senator CADELL: They can change WACs, change everything, do everything.

Mr Galeano: And so we've got this model now that's built on all of that farm-level data. You can say to the model: what if the climate you threw at farmers looked like this or looked like that, or input costs looked like that, or prices were this? We can simulate the impacts that it would have on farm profits.

Senator CADELL: Talking specifically about drier conditions or El Nino coming through, that can do what you say: lower cropping, higher beef—you can see the impacts. You can feed that information to the department for mental health or anything like that.

Mr Galeano: That's right. In the commodity forecast we're releasing next week, there's a section in the overview on farm performance. What we've done there is feed in not only the remainder of the 2025-26 climate but also for 2026-27—what might that mean for profitability? All the impacts of higher fuel and fertiliser costs, and climate conditions across the country: what does that look like? What does that mean for profitability? Then that feeds into our various programs within the department to—

Senator CADELL: Talking about costs, I might chuck to Senator Canavan.

Senator CANAVAN: Have you done some analysis on what the impact of higher fertiliser costs will be on winter crop plantings, crop production in Australia over the next year?

Mr Lowe: At a high level we have. The work that we've done to understand the impacts of high fuel, high fertiliser and other inputs as well—we can talk about it in broad terms.

Senator CANAVAN: Okay.

Mr Galeano: The forecast that we're releasing next week will be our first public exposure of that. That'll include not only higher fuel fertiliser costs but also the seasonal conditions. The other thing happening is we're seeing a bit of a rebound in global grain prices. We're putting all that together and saying: 'What does all that mean for the value of agricultural production and exports? And what are the impacts on profits?' That'll all be coming out next week. The general story—because I can't give numbers away because we haven't finished the work; it's coming out next week—is that things will be down next year compared to 2025-26 but still fairly healthy overall. We're not expecting dramatic drops in everything, but things will definitely be coming off a high.

Mr Lowe: Fertiliser is a particular driver of farm profitability. We've found that work has helped us understand that. Fuel is a determinant of activity more broadly. You need fuel to run a farm.

Senator CANAVAN: You might have seen Rabobank put some estimates out suggesting that the winter crop will be eight per cent down. Does that sound about right?

Mr Galeano: Is that area or is that production? I think it was area.

Senator CANAVAN: You're right: 23.1 million hectares, eight per cent down from last year.

Mr Galeano: That's in area. Without giving numbers away, that's pretty consistent with what we'll be putting out next week.

Senator CANAVAN: You don't disaggregate that sort of reduction into what's caused by fertiliser, what's caused by fuel or—

Mr Galeano: No. In our consultations with industry and the states and other people, it's a general story. We obviously get stories as part of that about, for example, WA still going quite hard on canola because the margins are still there. Yes, there's a pinch on margins because of the higher fertiliser prices, but they're not disaggregating it, and we're not doing that either.

Senator CANAVAN: Are these estimates based on responses to your survey, or models of what would happen in the case of higher costs?

Mr Galeano: There are two components. The impact on profitability is based on our modelling. The impacts on area planted and gross value of production and so on are based on our consultations and our expert knowledge.

Senator CANAVAN: In your model, does it look at whether, if reduced crop production occurs, that possibly will have flow-on effects to beef, chicken and other industries that rely on grains and the like for their inputs? Does it extend to that too in your report?

Mr Galeano: Yes.

Senator CANAVAN: Have you got any estimates on what is the potential shortfall in fertiliser over the next year for all products—urea, ammonia, phosphate et cetera?

Mr Galeano: Yes. Urea is the main one we've focused on. We spoke earlier about the importance of urea. It's the one that we've focused on. Back in March we came up with an estimate of about 2.3 million tonnes of urea as our needs, knowing—

Senator CANAVAN: Annual needs?

Mr Galeano: For this year, November to November; that's for this current season. To date, we're looking like we've got in the order of about 1.6 million tonnes. That's either here or in the biosecurity queue, coming through our system. That's about a 700,000-tonne shortfall but we are in the process of updating that 2.3 million number off the back of these new forecasts, plus we've done some consultation with industry on the method for coming up with that 2.3 million in the first place, so there'll be some tweaks to that number.

Senator CANAVAN: Supply will hit demand eventually, right?

Mr Galeano: There's that as well.

Senator CANAVAN: Some of that gap you're making up, you're saying, is through demand destruction, effectively?

Mr Galeano: That's right. We'll have some new numbers next week on that.

Senator CANAVAN: Where are we getting our fertiliser from now? Effectively the Middle East, I presume, has been mostly closed. I think you provided estimates to me previously that two-thirds of our urea was coming from the Middle East.

Mr Lowe: That's right.

Senator CANAVAN: Have we got updated figures at the moment on where it's coming from?

Mr Lowe: I think we do have some figures about where they're coming from. What's been important is that between the government and domestic fertiliser importers there's been a lot of work to secure alternative supplies of fertiliser within the region. Countries like Brunei, Indonesia and Malaysia represent opportunities for increased urea supply. There's the 250,000 tonnes of urea that's been secured through PT Pupuk in Indonesia, as an example.

Senator CANAVAN: How up to date is your information at the moment? Are you able to track it month to month or something on how much has been imported and where it's come from?

Mr Galeano: I've got some historical figures but I'll see if I've got some more recent ones in terms of month to month for you, unless—

Senator CANAVAN: Nothing?

Mr Galeano: I've got the historical figures on—

Senator CANAVAN: What does 'historical' mean? How far back is it?

Mr Galeano: Sorry, yes, we do have some cumulative, but not by country. The historical information I've got here is the top five sources by fertiliser type from 2023 to 2025. That's a three-year average. For urea the top countries are the UAE, Saudi Arabia, Qatar. And then I can go through all the other fertilisers.

Senator CANAVAN: That's my point. Some of that will be locked up, obviously, on the wrong side of the strait. Given the importance of it, is there somebody in government tracking exactly what's coming through on an almost weekly basis?

Mr Lowe: Yes, we are.

Senator CANAVAN: Who's doing that?

Mr Lowe: We are.

Senator CANAVAN: What are the figures? If you're responsible for it, what has come in over the past month, week, however you're aggregating it?

Mr Lowe: I'm not sure we've got those exact figures to hand. We can talk in aggregate that we've had 1.6 million tonnes arrive in Australia—

Senator CANAVAN: Since November?

Mr Lowe: Since November.

Senator CANAVAN: How much have we had arrive since the beginning of March?

Mr Galeano: We've got the cumulative amounts but not by country in front of us.

Senator CANAVAN: Okay, start with those.

Mr Galeano: This is just urea in 2026. I've got a cumulative amount. In November it was 181,000 and then in December that rose to 277,000; January, 372,000—these are cumulative numbers; February, 545,000; March, 832,000; April, 1.3 million; May, 1.6 million. That's that 1.6 million number I mentioned before.

Senator CANAVAN: Do you have prices for that?

Mr Lowe: We have some information on prices. We don't have it broken down by month—or we have. If you'd just bear with me, I can find that for you. Currently, as of 21 May, global prices of urea are 39 per cent higher than at 28 February, just before the Middle East conflict. Prices had peaked at 83 per cent higher than pre-conflict levels in April. Pleasingly, domestic prices for urea in Geelong have started to come down. They peaked at \$1,435 on 23 April before falling slightly to the current price of \$1,380. They're probably the best figures we've got for you.

Senator CANAVAN: How come the domestic prices don't seem to have fallen by as much in recent weeks as the global price? By the sound of it, there's not much change.

Mr Galeano: That's a curious one. My understanding of that is it's to do with the local demand. We're in the peak period of needing urea. Urea imports always peak about now, May-June; it's the prime time, so I'm assuming it's a demand-driven thing.

Senator CANAVAN: Who is selling urea domestically? Do we have that information?

Mr Lowe: There are a range of distributors.

Senator CANAVAN: Who are the main ones? Still Incitec Pivot?

Mr Lowe: Incitec do have a local distribution business. Wesfarmers, CSBP, Nutrien—a range of different suppliers.

Senator CANAVAN: Have you got those two series there? Did you say Geelong price? Is that a domestic benchmark?

Mr Lowe: Yes, there is a Geelong which we use as a bit of a domestic benchmark price.

Senator CANAVAN: Could you provide the amounts for that in this year on a monthly or weekly basis, whatever you've got, and—I could probably get it, but if you've got it—the world price as well?

Mr Lowe: We'd be happy to provide that.

Senator CANAVAN: Thank you. Have you done any assessment of the impact of higher fertiliser prices and fuel prices on food prices in Australia?

Mr Lowe: We have had a bit of a look at it. I think the broad story is fertiliser's about 12 per cent of broadacre farm costs; fuel, six per cent. That's broadacre farm costs, then you think about the total supply chain, so we expect it to have an impact but a relatively small impact.

Senator CANAVAN: Twenty per cent of their costs is quite a lot.

Mr Lowe: That's just the broadacre component.

Senator CANAVAN: I get that.

Mr Lowe: There's still the supply chain.

Senator CANAVAN: The costs in parts of the supply chain will have increased too.

Mr Lowe: Yes.

Senator CANAVAN: Fuel and the like are obviously important for distribution.

Mr Galeano: Yes. I would add, though, that for the entire food supply chain, fuel is about two per cent of the total cost, because there are all the other costs associated with the rest of the supply chain—labour and capital and everything else. Two per cent of the overall food supply chain is fuel.

Senator CANAVAN: It's going to add up though; that's for sure. Is there any interdepartmental analysis of the inflationary impact on food prices from the crisis?

Ms Anderson: The work we're doing at the moment is feeding into a whole-of-government process, yes. There's a fuel taskforce in terms of the fuel and obviously we're in close discussions with Treasury. ABARES input is being provided into all of those processes to support government decision-making around exactly the sorts of questions you're asking, impact on food prices and those sorts of things.

Senator CANAVAN: Do we have any domestic stockpiles of urea, ammonia or phosphate?

Mr Lowe: I'd have to take that on notice. Not to my knowledge, other than what's held by importers.

Senator CANAVAN: I was going to get to that. Stockpile is not the right word but there are amounts held in storage. Do we have any insights on how much is held in storage?

Mr Lowe: No, we don't. One of the challenges is getting good data on this. The data that we're providing you today has taken months of very laborious effort to get to this point. One of the learnings from this crisis is our ability to get good data on critical inputs like fertiliser.

Ms Anderson: To come to your stockpile point: I'm far from an expert on urea, but there are storage issues that mean we don't expect there to be years' worth of supply sitting onshore without having been used. That's urea. Obviously there are different forms of fertiliser. But that will factor into it as well.

Senator CANAVAN: Has there been any consideration given to assistance to farmers struggling with higher fuel and fertiliser costs or even access to them?

Mr Lowe: The key focus for us in the context of the Middle East crisis has been about the foundational needs of the sector, which has been about securing fuel supplies and fertiliser supplies. That's been our key focus in the first instance. Certainly at the start of the conflict it was quite unclear whether Australia's agriculture sector at a key window, the May and June planting window, would be able to secure sufficient quantities of urea. The focus through the work of our department, DFAT, and the department of industry has been on identifying alternative sources and then working with Export Finance Australia with the fertiliser security facility as well.

Ms Anderson: As you'd probably expect, we are watching some of the key metrics. We are talking to banks and others about use of overdrafts and other things that may indicate signs of distress. We'll keep doing that until, hopefully, this crisis ends.

Mr Lowe: Absolutely. To reinforce the secretary's points, we are in active conversation with the sector as well about how the sector is experiencing the crisis.

Senator CANAVAN: The government has announced that there are interest-free loans available for businesses in the fuel and fertiliser supply chains. Is that assistance available to farmers at all?

Mr Lowe: I think you're referring to the assistance through the National Reconstruction Fund.

Senator CANAVAN: Yes.

Mr Lowe: That billion dollars is specifically targeted at companies exposed to or part of fuel, fertiliser critical inputs. The NRF, based on the way it was set up, excludes primary production unless it's involves value-adding.

Senator CANAVAN: What do you mean by value-adding? Value-adding beyond farm production? It's value-adding within farm production, but okay.

Mr Lowe: Generally it's beyond the farm gate.

Senator CANAVAN: So it's not available to farmers at all. I'm a bit concerned. I don't know if these loans—it took a while for the guidelines to come out; I'm not sure if they're out there. How much guarantee have we got that farmers will benefit? If, say, a fertiliser company gets one of these loans, what guarantees are there that they will pass on the lower costs that they've got now thanks to an interest-free loan—to farmers?

Mr Lowe: This is a fund managed by DISR and the National Reconstruction Fund. It would depend on the circumstances, I think, of the loan.

Senator CANAVAN: More generally, I asked about urea in October last year and it didn't seem like there was much information available. You'd take everything on notice and come back to me. There didn't seem to be a sense of urgency about our urea supplies. Is there now some long-term planning happening about how to ensure resilience and independence for our urea supplies?

Mr Lowe: Yes. In concert with the Department of Industry, Science and Resources, we're looking at sovereign capability in relation to urea and also the diversity of our supply chains and storage and those sorts of things.

Senator CANAVAN: On that sovereign capability, you're probably aware Perdaman is building a urea plant at the moment thanks to a facility set up by the former coalition government under the Northern Australia Infrastructure Facility Act. They've suggested they could finish that plant earlier. Is anyone discussing with them about that prospect?

Mr Lowe: We're aware of those conversations. I understand those conversations may have progressed, but you'd best direct your questions to the department of industry on that matter.

Senator CANAVAN: Are there any other fertiliser companies that have approached you for assistance?

Mr Lowe: They wouldn't normally approach us for assistance; they'd approach government through the Department of Industry, Science and Resources. We are aware of a number of others where there are active conversations, but you're probably best to direct your questions—

Senator CANAVAN: Is anyone looking at the potential to use coal resources to convert to fertilisers?

Mr Lowe: I'll pass to my colleague.

Ms Burr: We're aware of at least one company, called NeuRizer, in South Australia that's looking at using coal-sourced production for urea production.

Senator CANAVAN: Is that around Lake Creek?

Ms Burr: Yes.

Senator CANAVAN: The issue for all of these—and I know of somebody who before this crisis wanted to build a urea plant in western Queensland that would have been from natural gas. It was a non-starter thanks to the

safeguard mechanism. Is there any discussion or flexibility around relief from the safeguard mechanism to help a fertiliser plant get built in Australia?

Ms Burr: If you're referring to the NeuRizer situation, they're currently working through their environmental approvals and other approvals with government, so I don't know if they've started those sorts of conversations yet.

Senator CANAVAN: It's important to make a point here that if the government's going to impose a carbon tax on everybody that tries to improve our sovereign capability, it's going to be very difficult because such taxes are not charged in, say, China, which is massively using its coal resources to make fertilisers as well as other petrochemical products. Has there been any analysis done on how much of our fertiliser needs could be met if we used our brown coal resources to do so?

Ms Anderson: Not in this department. I think if such a thing did exist, I would expect it wouldn't be done in DAFF.

Senator CANAVAN: I'm interested in the taskforce you mentioned. I hadn't heard of that before. What's that?

Ms Anderson: I mentioned that in my opening statement.

Senator CANAVAN: I wasn't here.

Ms Anderson: We set up a taskforce soon after this crisis began to provide some dedicated resources to doing the sort of work that we've been talking about, better improving our data and analytical capability around fertiliser needs in particular—and obviously contributing to the PM&C fuel taskforce as well, ensuring the views of the sector and the needs of the sector are reflected in some broader government considerations—and a whole range of analysis to try to understand what is going on and how that's going to impact the sector.

Senator CANAVAN: I've got a note here that there's something called the Fertiliser Supply Working Group. Is that right too?

Ms Anderson: That's right.

Senator CANAVAN: Have you gone through that this morning?

Mr Lowe: We have, but we're happy to take you through it, if you want.

Senator CANAVAN: No, that's okay. I noticed that Minister Collins announced streamlined biosecurity border processes for importing fertiliser. Has that been done?

Mr Lowe: That has.

Senator CANAVAN: What did that involve?

Mr Lowe: That's probably a question best directed under outcome 2 to our biosecurity colleagues. It's improving and streamlining biosecurity clearances at the border.

ACTING CHAIR: Senator Canavan, we might move on. I'll come back to you.

Senator CANAVAN: Fair enough.

Senator FARUQI: I will start with some questions on SGARs. As you know, the Australian Pesticides and Veterinary Medicines Authority has finally confirmed through a ban what the world has known for decades: that the risks of SGARs cannot be mitigated and their impacts are profoundly cruel. Has the government accepted APVMA's certification that SGARs should be listed as restricted chemical products?

Mr Bursle: A little bit on process: to become a restricted chemical product requires a change to the regulations. The process from here is that now that the APVMA has certified that it considers a product becoming a restricted chemical product would adequately manage risk, we're now undertaking a consultation process, which I think concludes on 11 June.

Senator FARUQI: Who is this consultation process with?

Mr Bursle: It's a public consultation via our website. It's consistent with good regulatory practice. We would typically conduct an open public consultation about an intention to change a regulation. That public consultation closes on 11 June. We will assess the outcomes of that consultation process and then provide advice to the minister about the making of a regulation.

Senator FARUQI: When can we expect you to provide advice?

Mr Bursle: Subject to the consultation which closes in mid-June, we're certainly aware that the APVMA's regulatory decision, which includes suspension and a temporary permit—the period expires, I think, in February or March of next year. I can't predict that we will absolutely make that, given that it's subject to a regulatory process, but we would be expecting to make regulation changes that would align with the APVMA's time line for its regulatory decision.

Senator FARUQI: The APVMA has already conducted multiple consultations. That those don't count? Once they have declared it as a restricted chemical product, listed it, you still have to conduct more consultation?

Mr Bursle: The APVMA has certified that a product becoming a restricted chemical product is an appropriate way to manage the risk. That doesn't create the regulatory change to do that.

Senator FARUQI: So you have to do the consultation for the regulatory change.

Mr Bursle: Our consultation complements the APVMA's consultation, which has been a very broad consultation about the risks that the product might represent. We're now doing a very narrow consultation about the making of a regulation change to implement the APVMA's, which is effectively advice to the Minister that the best way to manage this product would be to make it a restricted chemical product.

Senator FARUQI: Okay, thank you. There's a lot of talking going on, so I couldn't hear properly what you were saying, but thank you. I have some questions about the national pig standards. The department provides, as I understand, secretariat support for the Animal Welfare Task Group. That is correct, right?

Mr A McDonald: Correct.

Senator FARUQI: Can you tell me how long the development of the Australian standards and guidelines for the welfare of pigs has been on the Animal Welfare Task Group's work plan?

Mr A McDonald: Several years.

Senator FARUQI: How many? When was it first added to the work plan? I'm trying to get an idea of how long this has been going on.

Mr A McDonald: To be very clear, there isn't a standard and guidelines for pigs at this current time. What exists is a model code that dates back to when it was last endorsed in 2008.

Senator FARUQI: I do know that.

Mr A McDonald: The project for that model code to be replaced with standards and guidelines—I've got figures here that say it was on the AWTG's work plan for both 2024 and 2025. But I've only got the work plan dating back the last two years.

Senator FARUQI: Could you check and give me on notice when it was actually first put on the AWTG's work plan?

Mr A McDonald: Yes.

Senator FARUQI: In questions on notice, you advised that Australian Pork Limited will be undertaking and resourcing the development of the new national standards for the welfare of pigs. Is that correct?

Mr A McDonald: Australian Pork Limited have decided that they are moving forward with the development of an industry set of improved animal welfare practices. They don't necessarily constitute standards and guidelines that will be regulated by the states and territories. Any industry can develop their own industry code or set of standards, and that's what the Australian pig industry has decided to move forward with. Questions about whether they are suitable for the states and territories to reflect in their jurisdictional regulations are still before us, because until the product is ready, they won't be able to make those judgements.

Senator FARUQI: So they are waiting for these codes to be developed by Australian Pork Limited before they develop the national standards?

Mr A McDonald: No. The point I'm making is that they're not the same thing. Industry can move forward of its own volition, which is what's happening here. The industry is moving forward of its own volition to develop an industry set of standards. That's welcomed because any industry seeking to improve its practices is a good thing. Whether they are suitable for a government regulatory framework is a separate consideration.

Senator FARUQI: I hope it is, because I don't see—you're saying moving forward. Developing your own codes to regulate yourself is not really moving forward. You do know that this is the same industry that has brought us things like the sow stall, the gestation crate, the piglet thumping, teeth clipping and tail docking, and of course the CO₂ gas chambers. Do we know when the government national pig standards will be completed?

Mr A McDonald: Any item that is on the work plan of the Animal Welfare Task Group requires a lead jurisdiction to nominate to lead the development process. As evident by my evidence, no jurisdiction has nominated to do that.

Senator FARUQI: That is a problem on its own, isn't it: that no jurisdiction has nominated to lead a national standards setting process for pigs. Does that not indicate to you that the current approach of leaving it to individual states to volunteer to lead the development of national standards isn't really working? Obviously it's not

working. Why would any individual state wish to lead one of these processes? It's quite clear that it is a national responsibility. They're called national pig standards. Shouldn't it be led by the federal government?

Mr A McDonald: I'll make a couple of observations. The first one is that the states are the regulators; they have the constitutional power to regulate things. State and territory agriculture ministers and the Commonwealth minister have objectives around harmonisation around all sorts of regulations. If you face a set of regulations in one state, ideally if you transverse a border you face equivalent regulations in another state. The lead jurisdiction model is that if you're going to develop regulations for your jurisdiction, you would develop them in a way that is cognisant and inclusive of what's happening at a national level so that there are standards that can be picked up by all jurisdictions to provide that harmonisation objective.

Senator FARUQI: Your answer suggests to me that the federal government should be doing it.

Mr A McDonald: The challenge here is that the federal government would be developing a set of standards or a set of products here that it then would still be a decision of a state jurisdiction, of a state parliament, to make decisions about. So it has to be a cooperative process.

Senator FARUQI: Of course.

Mr A McDonald: It can't be a very patriarchal model here where the Commonwealth tells the states—

Senator FARUQI: And no-one's suggesting that. But you're asking a state to lead this process. Why isn't the Commonwealth leading this process?

Mr A McDonald: We're asking the states to lead a process that they as the legislators have responsibility for.

Senator FARUQI: But you have the responsibility overall. They're national standards.

Mr A McDonald: We have an objective; we don't have a responsibility. Sorry, I don't mean to talk over you.

Senator FARUQI: But you can do it. There's nothing stopping you from doing it. There's nothing stopping the Commonwealth from developing these standards, right?

Mr A McDonald: I don't think that's the right context. The thing is—

Senator FARUQI: What is stopping the federal government?

Mr A McDonald: Every state and territory engagement around cooperation across our constitutional powers is at the core of this challenge. How we interact with the states and territories has to be a cooperative process and a respectful process. It's hard, it's complex and doesn't always end in easy solutions. It's an ongoing piece of work.

Ms Hutchison: This is the model that the states and territories and Commonwealth have agreed would be the model for creating and managing these arrangements.

Senator FARUQI: But it's not working, because no state has said that they will do it. Nothing precludes the Commonwealth from leading and facilitating national standards, even on matters that are regulated by states and territories, right? There are examples here—just as the National Transport Commission does, just as Safe Work Australia does, just as the National Building Code Board does. There is nothing stopping the Commonwealth from doing this and leading this process. There are examples of the Commonwealth government taking a leadership role in developing standards on issues that are regulated by states and territories many times. And Australia is—maybe a reminder for you—is now a signatory to three international trade agreements that firmly recognise the importance of animal welfare in international trade. And that matter sits squarely within the Commonwealth responsibilities. So there is nothing stopping the Commonwealth from doing that. There are plenty of examples where you have done that. It seems to me that no one really cares about animal welfare here. It's been two decades since this has been going on. Give me a reason as to what's stopping you? There is nothing happening; no state is putting their hand up. What is stopping you?

Ms Hutchison: The explanation you've heard is that there is currently an agreement in place as to how this is approached. There is a cooperative and engaged process whereby any effort that goes into creating standards needs to translate into those standards being adopted into state and territory legislation to give effect to them. Ensuring that we're approaching that in a collaborative way that will give the highest likelihood of that outcome occurring is the approach that's currently being taken. It is a challenging and vexed issue. I understand that from the questions you're asking. This is the situation we find ourselves in in relation to the way responsibilities and authority sit for this matter across Australia.

Senator FARUQI: There is nothing happening.

Ms Hutchison: It is an important issue. It is one that is discussed regularly and will continue to be discussed, and we continue to look for opportunities to progress this really challenging issue.

Senator FARUQI: There is nothing happening. You can make another agreement. Why not make another agreement to move this forward? Nothing has happened over years.

Ms Hutchison: And we continue to work to find the opportunities to progress it.

Senator FARUQI: It has not progressed at all. Anyway, I will move on. For the first time, I think, ever, in-ovo sexing technology is being introduced in the Australian egg industry. Do we have people here to answer that question?

Ms Hutchison: We don't have responsibilities in relation to that.

Senator FARUQI: I can put that in questions on notice to someone else. Australia prohibited the importation of cat and dog fur in 2004. I understand that imports and exports of animal products are the responsibility of the department. Is that right? Are you able to answer that question?

Ms Anderson: It depends. If you're talking about imports, it might be more our biosecurity colleagues.

Senator FARUQI: But DAFF does have responsibility for imports and exports of animal products?

Ms Anderson: You're talking to the people who are responsible for exports.

Mr A McDonald: Did you say animal fur?

Senator FARUQI: Yes. It might fall within the environment portfolio. It depends on the questions.

Senator FARUQI: I will ask the question and then you can tell me. There has been some correspondence between Four Paws and the Australian Border Force, in June last year, in relation to questions regarding seizure of cat and dog fur. It says that there have been no reports of seizures of illegal imports of cat and dog fur since the introduction of the prohibition in 2004. But there have been reports, and pretty confirmed reports, that cat fur has been found in the country but it hasn't been seized. I wanted to ask some questions on that.

Ms Anderson: We will take that on notice. As Mr McDonald has said—and I have a vague recollection of Border Force having some responsibilities in relation to animal furs. I am happy to take those questions on notice and determine who the right body is that deals with that particular matter.

Senator FARUQI: I'll put them on notice, then. Thank you.

Senator CANAVAN: I want to move to the fuel and fertiliser security facility, a \$7.5 billion facility to increase stockpiles and minimum stockholding obligations. Have you been involved in the design of this facility at all?

Mr Lowe: We have.

Senator CANAVAN: Is there clarity on how much of that \$7.5 billion is going to fertiliser and how much to fuel?

Mr Lowe: There isn't. The \$7.5 billion facility is for fuel and fertiliser, as mentioned previously in this committee. Fertiliser is specific to the agriculture sector, whereas fuel is an economy-wide need, so we do expect that the majority of the facility will be dedicated towards fuel needs.

Senator CANAVAN: We spoke earlier about—there don't seem to be any stockpiles of fertiliser. Is it envisaged that there will be a stockpile of fertiliser established?

Mr Lowe: I think that in creating the reserves, it's not necessarily envisaged that we're talking about physical storage necessarily, but I'll pass to colleagues for the detail.

Ms Sawczuk: The issue around stockpiles and storage is being considered, but there are requirements or constraints around how long certain types of fertiliser can be stored for. As part of the facility, whether it's fuel or fertiliser, the relevant agencies are looking at all options, including talking to companies about what that might look like.

Senator CANAVAN: How long can you store urea for?

Ms Sawczuk: About 30 days, not long. Essentially it's because the nitrogen gases off.

Senator CANAVAN: So you couldn't even have more than 30 days storage practically, really?

Ms Sawczuk: It would depend, and this is something we have to consider, on the sort of storage and also the sort of fertiliser that we're talking about. But in terms of the longer-term sustainability, these are certainly things that we're working through.

Senator CANAVAN: When's this scheduled to start spending money or making a difference, the facility?

Ms Sawczuk: The facility is already effectively in use. This was covered a bit earlier today. On the fertiliser side of the facility, six cargoes have been underwritten totalling just over 209,000 tonnes of urea for agriculture grade.

Senator CANAVAN: Who is responsible for that aspect of the program?

Ms Sawczuk: Export Finance Australia administers the facility. They have special reserve powers. Essentially they have been directed by government to purchase, to store and to sell particular critical minerals and other commodities, including fuel and fertiliser. DISR and DAFF are the responsible policy agencies that effectively give policy advice around how the facility works in respect of fertiliser.

Senator CANAVAN: Of those of those six shipments, are some of them to provide supplies to Wesfarmers and Incitec Pivot?

Ms Sawczuk: All of those six shipments are for Wesfarmers and Incitec Pivot.

Senator CANAVAN: Okay, how many for each of those? How many for Wesfarmers and how many for Incitec Pivot?

Ms Sawczuk: Given the commercial sensitivities, I can't confirm the details of the specific shipments in terms of how many for each of the importers.

Senator CANAVAN: Are you able to confirm for me that all six are for them?

Ms Sawczuk: I thought you said in terms of the split. All six were for the two importers. I can't say four or two, for example?

Senator CANAVAN: Why not? What's commercial in confidence about that? You've signed these, so you've—

Ms Sawczuk: EFA has signed commercial arrangements specifically, and I'm not sure exactly why. This is taxpayer dollars. If you've got grant rounds for funding, you'll list who won the grant.

Ms Anderson: Because the legal arrangements are in place through EFA, it probably is better to—

Senator CANAVAN: Maybe you could take that on notice for me.

Ms Anderson: I'm happy to take it on notice.

Senator CANAVAN: Thanks. Do you provide advice on each one of these shipments each time?

Ms Sawczuk: Yes, we do.

Senator CANAVAN: Does the minister have to sign off on them?

Ms Sawczuk: No. For the facility itself, the relevant minister is the Minister for Trade and Tourism, but in terms of administering the financial arrangements, it is Export Finance Australia.

Senator CADELL: Is it all urea, or are there different types of fertiliser?

Ms Sawczuk: At the moment the facility is focused on urea.

Senator CANAVAN: Are there other companies in the supply chain here in Australia apart from Wesfarmers and Incitec Pivot?

Ms Sawczuk: Yes.

Senator CANAVAN: And they applied?

Ms Sawczuk: Export Finance Australia is currently looking at commercial terms with a number of other suppliers at the moment.

Senator CANAVAN: Who's assessing whether or not these shipments have an impact on competition in the market?

Ms Sawczuk: Competition is a really critical part of the facility. The Australian Consumer and Competition Commission has been involved in all of the policy conversations, and the fertiliser supply working group you mentioned, which is meeting weekly and which the Deputy Secretary sitting next to me chairs, is a part of all of those conversations. I should clarify that the facility itself and having the ACCC involved is really important to ensure competitive neutrality. Also this effectively is a price support mechanism; it's not a government enterprise. It's competing against a commercial enterprise. It's something with which we are ensuring all along the way there are no competition issues.

Senator CANAVAN: It does give those who have access to this facility a competitive advantage, though, does it not?

Ms Sawczuk: It won't give them a competitive advantage or a first-mover advantage. It is a price support mechanism which is really about supply and shoring up supply during the current crisis situation.

Senator CANAVAN: But if their competitors can't get supplies, they're in an advantageous position.

Ms Sawczuk: If the competitors can't get supply—I understand that's not an issue at the moment because there are still purchases and selling of urea happening at the moment and it's not that importers are unable to get supply.

Senator CANAVAN: So why would the government be underwriting supply? Why couldn't Incitec Pivot and Wesfarmers just go and buy from the market?

Ms Sawczuk: Talking more about competitive neutrality, the whole point of the facility is to ensure that supply is still coming to Australia. But for those in the market, it won't preclude them from making commercial—

Senator CANAVAN: I'm getting confused. I thought you said supply is still coming. So why—

Ms Sawczuk: We still have supply because there are still the shipments that are coming in from pre-conflict and also from the six consignments that have been underwritten. And we're still in the process sense of working through commercial arrangements and having importers and overseas suppliers.

Senator CANAVAN: I'm still a little confused. If supply can still come in, and is coming in from pre-conflict and all these things, why are we giving a leg up to some suppliers if they could have just gone and bought from the global marketplace?

Ms Sawczuk: It's making sure that those opportunities are not—the international cargo, for example, the spot market, we can help make sure that we can manage to get that supply for Australia.

Ms Anderson: One of the main things that the industry mentioned to us is the ability not to be gazumped by a range of other competitors. What we're saying is we think there is latent production available to source. There's a highly competitive market internationally for that, and obviously the price aspect of that is significant. Companies had said to us they were nervous about purchasing and the volatility of the price and various sorts of issues because the Middle East crisis was causing significant concern. So this is to shore up that whole market for Australia.

Mr Lowe: That's right. Senator, to your point, it's worth acknowledging that a facility like this is novel for the Australian government. This is the first time a facility like this has been set up for fuel or fertiliser, or any input, as I understand. And it's been done in the national interest. National interest is the overriding test here. What we apply in terms of that test is that there is a fertiliser gap. There is a gap in the amount of fertiliser that we need, or fertiliser demand, in Australia versus the supply that we have onshore or that is predicted to be onshore. So in the national interest, this facility was established. Then there's a process that's being gone through according to prioritisation of participation in the facility whereby we determine that priority based on a track record of importing fertiliser to Australia, including a strong record of biosecurity compliance, a proven ability to secure cargoes from diverse international suppliers on economically feasible terms, and the ability to import and distribute cargoes at scale, because we're talking about a significant gap in terms of fertiliser supply. So it's important to work with importers that are able to bridge that gap with material, substantial cargoes of fertiliser being brought into Australia. To be really clear-eyed about it, our national interest is about supporting Australian agriculture here.

Senator CANAVAN: I get it. I see the short-term aspect of that. My concern is in the long term if we are supplying a couple of big guys with an advantage in the short term to do this. You talked about diverse range. If I'm a novel supplier and small supplier and I'm buying from overseas, if these big guys can suddenly go out and de-risk and get my supply that I would already get, when this all settles down, the smaller guy is out of the market and we have more power in a couple of—I don't see the equity in supplying the big guys an advantage now long term. I think it can hurt our diversity. Are we looking at that—if the big guys go poaching supplies that the smaller operators get?

Mr Lowe: Yes. From a policy point of view we want to be supporting these cargoes for the shortest time possible, for government to be in the market in this way. We absolutely want to be in it for as short a time as possible. But acknowledging the conflict is ongoing, acknowledging the point that we made earlier around 62 per cent of Australia's urea supplies coming through the Straits of Hormuz in 2025, there is a discernible and acknowledgeable gap in urea supplies internationally, and we want to position Australian importers to be ultra-competitive and secure those urea supplies for Australia. Your point is a really important point. They're the two first. It's absolutely our intention, and EFA is working around the clock to ensure that there are more fertiliser importers supported by the facility. It's in our interest and it's in the national interest for the Australian agriculture sector to have as many companies as possible who meet that criteria chasing fertiliser on behalf of Australian agriculture.

Senator CADELL: In a worldwide vicious, agile market, first-mover adoption is a massive advantage, to be out there in the market today versus tomorrow. Have we got a time line on the others? Are they telling you when the others might be approved?

Mr Lowe: There is a time line. We understand that a number are imminent in terms of being signed up with the EFA facility. We have got consideration around how those companies could be supported to give them comfort to chase fertiliser on the international market as well.

Senator CADELL: We've had an importer say they can't even get a call back from the EFA about the process on this.

Mr Lowe: We're pretty quick on getting back from a departmental point of view and from an EFA point of view to importers. We're happy to take the details.

Senator CADELL: I might talk to you offline on this.

Mr Lowe: But I would acknowledge that we have to be laser-focused on prioritising who we're working with. They are complex commercial arrangements for the EFA to put in place, so we do want to make sure that they're focusing on a priority order of companies as well.

Senator COLBECK: On the competitive nature within the national market, we saw this with fuel in the early days, where supply into certain supply chains dried up. Is the work of the ACCC making sure that there is reasonable distribution of product through the various supply chains? It would be very easy for favoured supply chain status to start creeping in if there's not a process through the role of the ACCC in particular in the work that they're doing to make sure there's a maintenance of decent distributions through all of the various supply chains?

Mr Lowe: It's a really good question. So in part it's the ACCC; probably in the main it's more the policy tests we apply in terms of supporting both companies and cargo.

Senator COLBECK: But they would do the verification, wouldn't they, the ACCC?

Mr Lowe: We do it through EFA. It's important to us that each cargo and more broadly each company that's supported by the mechanism has the ability to import and then distribute cargoes at scale across Australia so that no farmer is missing out.

Senator COLBECK: But you're also making sure the market stays afloat as well. We've talked about this in the context of fuel, where a certain supply chain dries up and somebody else comes in and says, 'We can supply' and therefore becomes a supplier instead of the previous player. It's a capacity to dominate a market by managing who you actually supply through the supply chain to, if it's not watched properly. That's the point of what I'm asking.

Mr Lowe: Yes, absolutely.

Ms Anderson: Underlining Mr Lowe's point, We do want to be involved in this for the minimum time possible. Whilst there is a supply gap, we think it's an important way to ensure people can get access overall. I know that's not quite the point you were making, but it is an intervention that we would like to minimise because (a) it's costly and also (b) with those natural competition things it's better for us to not be in the market. So we will aim to do that, but, while it exists, it has facilitated significant certainty around bulk supply.

Senator COLBECK: I don't dispute any of that, but that's why I'm asking about the role of the ACCC in making sure that the principles of maintaining the market are met so that once we withdraw there's not been an, at the end of the day, government-facilitated movement in the way the market is because of the engagement in the market.

Mr Lowe: It's a really important point that you're making, and that is why we've got the ACCC on the Fertiliser Supply Working Group. We also ran some information sessions both for fertiliser importers and for fertiliser retailers, acknowledging that this there's quite a bit of complexity in the supply chain. At those sessions we and EFA were there but the ACCC has been in every interaction that we've had.

Senator CANAVAN: If there's nothing more on that, I want to go back to the EU free trade agreement—or do you want to rotate the call, Acting Chair?

ACTING CHAIR: Senator Faruqi has a couple more and then we will come back to you.

Senator FARUQI: I have some more questions on animal export and import and then one on standards. Two days ago it was reported that a charter plane is being covertly organised to fly around 70 greyhounds from New Zealand to Australia, following the New Zealand government's ban on greyhound racing. Are you aware of this?

Ms Hutchison: Imports will be in outcome 2 this afternoon.

Senator FARUQI: I will come back for that then. I asked earlier about in-ovo sexing technology. It's actually a question about the Australian Animal Welfare Standards, so you would be able to respond to that. In-ovo sexing technology is being introduced in the Australian egg industry now to avoid the mass killing of male chicks who are otherwise deemed as waste. Specialised Breeders Australia are carrying this out in the largest layer-hen hatchery in Australia, which I think is located in Bendigo. The Australian Animal Welfare Standards and Guidelines for poultry, which is Standard GA 9.23, states that when in-ovo sexing technology becomes commercially available, it should be used to avoid the culling of hatched male layer chicks. The technology is now proven to be commercially available. What specific financial assistance or incentives is the government providing to help hatcheries to adopt this technology, if any?

Dr Greenville: We are not aware. It might be something to direct towards the relevant research and development corporation. Is it around being able to use genetic research to provide a single-sex egg outcome for poultry breeding?

Senator FARUQI: Part of the Australian Animal Welfare Standards and Guidelines says that when this in-ovo sexing technology becomes commercially available, it should be used to avoid the culling of hatched male layer chicks. It is available now. Is there any specific financial assistance or incentives that the government is providing to help hatcheries adopt it this technology?

Mr Lowe: AgriFutures, which is the research and development corporation that has responsibility for poultry industry—not eggs but the poultry industry—might be the relevant organisation to direct your question to.

Senator FARUQI: So they would be implementing this particular recommendation in the standard?

Senator Chisholm: I'm not aware that we've provided any financial assistance.

Senator FARUQI: You're not aware that you have provided any?

Mr Lowe: AgriFutures would be the best ones to ask about that.

Senator FARUQI: Okay. Coming back to the National Animal Welfare Standards development process, I wanted to check the current status of the review of the National Animal Welfare Standards process, because that is another project that has been on the AWPG's work plan for several years, hasn't it?

Dr Greenville: That's right. It's been a topic of discussion between relevant officials. Many of those concerns that you and others hold have been thoroughly discussed, with suitable solutions not yet arrived at beyond the existing operating environment.

Senator FARUQI: And when are those solutions going to be arrived at? Is there a timeline?

Dr Greenville: There is no timeline for these sort of things. It's an ongoing discussion.

Senator FARUQI: So we don't know when that review is going to be completed. It could be 10 years or 20 years?

Dr Greenville: It's not necessarily a review in the context of how you might see something else. It's a topic of discussion and engagement between relevant officials about how the system and current governance processes operate. It will be an ongoing topic of discussion between relevant officials about how the system can be potentially improved going forward.

Senator FARUQI: And how many years has this discussion been ongoing?

Dr Greenville: I will take the precise number on notice. It's several years.

Senator FARUQI: And there has been no conclusion?

Dr Greenville: It's a very challenging topic to resolve.

Senator FARUQI: It seems like everything is challenging. We have to deal with challenging things to improve animal welfare. It's just obfuscating and pushing the can down the road. Minister, maybe you need to intervene and speed up the process. Thank you, Chair. I'll come back to the other questions later.

ACTING CHAIR: Senator Canavan.

Senator CANAVAN: Going back to the EU FTA, I want to go to some of the more specific elements of that agreement. I'm sure you're aware that we got 27,000 tonnes extra sheepmeat access but that was well below what the industry was after, which was 67,000. New Zealand, when they did a deal with the EU, got 163,000 tonnes. Is there a reason why we couldn't get a higher amount of sheepmeat access, given what New Zealand got?

Ms Hutchison: They are questions to be directed to DFAT as the chief negotiator for the free trade agreement.

Senator CANAVAN: Did you, in your advice to the minister and to Department of Foreign Affairs and Trade, point out this discrepancy with what we've been offered relative to New Zealand?

Ms Hutchison: As per our evidence provided earlier, we remained engaged with the industry, we remained engaged with DFAT. The industry provided information directly to them and to us about their expectations, and that part of the negotiations.

Senator CANAVAN: One aspect of the government's shutdown of the live sheep trade was that they were looking to expand sheepmeat to other markets. So why wasn't this made a priority in the government's trade negotiations with the EU?

Ms Hutchison: There is a range of things underway in the live sheep phase-out activities, including enhancing market demand, including for sheepmeat. That is part of the focus that is currently underway.

Senator CANAVAN: I know, and we'll come to the packages there later, I'm sure. There is this money available to try to develop markets for sheepmeat, but here's an opportunity to have some leverage of an agreement to benefit the sheep industry, and the Kiwis have done a lot better than us. Why wasn't that prioritised, given the destruction the government's doing to the live sheep trade?

Ms Hutchison: The inference in your question is that it wasn't prioritised. How the outcome was ultimately reached and the range of things before the negotiators is a matter for them to talk to.

Ms Anderson: My colleague can correct me if I'm wrong, but I think sheepmeat exports are significantly higher at the moment across a range of markets. I know you're talking about the EU FTA, but in terms of the live sheep phase-out and the focus on exports, I think the industry has done a great job of securing a range of different markets.

Senator CANAVAN: We talked about modelling earlier. Has there been any specific modelling done on the dairy situation?

Ms Hutchison: Not by the department.

Ms Anderson: We did cover that before and the answer was no.

Senator CANAVAN: What about any analysis of the impact of more imports of dairy products from the EU?

Ms Hutchison: Not by the department. Is there any adjustment assistance available for the Australian dairy industry if they do face losses associated with increased imports from the EU?

Ms Hutchison: That would be a matter for DFAT, I believe. I'm not aware of those details.

Ms Anderson: The general range of assistance for hardship would apply to dairy farmers like other farmers. Mr Lowe's group has a range of assistance that would be available to dairy farmers if they experience hardship.

Senator CANAVAN: Is there a process underway to assess whether that is happening if this deal comes into effect?

Ms Anderson: We would factor in a range of different matters into, for example, our forecasts for dairy and the impact on the sector. I don't think there's anything specific going on. There are two years until this agreement is likely to be in force. We will obviously be working with the industry during that time to understand the impacts, and if anything additional is needed we'll consider that.

Senator CANAVAN: Are there any safeguard mechanisms in the agreement? If there is a surge in European imports, can we—what's the technical term—snapback or something like that?

Dr Greenville: There are safeguards in the agreement.

Senator CANAVAN: So we could put the tariffs back on?

Dr Greenville: There are provisions in the agreement, as per a number of other trade agreements, if you get material harm and so forth. So yes, there are provisions there that have been negotiated.

Senator CANAVAN: Does the department have a role in assessing such impact under those other trade agreements? I know this one's not in effect yet, but, under other trade agreements, does the department have a role in assessing where there has been such an impact?

Dr Greenville: I might have to take notice whether they've been triggered in our sense. I don't have anything with me to say so. I think one of the general things that Mr Garner pointed out was our continued engagement. We do try to make sure that we're engaged in these processes, that the DFAT and others across government understand what's going on. As the secretary pointed out as well, we can draw on forecast work that ABARES will do in the lead-up and how those expectations might be playing out across the market to give us a pretty well informed view as this starts to roll out.

Senator CANAVAN: How much does the agreement benefit Australia?

Dr Greenville: I believe that's a question for DFAT. I'm not aware of any modelling, as referenced in his previous answer on the assessment of it.

Senator CANAVAN: It's a bit strange. Normally we do do modelling. I'm going to a different topic, unless my colleagues wanted to take over something.

Senator McDONALD: I'll do a quick follow-up on Minister Collins's press release on 1 May 2026 announcing new market access to Indonesia for live export meat establishments. Can the department name the five establishments and identify which are approved for sheep and goat meat?

Ms Anderson: We will invite the right colleague to the table to see if we have that detail.

Mr Black: You're asking for details of the five new establishments listed into Indonesia? I'll have to take that on notice, to be really clear. I know of where a couple of them are but I would prefer to take it on notice.

Senator McDONALD: So the minister did a press release but it wasn't that big a deal. I'm being cheeky, but you don't have the details. Okay. You're taking that on notice.

Mr Black: I'll take it on notice.

Senator McDONALD: Can you, when you take that on notice, tell me where the facilities are located and if there's any additional sheepmeat access for Western Australia in this deal?

Mr Black: Can do.

Senator McDONALD: Can you tell me that part? Is there any more sheepmeat available for Western Australia?

Mr Black: Let me see what I can find. I'll pause and, if can find it, I'll come back to you.

Senator McDONALD: The point I'm making is that I want to know why Western Australia wasn't prioritised given the sheep live export ban and the impact that's had on sheep production in Western Australia.

Mr Black: The process around listings, approvals into various markets is not always just the priority that Australia might put on in terms of which establishments are picked by the importing country to either undertake an audit of or push through in terms of approval. There's a component of it that is a queue and the time that it takes, but some of it is the importing country decisions as well.

Senator McDONALD: I understand that but we're now hearing that there are sheep abattoirs in Western Australia that are failing because of the lack of throughput. I would have thought that this would have been a terrific lifeboat for them if we'd been able to get a Western Australian establishment prioritised over anywhere else in Australia.

Mr Black: That is noted.

Senator McDONALD: Can the department detail the timeline of the audit and approval process, including when the Indonesian audits were conducted, when applications were lodged, and how long each establishment waited for approval?

Mr Black: I'll take that on notice, but in some instances it can be months if not years.

Senator McDONALD: What is the department's projected uplift in beef, sheep and goat meat exports to Indonesia as a result of these five additional establishment approvals over the 2026-27 and 2027-28 financial years?

Mr Black: I think it would be possibly not the regulator's place to comment in terms of uplift. That will come down to the commercial deals that are done establishment by establishment. I note that there are import permit arrangements that are a part of the complexity with the trade into Indonesia as well. So while Australian businesses may have aspirations, and of course they want to export to as many markets as possible, the Indonesian importers will need to have import permit availability in order to be able to strike those deals with the Australian businesses.

Dr Greenville: One of the key things that we look at is providing those options. We will work through these requests and access so that there are options on the table for our exporters.

Senator McDONALD: Do you have a list of accredited live export establishments from Queensland?

Dr Greenville: I don't, but we would have one.

Ms Hutchison: Yes, we would do.

Senator McDONALD: On notice, that would be terrific. I think we've fallen from about 70,000 head to a lot less than that over the last few years in Townsville, and it's really curtailed much of the live export arrangements. That is my understanding.

Ms Hutchison: I don't know whether we have that exact detail in the room today, but we will be able to get it.

Mr A McDonald: I don't have them with me. We can take that on notice and get them to you.

Senator McDONALD: They've just rushed you in from the other room so you can say you'll take it on notice. You need a sign to hold up: 'I will take that on notice.'

Mr A McDonald: It's my area of responsibility.

Senator McDONALD: Well, thank you for doing that. I think we peaked at around a million head of live export cattle a couple of years ago between Darwin and Townsville, and then we lost a number of accredited establishments in Townsville over COVID. It was difficult to get the accreditation inspections. So as we do this other on-notice work for the new establishments, could we also get a list of which yards are accredited and for how many head for Queensland and the Northern Territory?

Mr A McDonald: Yes. You're probably aware that registered establishments are audited by the Indonesian authorities and it's an application process, as Mr Black identified, for processed meat as well as for the live animal export registered establishments. A lot of that is in the hands of the Indonesian authorities and we support their assessment and audit processes. My understanding is there are a few still awaiting those processes, awaiting approvals, but we have a large number of facilities that are currently registered and able to export to Indonesia.

Ms Hutchison: Part of our ongoing work is we do engage proactively and constantly with the Indonesian government to support audits in the country here, noting the importance of that to the industry.

Senator McDONALD: I appreciate that. It would be good to have that list, because I've been getting some mixed messages about why live export's not taken off again in Queensland to the same extent. It might just be prices. The minister has stated, 'The approvals reflect Indonesia's confidence in Australia's halal meat production system.' Can the department detail the specific halal certification, slaughter and processing requirements that Indonesian authorities verified during the audit process? Which Australian agency or body is responsible for ongoing oversight of compliance with those requirements?

Mr A McDonald: We're the agency responsible as the common authority. We oversee the Australian halal assurance program, so we work with the certifiers to deliver that program. In terms of the specifics, I'll take that on notice because it is different depending on which halal market. There are subtle differences. I want to be really correct in terms of the information that we provide to you.

Senator McDONALD: What's the department's current assessment of foot-and-mouth disease and lumpy skin disease prevalence in Indonesia? What surveillance is being conducted at the border on travellers, mail and cargo from Indonesia? How does the expansion of this two-way trade affect Australia's biosecurity exposure?

Ms Anderson: That will be outcome 2. The chief vet and others will be able to answer your question in outcome 2.

Mr Black: Can I come back to you on the five establishments that have been listed?

Senator McDONALD: You absolutely can.

Mr Black: I'm going to use establishment numbers and give you the state: establishment 716 located in Tasmania, establishment 234 located in Victoria, establishment 297 located in Victoria, establishment 2497 located in Victoria, and establishment 007 located in Queensland.

Senator McDONALD: Of course it is. None in Western Australia though?

Mr Black: Not in this instance.

Senator McDONALD: I would really appreciate some sort of understanding of why Western Australia didn't get a guernsey in this.

Mr Black: I'll check to see how many West Australian establishments there are, and if there are West Australian establishments that have put in applications for listing for that market. I'll check that is indeed the case. It may be that there are some. We'll have a look at where they are possibly in the queue and when those applications were put forward. I'll provide it to you on notice.

Senator McDONALD: Yes. I think that is a real priority because they're in a bad way, the sheep meat industry in Western Australia. Despite the government's assurances that the shutdown of the live export trade wouldn't affect sheep production more broadly, it absolutely is. Certainly having assistance with another market through Western Australian abattoirs was, I would have thought, the very least the federal government could do to make up for the shutdown of the trade. I'll come back on foot-and-mouth in outcome 2. Could I turn to the Sugar Code of Conduct, please?

Senator COLBECK: Could I do some Indonesian stuff before you disappear into sugar?

Senator McDONALD: Absolutely.

Senator COLBECK: I'm going back to onions: import quota and permit issues for onions from Indonesia. There were no permits issued to Australian exporters or quota issued in the 2025-26 season. So there's two seasons in a row we've not had any permits issued to us. There's thousands of tonnes going out of New Zealand. I've spoken to two suppliers just today. What is the problem?

Ms Hutchison: The issuance of import permits by Indonesia is something that the department focuses on every single year, and it's something that we raise continuously with the government itself and also in other fora. We, along with DFAT, continue to make representations to the Indonesian government about the importance of timely and reliable issuance of import permits to remain consistent with the Indonesia-Australia Comprehensive Economic Partnership Agreement. This includes advocacy at the ministerial level and through DAFF and DFAT offices in Australia and in Jakarta. We've raised concerns about timely and reliable import permit issuance at the WTO, and this includes the WTO Committee on Market Access in March this year and the WTO Council on Trade and Goods meeting in May also. And we will raise the matter at the upcoming Committee on Import Licensing in June. It is a challenge that we have had with Indonesia and we continue to raise and engage proactively with Indonesia on the matter of issuance of import permits.

Senator COLBECK: This is a market that we've not had any permits or import quota for two years now. What's gone wrong? We've been told, 'If you want us to buy your onions, buy our fertiliser.' Well, we're buying a lot of that. To fix the problem, you need to understand the problem. Do we know what the problem is?

Mr A McDonald: You began this morning with stakeholders' views around the protocol arrangements. That's something that outcome 2 can talk about in terms of the requirements for fumigation and treatment of onions. That has coincided with that period that you identify. It is something that we're working through with our Indonesian counterparts. My colleagues in outcome 2 can talk about their interactions with the relevant Indonesian authorities around that. And then you've got the overlay of those matters that Ms Hutchinson has just taken you through.

Senator COLBECK: Should I infer that there's a connection between the two? This is why I made the point this morning about our being proactive when we were asking questions about how proactive we were with respect to our protocols. The Kiwis have had a new protocol that doesn't require fumigation since 2024. We don't have anything as far as I can understand, or from what I'm being told by industry.

Mr A McDonald: My understanding is that's correct. We do need to do fumigation. That's something that our biosecurity colleagues are working through, trying to find alternatives or get recognition from our Indonesian authorities that such treatments aren't required, but that's an ongoing process.

Ms Anderson: Officers in the next outcome will be able to let you know that we have secured information on the pest lists and other things that other countries are able to use access for, so that we can make a similar case. They can talk to the detail of that.

Senator COLBECK: I was going to come to that, because I did listen to the answer I got this morning, but I didn't want to let a chance go by while we were talking about particularly the import quota and permit issues, which is what we're talking about here in outcome 1.

Ms Hutchison: Correct. We understand the importance of the Indonesian market. We invest. We have two counsellors in the Indonesian market. We've had significant ministerial engagement and high-level representation from the department visiting Indonesia over the last 12 months. To go to your question of whether we are proactive, we are active, engaged, constantly engaging with our Indonesian counterparts directly and through other fora, particularly on the matter of prompt issuance of import permits for horticultural and other commodities.

Senator COLBECK: I went there last week. There was a good level of engagement with them to support our growers here at home. So there's plenty going on, but no onions going on.

Ms Hutchison: We'll continue to work on that challenge.

Senator McDONALD: Further to that question, on Indonesia, is it the case that domestic sheepmeat interests are effectively blocking the issuance of sheepmeat permits for Indonesia?

Ms Hutchison: Domestic in Indonesia?

Senator McDONALD: Yes.

Mr Black: I wouldn't want to speculate as to the challenges associated with the issuance of the permits in that regard.

Senator McDONALD: I'm advised that the issue is not the number of approved Australian processors; it's that Indonesia is not issuing sheepmeat permits. What do you think is the reason for that?

Ms Hutchison: Again, it's the same challenge that we've been talking about. The Indonesian government issues import permits. We have found over several years that the issuance of those permits can be delayed or slow, so we make regular representation about the timely issuance of import permits. As Mr Black has said, to speculate on what's driving that would not be appropriate, but we are aware of the challenges and are continuing to engage actively and directly with Indonesia at all levels around that particular issue.

Senator McDONALD: It's a real problem though, isn't it? We get everybody set up, and they go through the audits—I assume it's at significant cost—but then they're still not able to get a permit to import. Do you think it is a result of the overnight live export shutdown in 2011 that the relationship remains impaired?

Ms Hutchison: I would not speculate on that. Australia has a strong and ongoing relationship with Indonesia, and, as I said, we've had high-level representation both in the department and from the minister in recent months and over the last 12 months. We continue to engage actively, welcoming Indonesian counterparts into Australia as well. So we continue to focus and work on that very important relationship.

Senator COLBECK: Same core problem.

Senator McDONALD: Same core problem—exactly. Do you have any intelligence as to whether other jurisdictions, other countries, are having more success in getting sheepmeat permits?

Ms Hutchison: I don't have that information before me, but I can ask and come back to you.

Senator McDONALD: That would be terrific. Can we turn to the Sugar Code of Conduct consultation now, please. I hope you're excited, because we always look forward to talking about sugar in the north.

Mr Lowe: Likewise.

Senator McDONALD: Tell me: what's the plan? I see the consultation has opened, and I'm encouraging growers and processors to submit.

Mr Lowe: Fantastic. The Sugar Code of Conduct, as you're probably aware, Senator, was introduced in 2017. It sunsets on 1 October 2027—a 10-year code—so it's incumbent on us to undertake a review of the code. That kicked off, as you say, on 5 May. We've got a six-week 'Have your say' process. Hopefully you're aware of that. That will conclude on 16 June 2026. We're really keen for a broad range of input. As part of the review, we'll be conducting targeted in-person and virtual consultations, which will occur mid-year. I think there are some additional things that we're doing as well to engage with the sector.

Mr Denny: Yes. We've been engaging closely with the sector for a period of time, both the growers and the millers. We've also established a reference group with cane growers and millers that will help guide us through the review process as well. It's very much encouraging input and feedback from all parts of industry. When we do a sunset review, we're asking three key questions: whether it should be remade as it is, whether it should be remade with amendments or whether it should be repealed. That's something we do with all our codes of conduct. It's a fairly standard sunset review.

Senator McDONALD: It has been wildly popular, given that it has given a pathway for small growers with limited voices to have a negotiated pathway with millers, who usually have more power and strength in that negotiating relationship. And you know that the code has been tested once and that was a good process.

Senator SCARR: Hear, hear.

Senator McDONALD: So I would absolutely rule out No. 3. Here we go—we could solve a lot of this today!

Senator SCARR: There are only two options!

Senator McDONALD: The only thing that I'm getting issues raised about is this: if you start on the premise that the code is important and it must stay—which would be my view—the second part is that the sugar industry has changed since the code was made and there are now other markets. How do you allow the many and the powerless sugar cane farmers to get access to the new returns from biofuels and sustainable aviation fuels and other products without opening up the code in a way that removes growers' rights?

Mr Denny: We've got terms of reference for the code, which we'll stick to, but I'm sure that's an issue that will be raised with us in the context of those consultations as well.

Senator McDONALD: Terrific.

Senator Chisholm: The other thing I'd say to that is, having been engaged with the sugar review and the industry, I do think that what we're seeing is some better relationships between the growers and the millers that have emerged. I gather you're frustrated about the lack of ability to take advantage of some of those opportunities,

which impacts on sugars and millers equally. I certainly hope that we'll be in a position to take advantage of some of those into the future, and hopefully this process can lead to those relationships being strengthened as a result.

Senator McDONALD: We know that it's government policy to support the sustainable aviation fuel industry, which could potentially be a new and effective market for growers. I think that's it for me on the sugar code.

Senator CADELL: I want to talk about the National Food Security Strategy development. What's the current status?

Mr Lowe: The current status is we're going through a consultation phase at the moment. We've been conducting extensive consultations across Australia on the National Food Security Strategy, recognising that it is a broad matter encompassing a number of different interests. At the same time, you'd be aware that we've also established the National Food Council. As part of that, we're working with the National Food Council to explore a number of the key topics that were ventilated and identified as part of the discussion paper that we put out for consultation in the latter parts of last year. We've now distilled the themes that arose from that discussion paper, and they are published on our website as well. Alongside the consultation process, we're also doing a food system analysis. That's a detailed piece of analytical work to understand the underpinnings of the food system and understand gaps and opportunities.

Lastly, the thing I would add at a high level is we've been very well informed. If there's been one benefit from the Middle East crisis—and there haven't been many—I think it is that we've been able to understand some of the dependencies and implications of a conflict like that for our food security, and we've been able to explore those in detail. As part of that, through AgriFutures, we commissioned Andrew Henderson, who's part of our Agsecure consultancy, to undertake some detailed work on the implications of the crisis on diesel supply chains. His work is broader than that and will canvass a number of other critical inputs, and his work will feed into the national food security strategy as well.

Senator CADELL: That was going to be part of that expansion. Does the length of the consultation mean it is now able to include things we probably weren't thinking of in granular detail after this year?

Mr Lowe: Absolutely. At the second National Food Council meeting, we had a dedicated session on the implications of the Middle East conflict.

Senator CADELL: We've had the discussion paper, and you've had the themes. Is there an updating brief going to the government? Is it ongoing briefs or are we waiting till we've got the work completed before we hand the government ideas and thoughts and papers?

Mr Lowe: We've kept our minister abreast of issues related to the Middle East. As we go along with the national food security strategy, the minister attends all the National Food Council meetings as well. It'd be fair to say that we've also fed, in concert with colleagues across government, our analysis and implications for food security arising from the Middle East crisis into government processes.

Senator CADELL: When we were doing the supermarket inquiry, one of the things that came out—and I don't know how you put it into food security—was that, in some areas, 20 to 30 per cent of edible product and food product is ploughed back in or doesn't meet the sales standards of certain things. How do we look at that in the food security thing? If it was a problem, suddenly the cauliflower with a bit of dirt on it would be very edible as opposed to not saleable. How do we look at that?

Mr Lowe: It's absolutely an on-point question and something we are looking at. In relation to food use-by dates and food—

Mr Denny: Redistribution.

Mr Lowe: And food quality—

Mr Denny: Specification.

Senator CADELL: I don't think it was knocked back for any reason other than it wasn't pretty—its aesthetic, shall we say.

Mr Lowe: That's right.

Ms Anderson: At the most recent Food Council meeting, we had a presentation from Foodbank and OzHarvest. It was very interesting seeing the food supply chain and their observations about food—effectively leakage or wastage of good food at each point. Mr Lowe mentioned use-by dates—not being able to sell produce at farm and, as you say, perfectly edible food in many instances. They have a really good knowledge of that supply chain. It was really useful to hear the different points at which we lose food that could ultimately go onto the market, whether it's price issues or aesthetic issues. That is definitely something within the bailiwick of the food security strategy.

Senator CADELL: How do you measure national food security? We have 'food secure' and 'food insecure'. Is there a rating system? I don't know how you even start that.

Mr Lowe: That's an interesting question. There is an international scheme that looks at countries' food security. I'll defer to colleagues on exactly where exactly we rank.

Mr Denny: The Global Food Security Index.

Mr Lowe: That's the one.

Senator CADELL: Sorry, what is it called?

Mr Denny: The Global Food Security Index. I can't recall exactly where we rank; I don't have it in my brief. There are various measures of food insecurity and different food insecurity surveys. It is probably a bit of a gap though, within Australia, having that really good annual data and a really good measure of food insecurity. That's one of the things that has come out in the work we've been doing and probably something that we will look to as we develop the strategy.

Senator CADELL: If you can supply on notice where we sit on that index, and how that works. Is that done on supply and/or access? We might have a great amount of supply, but we can't afford it or something like that. Is that worked on access for the people or is it worked on supply of the food?

Mr Lowe: It works on a range of different metrics, from memory—on access, supply and food insecurity—and one of the criteria I recollect was whether the nation had a food security strategy in place as well.

Senator CADELL: Right.

Ms Anderson: I think that, in 2022, we were 22nd. We'll confirm that.

Mr Denny: Yes, 22nd.

Ms Anderson: There's no more recent number.

Senator CADELL: Of all countries?

Ms Anderson: Of all of the countries that participated. I think it was 113 or something like that.

Mr Denny: And part of our ranking was the fact that we didn't have a food security strategy. The surveys that are done collect data in different ways. It might be in terms of testing levels of food insecurity or it might be surveys around whether you've found it difficult to purchase food, or accessible food, in the last six months or 12 months—those sorts of questions.

Senator SCARR: Can I ask a follow-up question on that? Are you aware of the attributes where perhaps we were underperforming the other countries?

Mr Lowe: One of them was the lack of a food security strategy, I remember.

Senator SCARR: It was, yes. Full marks! One of the others was the volatility of agricultural production. It had Australia at 44.2, whereas the mean average of all other countries was 68.7. Another area was something close to our hearts, I think: irrigation infrastructure, which had us at 1.4 compared to a mean average of 20.5. And you're right about the policy absence, where we're a bit of a laggard, I think.

Mr Lowe: Whether we agree with the index's final resting place would be another matter.

Senator SCARR: All right. Fair enough. It's interesting though. It's quite fascinating.

Senator CADELL: So am I reading too much—I always read too much. I always believe conspiracy rather than—it's much easier.

Senator SCARR: You had us, Ross! You had us, and then—

Senator CADELL: Are we looking at defining our own method of defining a food security rating? Is that what we're heading towards? I could be right!

Mr Lowe: I wouldn't say that.

Senator CADELL: No. I know I'm wrong.

Mr Lowe: As Mr Denny said, we think that the point around data—and understanding what the key vulnerabilities in our food security are—is that having better data on things like critical inputs is really important to underpin how we assess our food security.

Senator CADELL: There are so many international treaties and agreements in the world. Is there one on food supply and food security—that we're aware of? I thought it'd be pretty important.

Mr Lowe: I'm not aware of one.

Ms Anderson: I suspect there are a range of FAO agreements that we won't recall.

Senator CADELL: No doubt someone knows!

Ms Anderson: Dr Greenville may be able to help us, but I suspect there are a variety of international agreements around those things.

Dr Greenville: Rather than international agreements, the FAO really is the home of international work on food security and insecurity—in the measurement of food insecurity globally and so forth. They have a 'state of the food system' report, which could be one of the ones that you're thinking of. They also do annual reports on food insecurity, how it's tracking, changes, what the key threats are and so forth. So they're really the global institution that's driving that. I know that part of the definition that's been discussed in the food security strategy here is the one that the FAO picks up. It has a number of pillars, which are insightful, around availability, access, stability, agency, utilisation—concepts like: How much does it cost? Can you get it? If you eat it, do you get sick? Those kinds of things—they're all part of it. And the FAO has a broader framework which it uses.

Senator CADELL: There's the old adage: it's hard to improve what you can't measure. We've got that international body, but there are some holes in it. How do we benchmark internally? How do you benchmark food security when the department looks at it?

Ms Anderson: Those are some of the things that this strategy's aiming to do. But I think a really important measure is: do people have access to safe and nutritious food on any given day? That's a really important part of wellbeing that the food industry should support. That would be one factor. But I think that that overarching thing is: are people getting access to the food they should, and is it healthy and nutritious? I think those are the sorts of things we'll be looking at.

Senator CADELL: Do we model trends in agriculture by things like the modelling system that I'm very envious of? Hint, hint! I wouldn't mind playing on it one day!

Ms Anderson: You can come and work in DAFF!

Senator CADELL: Thank you. When we're doing that, do we look at what food security looks like in 10, 20 or 30 years? Are we looking forward with some of the decisions we're making? This isn't a political statement here; I'm not attacking: we have a thing about the offsets taking agricultural land, and we're looking at the impact of that and what that does for food security in the long term.

Mr Lowe: We are. ABARES did some work and some analysis late last year in relation to that and released an Insights paper. Overall, on that specific issue—

Senator CADELL: I'm not specific. I was asking, generally, if we are we looking for it.

Mr Lowe: Yes. That was in relation to offsets, and that found that there wasn't a material impact on food security. Some of the things that we're thinking about in terms of the food security strategy are: what would a food-secure nation look like in 20 years time, and what are things that we need to be thinking about to ensure that our supply chains are resilient? For example, in the context of the Middle East, one of the things that we're challenging ourselves with at the moment is: 'What's the counterfactual? What would we have liked to have had in place to ensure greater food security than we otherwise have now?'

Senator CADELL: So we have the, for want of a better word, best practice, regardless of other policies—just what would be best in the food security world. We're looking at urea right now, so best practice would be that Australia is self-sufficient in urea. Is that the sort of thing we're looking at?

Mr Lowe: For example, with agvet chemicals, it's about ensuring that we've got secure supplies of that. What does resilience look like in that context? What's the balance between sovereign supply—because you can't make everything yourself in a global trading environment. But what are the things that we need to have to assure ourselves that we will have access to those supplies?

Senator CADELL: So those are model supply chains. I think there was a report being done on diesel supply chains, wasn't there?

Mr Lowe: That's right.

Senator CADELL: Has that been handed to the minister?

Mr Lowe: That has been handed to the minister, and there's a summary available on the AgriFutures website. Did we release it as part of the National Food Council—

Mr Denny: I think we referred to it.

Mr Lowe: We do a communique for each National Food Council meeting as well, so it should be accessible via that channel as well.

Senator CADELL: That one's done. Are we looking at any other studies specifically on products other than diesel? What's next?

Mr Lowe: That study includes agvet chemicals. It includes fertiliser. It includes workers. It includes data and digital.

Mr Denny: I think that's all of them.

Senator CADELL: Would biosecurity be locked into all of this as well?

Mr Lowe: Absolutely. It's a fundamental underpinning.

Senator CADELL: Even though that is outcome 2, we can just touch on that. You spoke about nutritional food. As we look at different diets, are trends in the nature of nutrition and dietary things feeding into this as well?

Ms Anderson: Yes, I think that that is a factor. We have representation on the council from someone with expertise in that area, but, obviously, one of the elements will be exploring health and nutrition. The health and nutrition aspects of food security are definitely part of the strategy.

Senator CADELL: You mentioned workforce a second ago. Will this feed—when we talk about best practice—into documents and policy recommendations around workforce training, recruitment, immigration and these sorts of things?

Mr Lowe: We would expect that the findings that we gather from the work on food security would inform us, and we'd look to inform our colleagues who have responsibility for workforce more broadly across the Commonwealth as well.

Senator CADELL: Something that gets me is that, when I was down at SPC, we were looking at all their compliance costs, so their audit on staff and how they can only work so many days in a working fortnight and the audit costs around this—all very good things for Australia. But something they're talking to us about is the challenges for them to be competitive and operate. They can't put an empty tin on the shelf for the price of an imported tin of fruit from overseas. That is a self-assessment—'Yes, I comply.' They don't have the auditors going there and looking at the ethical operation and so many things. Someone else in the area showed us DNA samples of tomatoes that were grown in China but sold as Italian tomatoes because of where they were canned and shipped from. You don't want to throw prices up overnight. If it's so important that Australian food producers operate to this high standard, what are we doing to actually make sure that the food that comes here is at the same standard and not just ticked and flicked? It's very hard.

Mr Lowe: It's a complex area. Certainly it's something, for example, that the Anti-Dumping Commissioner and those trade remedy powers can take a look at if there are egregious examples of dumping.

Senator CADELL: But, in the real world, what are we going to do about it?

Mr Lowe: I don't know if my trade colleagues have any other commentary to offer on that one.

Ms Hutchison: We do have an imported food control scheme that we operate. It goes to elements, but it's about food safety and food standards.

Senator CADELL: I think food safety is entirely important. But it's that operation. There's an ethical thing. There are lower emissions and all the things they're complying with in Australia that don't necessarily have to be complied with in some of our competing nations. How do we balance that without making food more expensive?

Ms Hutchison: That's not a consideration of the Imported Food Control Act; that's a separate matter. There is work going on in the department around food fraud. Our compliance colleagues, who again are part of outcome 2, have been engaged worldwide in conversations about food fraud.

Mr Black: Ms Hutchison talked about the Codex Alimentarius, which is the international food standard setting group. Australia is a very active participant in setting those global standards. Indeed, we host one of the committees that talks about that and I get the privilege of chairing that committee, the Codex Committee on Food Import and Export Inspection and Certification Systems. One of the pieces of work that we're doing is providing global guidance around food fraud. That is a piece of work that, hopefully, competent authorities, like this department, can pick up to help them develop their national food control systems in terms of how you might manage food fraud. Food fraud happens for all sorts of different reasons—usually money—and organised crime can play a pretty significant part in that. It looks at adulteration and it looks at all the different components that I think you were touching on in your line of questioning. Hopefully that guidance will be progressed at the meeting that we're having in Perth later this year. So there is good global work happening.

Senator COLBECK: So honey not being honey and olive oil not being olive oil.

Mr Black: Exactly. Honey and olive oil are classic examples of where there are significant financial opportunities for adulterated product.

Senator McDONALD: How does that fit with Australia's fairly flexible rules on meat definitions and the terminology that you can use to describe packaged plant based food? Does that come into that as well? Does that cover food fraud?

Ms Hutchison: I think that's a slightly different policy conversation.

Mr Black: It's perhaps not for me to comment. The guidance involves ensuring that consumers aren't misled. It's around the safe movement of food but also making sure that consumers are buying what they think they're buying.

Senator CADELL: I'll just wind up this section, knowing we're going to a break shortly. The strategy is due next year. Are we still confident we're going to meet that? Does anything we see at the moment indicate that that will need to be pushed out? Are we happy with where we're at?

Mr Lowe: We think it's really important to take the time to do the strategy properly, informed by current events. We've adapted the work that we were doing to ensure that there were interim inputs to government from the strategy in council process so that the work that was underway could also inform that work as well.

Senator CADELL: This is the last question I have. We mentioned nutrition. I've just had a follow-up from the office. Why is nutrition part of food security? In your words, why is that there?

Ms Anderson: I'm going to defer to my colleagues on that if that's all right. We look at the FAO definition of food security as well. That helps inform us.

Mr Lowe: That's right. We looked at the range of factors that have been raised with us and the range of issues. As part of the discussion paper that we put out, health and nutrition was certainly an area, amongst many areas, that was identified as an element that we needed to focus on as part of the food security strategy.

Ms Anderson: Obviously that has long-term benefits flowing into the health system. Healthy diets lead to healthier people, less demand for health services and all of those good things.

Senator COLBECK: But isn't that more about what's available as a part of the food supply? You can produce all the healthy food you like, but, if someone puts something else in their gob—

Ms Anderson: Yes. And the cost of living and all sorts of things factor into that.

Senator McDONALD: That goes to the money that government has put into cold storage in Alice Springs and those places to try and maintain food security and nutrition.

Ms Anderson: Primarily, we're talking about making sure there are a broad variety of foods—not on any given day necessarily; access to food can vary. Particularly in that healthy and fresh food market, as you've identified, Senator, it's about making sure remote communities and a range of different income levels have access to healthy food. As we know, sometimes healthy food is more expensive than unhealthy food. That's also part of the equation.

Mr Lowe: One of the aspects that's been raised with us by industry is there's a decline in the consumption of fruits and vegetables in Australia, for example, as an industry overlay of health and nutrition.

ACTING CHAIR: Thank you very much. We'll head to a break now.

Proceedings suspended from 16:31 to 16:47

ACTING CHAIR: We are still in outcome 1 with our officials. It is remiss of me not to say welcome to Senator the Hon. Malarndirri McCarthy.

Senator McCarthy: Thank you, Chair. It's good to be here. It's good to see you all again.

ACTING CHAIR: It's good to have you with us.

Mr A McDonald: Senator McDonald, I've got an update to a question on notice I took earlier around the registered establishments for live cattle exports approved to export to Indonesia. There are five establishments. Would you like the names of those establishments? The first one is the Reid River Export Depot. The second one is the Sugarbag export depot. There is the Dalrymple Saleyards, the Central Queensland livestock depot and the Julago cattle yard facility.

Senator McDONALD: That's six.

Mr A McDonald: Sorry, no, five.

Senator McDONALD: Reid River, Sugarbag, Dalrymple Saleyards, CQ live export—

Mr A McDonald: Central Queensland livestock depot and then Julago.

Senator McDONALD: And Julago?

Mr A McDonald: Yes.

Senator McDONALD: You're right; that is five. Sorry.

Mr A McDonald: I'm glad you said that.

Senator McDONALD: Do you have a number for each of those? How many head are accredited?

Mr A McDonald: They don't have volume quotas associated with them.

Senator McDONALD: They used to.

Mr A McDonald: My understanding is not. I will correct the record if I'm wrong.

Senator McDONALD: Would you mind? I said 70,000 before. I think it was 35,000 head at any point. We are now down to three—Julago, Dalrymple Saleyards and Reid River around Townsville. That wouldn't come to anything like those numbers.

Mr A McDonald: My understanding is, as per the conversations we had earlier, import permits are issued by the Indonesian authorities to the importer. They commercially make arrangements with Australian exporters to satisfy those import allocations. Australian exporters can source the requisite cattle from the relevant registered establishments that they need to in order to satisfy those orders.

Senator McDONALD: That is my misunderstanding, then. It was my understanding that each of those facilities had an accreditation for the number of cattle that they could hold there for live export. I obviously misunderstand.

Mr A McDonald: Yes. They have a natural holding capacity that would have a natural effect, yes, Senator.

Senator COLBECK: That would be an Australian requirement rather than an Indonesian requirement.

Mr A McDonald: Sorry, I misunderstood that.

Senator COLBECK: I think we're almost saying the same thing. They have a natural holding capacity, so they would be—

Mr A McDonald: Yes. Just from a physical perspective, you can only put so many cattle in these yards. They have to be prepared to meet Indonesia's importing country requirements et cetera, yes.

Senator McDONALD: You were going to get the Northern Territory for me as well, please.

Mr A McDonald: I will take that one on notice.

Mr Black: Senator, if I may, you asked me which meat establishments were seeking listing or where the establishments seeking listing for Indonesia were based. There are five establishments that have requested access that are awaiting further action by the Indonesian government. Of those five, three are in Victoria; one is in South Australia; and one is in New South Wales.

Senator COLBECK: That is over and above the ones you gave us earlier?

Mr Black: They are the new establishments that have been listed.

Senator McDONALD: Are there still no Western Australian ones?

Mr Black: They are establishments that have sought listing.

Senator McDONALD: There are three in Victoria.

Mr Black: There are five WA sheepmeat establishments already listed. Of the five that are in the system at the moment, none are from Western Australia.

Senator McDONALD: But they might be short of sheep.

Senator COLBECK: Or can't get permits.

Senator McDONALD: No. They are accredited, but they can't get permits, possibly? That's right. Understood. Thank you.

Senator COLBECK: What conversations or consultation is there with DAFF in consideration of the sale of Rushy Lagoon in north-east Tasmania? That is a 22,000 hectare irrigated beef and dairy farm. It goes a bit to the conversation we had at a previous estimates with respect to land conversion. The suggestion is that British forestry investment organisation Gresham House is seeking approval through FIRB to purchase it to grow trees. I know it has the local Tasmanian farmers and the local agricultural community very concerned. It has implications for industry in a couple of ways in the local area. It has a number of big dairies on it. Potentially, the viability of dairy pick-ups into the north-east gets impacted if that milk volume is lost. It also runs a lot of cattle. It has

potential implications for the processing plant at Longford and considerable throughput. What conversations have the agencies that are looking at the approval having with your department in relation to that particular sale?

Mr Lowe: Senator, I want to manage your expectations here. There will be quite severe limitations on what we're able to comment on due to the commercial sensitivities associated with the matter.

Senator COLBECK: I understand that. I can make commentary where you can't.

Mr Lowe: I think due to those commercial sensitivities, I'm not sure there's much more I can say at this point.

Ms Anderson: In a FIRB process we are consulting usually, in a theoretical sense, yes.

Mr Lowe: Yes. Generally in a FIRB process we are consulted. I guess, to build that out, in a FIRB—

Senator COLBECK: Can you say, then, whether there have been consultations? How many consultations have there been? I don't want you to give me advice. I understand your restrictions around that. I want to understand. This is a big property. It is 22,000 hectares. I know you can't give any opinions, but people who I know and trust implicitly with respect to forestry raise genuine questions about the suitability of it to grow trees. It is class 5 land. It is windy as all get-out, which is why there are wind farms there. If I were an investor in Gresham, I would be questioning the investment decision. Fortunately, I'm not. The other implications that it has with respect to agriculture in that region and the potential viability is a set of milk pick-ups. It's at the end of the run. If you take those big dairy farms out, what does it do for the viability of pick-ups right through the system? Our meat processing in Tasmania has diminished significantly already, with most of the sheep going to the mainland to be slaughtered and processed. I don't want to see that happen for beef as well.

These feed into the questions that you are talking to Senator Cadell about regarding food supply security and supply chains and all of those sorts of things. This is a belter of an example of how a significant property can have an impact, albeit local but potentially at a regional level, if the wrong decisions are made. My understanding is that FIRB has pushed the decision back three times. The catcalling I'm getting is that it relates to community concerns. I feel very legitimate in expressing that community concern that is coming to me from the ag sector more broadly in Tasmania. It is those who are farming in the region and wondering what it means for the way they operate their farm. It's a serious decision. I personally don't think it's in the national interest.

I will lay the next bit in. A subsidy from the Clean Energy Finance Corporation—the allegation is that it distorting the market price—is allowing Gresham to bid 30 per cent over the going rate for the property. You've got a number of things going on here that I don't think are in the national interest. Is the department that is being impacted in a policy sense in the tent as a part of the process? That is my question. I know you have limitations.

Mr Lowe: Yes.

Senator COLBECK: Are we being properly consulted? It is having a number of impacts here. There is distortion of the land market. We have explored that already.

Mr Lowe: I do have to be really careful with what I say. What I can say is that ordinarily we would be consulted on matters in relation to foreign investment in agricultural land, and ordinarily we would be consulted on matters with the Clean Energy Finance Corporation as well. They are ordinarily matters that we would be consulted on in a matter like this.

Senator COLBECK: But you can't say to me definitively, 'We have been consulted.' Ordinarily you would?

Mr Lowe: Ordinarily I would. There are strict confidentiality requirements under the Foreign Acquisitions and Takeovers Act that do make it very difficult for me to discuss this in any detail.

Senator COLBECK: I think there's an answer in there. Thank you. I still think it's a bad idea for all the reasons that I've stated. I'll start with a declaration. This goes to funding for ag shows and field days. I declare at the outset that I have the enormous pleasure of being deputy president of the Devonport Agricultural & Pastoral Society. It formerly conducted the Devonport agricultural show, which hasn't been running for a period of time. We'd love to see it back again. In respect of the programs that we've got running at the moment, what's the total funding that we have been provided to support agricultural shows and field days?

Mr Lowe: We have a program called Supporting Regional Trade Events. It's for trade shows rather than perhaps what we might ordinarily describe as agricultural field days. There was an agricultural field days program run during COVID. There are, similarly, some state programs I'm aware of as well. But that program is no longer running.

Senator COLBECK: So that program cycled out as a result of the previous funding allocation coming to the end of its budget cycle and, therefore, is no longer running.

Mr Denny: Yes. There was a previous agricultural shows program and a couple of iterations of that. I don't actually have any information on it now, because it is a ceased program. It ceased at least 12 months, perhaps two years, ago. There was one for agricultural show men and women. There was one directly supporting the capital city shows as well. That program has ceased. However, following that, there was a new budget measure, as Mr Lowe pointed out, which is regional trade events. Under the regional trade events measure—that's where things like Beef Australia and Hort Connections have been funded, some of those significant events.

Senator COLBECK: So they wouldn't ordinarily provide support for a local agricultural show in that sense unless—

Mr Denny: No.

Senator COLBECK: part of the process was to have some form of trade promotion incorporated into it?

Mr Denny: Correct.

Senator COLBECK: Some of the big beef field days that occur in Rocky, for example, where the big beef events—

Senator CADELL: One of the two best cattle weeks in Australia, I'm told.

Senator McDONALD: The best cattle week—

Senator COLBECK: So those sorts of events might garner some support—but not a local community show?

Mr Denny: Correct. All the funding under that current regional trade events measure has been committed.

Senator COLBECK: Effectively, there's nothing there available for agricultural shows now? That program was cycled out a couple of years ago?

Mr Denny: Correct. It was very much a point-in-time response to pressures of COVID.

Senator COLBECK: But the issues of local agricultural organisations still haven't gone away. I can tell you from sitting around the board table. Upfront, I'm declaring a conflict of interest in that sense from a local level, but it's the same in communities all over the country. Bringing agriculture to town, which is one of the features of what these ag shows do, is under real pressure. So, unless an organisation has a specific trade element to it, there's no funding or support available for agricultural shows at all?

Mr Denny: There's no funding program at the moment for new events to be funded.

Senator COLBECK: And the existing funding is allocated?

Mr Denny: Correct.

Senator COLBECK: So there's effectively nothing there at all?

Mr Denny: Correct.

Senator COLBECK: So it really doesn't matter what the criteria are or how you measure economic or social value or anything else because there's no money available?

Mr Denny: Correct.

Senator CADELL: Sorry, mate—that's your deal!

Senator COLBECK: We'll find a way.

Senator CADELL: We might move on. I want to talk about the impacts of offshore wind zones on fishing grounds.

Mr Lowe: There will be, I suspect, potential crossovers with the department of the environment, but we'll endeavour to do our best.

Senator CADELL: I want to get your perspective. From a commercial fishing point of view only, did you ever model the potential impact on fishing catch, both the positives of using them as FADs and the negatives of where you can go? Did you ever see the impact on commercial fishing capture of offshore wind zones?

Ms McCormack: No, that's not something that we have modelled in the past.

Senator CADELL: By declaration, I was obviously out in the Hunter one and raising the concerns of the industry. In the Illawarra, it was the same thing. I hear anecdotal evidence—he-said she-said stuff. Who would be looking at that commercial capture? Would it be Environment? Would anyone have done the modelling, do you think, or not really, on what it would be for food security and agriculture?

Mr Lowe: I'm not sure about modelling per se, but this is a really important issue, as you rightly point out, for commercial fisheries across Australia, one of a number which we've described previously—and this is how the

industry have described it—as spatial squeeze. There has been a process and a project underway for the last year or so called the Futures of Seafood.

Senator CADELL: Yes. That's dealing with 30 by 30 and all those sorts of things, isn't it—30 per cent of maritime?

Mr Lowe: I guess it takes that into account as well, as another kind of pressure on, if you like, the commercial fishing estate. So those issues are being examined there and through that bit of work, which the Australian government supported. I think that project is due to be handed to government in the near term.

Senator CADELL: Basically, all the issues—not just this one but the 30-by-30 reserved areas delineation—will be rolled into Futures of Seafood and treated as one in globo package, not just individual problems and issues. Is that it?

Mr Lowe: That's my understanding, without having seen where the work has got to. More broadly, the issue for the sector that they've articulated to us is resource certainty—having certain access to resources that they can rely on to undertake their commercial fishing interests.

Senator CADELL: One of the great frustrations, they were saying, when it comes to marine park lines, non-fishing zones and all this sort of stuff is that fish don't read maps really well and they tend to migrate. We see their habitats, their food and all that going. Is that all going to be addressed in Futures of Seafood, or is there other work going on?

Mr Lowe: There is other work going on in relation to that as well. It's something we're certainly aware of and something we're seeing: fish stocks are moving in response, in part due to climate, chasing colder water or warmer water depending—so it is something that we're doing work on as well, as a department.

Mr Day: I will confirm that, in terms of taking into account catch and catch data, that goes into consideration for spatial planning. That went into consideration for the offshore wind farm areas and for marine parks.

Senator CADELL: So, prior to the declaration of those offshore wind farms, did you give information to that process?

Mr Day: That was provided by industry and the Australian Fisheries Management Authority, which is appearing tomorrow. There were changes made to some of those wind zones as a result of consultation with the fishing sector.

Senator CADELL: The great difficulty for me when I was looking at the industry going forward was the different rules and regulations: total allowable catch versus quota system versus inshore versus offshore, that three-mile limit and all those sorts of things. What's the interaction with the federal body? When do you look at the food side of stuff? Is there a body that gets together with all the states and looks at some of the frustrations and some of the things for a more harmonious look at it? There were some clear things that I thought were a bit problematic. How does that work?

Ms McCormack: Certainly, state fisheries managers come together with the Commonwealth; that does happen. We have a forum called the Australian Fisheries Management Forum, which meets a few times a year. In essence, that's all of the state and territory fisheries managers plus the Commonwealth. That's where we discuss the sorts of issues that are being faced by different jurisdictions. We also look at some management responsibilities that states and territories might have and that the Commonwealth has as well. It is a place where we can discuss and collaborate where there are opportunities to work together on some of those things or where we might have a shared interest in particular outcomes that we can work together on.

Senator CADELL: That interconnectivity—with no empirical data, I'm not saying this is the absolute truth, but certainly, anecdotally, in Queensland they were telling me the minimum size of allowable shark catch was shrunk down to 1.2 metres. The result was that a lot of shark catches then became unviable, so they stopped catching sharks. Therefore, there was significantly more shark breeding, which meant the offshore fish were actually getting attacked; as soon as they were caught, they were getting—we were killing more fish, but the sharks were hitting more fish, and we weren't catching more fish. Is that where that sort of stuff is connected?

Ms McCormack: Yes, I think, certainly, if, for instance, there were different jurisdictions who had different management arrangements—again, it is a forum where some of those things can be discussed between states. And then, of course, some of that happens independently of the forum as well. Often there will be pretty good engagement between jurisdictions on fisheries management decisions that might happen in one and impact on the other.

Senator CADELL: This is another question on fisheries. I refer to the South Australian algal bloom and a lot of coastal waters within three nautical miles. What was DAFF's involvement in that, looking at fishery stocks, given it was mainly in those coastal waters?

Ms McCormack: Again, as you point out, the fisheries impacted by the algal bloom were fisheries managed by the South Australian government. They really took the lead in terms of management decisions made in relation to those fisheries, including stock assessments and decisions about closures. They were all led by the South Australian government. Of course, throughout that time, we had regular engagement with our fisheries colleagues in South Australia. Of course, the Australian government also provided significant funding, in combination with the South Australian government, in relation to a whole range of response measures that were taken at that time. But in terms of the fisheries' specific management decisions, because those fisheries were mostly in South Australian waters, they're managed by—

Senator CADELL: But did we look at the what-ifs if it had increased into federal waters and other fisheries? I was using it as an exemplar of a new thing that has happened in Australia. It happens in Miami and other parts of the world on an ongoing basis. Did we use it as an example of what would happen if it affected other food stocks?

Ms McCormack: There are a couple of points. Firstly, in relation to South Australia, there is the Commonwealth managed fishery that borders it. There were regular conversations between AFMA and the state fisheries manager at that time. There were some reciprocal closures put in place as a result of those conversations that happened. In a localised sense, they are certainly examples of what happens there. In a more general sense, some of these shared challenges that fisheries managers face no matter where you are in Australia are, again, topics that we look to discuss as part of the Australian Fisheries Management Forum. That includes issues such as the impact of climate change on stocks over the longer term and what that looks like.

Senator CADELL: Something came out of hearing those stories. Drought is similar. It's not a natural disaster per se in the traditional form of requiring a NEMO response, but it wasn't an ongoing hazard like a drought going forward. That is traditionally the states primarily. You guys come in and assist when there is a drought. Have there been any conversations about looking at ongoing climate or hazard incidents like that—not an acute disaster response, but an ongoing hazard response—outside drought for things such as climate events or weather events?

Ms McCormack: Specifically to fisheries, do you mean?

Senator CADELL: Yes.

Ms McCormack: I think, again, certainly the acknowledgement of some of the contributing factors to the South Australian algal situation is something that has been discussed by other fisheries management as well.

Senator CADELL: There was updraft and all sorts of things.

Ms McCormack: That's right. From a South Australian fisheries management perspective, some of the challenges they had is certainly information that is shared with colleagues across other states and territories. Probably the other thing in relation to that is the investment made. At the time, the joint Australian government and South Australian government investment did support a number of things looking at how some of these things are dealt with at a national level in an ongoing sense. A testing laboratory was funded as part of that as well as some additional monitoring work and things like that.

Senator CADELL: I just think that as a government you would be looking sooner or later federally at sustained hazards as opposed to these acute things. I think it's an interesting phase when we get to with change. I might change topics entirely, unless you're—

Senator DOLEGA: Do you mind if I just ask a question?

Senator CADELL: Please do.

Senator DOLEGA: I have a question about the National Statement on First Nations in Agriculture, Fisheries and Forestry. Thanks for coming along this afternoon. I understand the department has undertaken extensive consultation in developing this statement. Can you outline for me the scale of the engagement that you have had with First Nations stakeholders?

Mr Lowe: As you say, there has been significant engagement. I think we're really pleased at the progress of the development of the National Statement on First Nations in Agriculture, Fisheries and Forestry in the context of growing Australian agriculture. Obviously, recently exceeding \$100 billion, we think First Nations agriculture represents a unique, valuable and important opportunity to continue to grow the value and diversity of Australian agriculture. It also represents an important economic opportunity for First Nations to grow agriculture, fishery and

forest enterprises and pursue economic self-determination and enterprising connection with country. To get to your specific question, I will pass to officials to outline the really extensive consultation.

Senator DOLEGA: That would be great.

Mr Denny: I will confirm that the development of the national statement was first agreed by agricultural ministers in March 2024. Since then, we've undertaken and embarked on quite a significant consultation process. That consultation commenced in May 2024 and reached over 500 stakeholders, including approximately 200 First Nations people and the agriculture sector or industry. I think it is fair to say it has been widely supported.

Senator DOLEGA: Was that only First Nations, those industries that you are talking about then, Mr Denny?

Mr Denny: Correct. A range of agricultural industries. Ms Burr might be able to elaborate further on those stakeholders that were engaged with.

Ms Burr: Sure. The agricultural and industry stakeholders that Mr Denny refers to include non-Indigenous representatives. Those representatives came from a number of—

Senator DOLEGA: Sorry, Ms Burr. I'm having a bit of trouble hearing you. Could I get the volume turned up a little?

Ms Burr: Those representatives came from a number of industry representative bodies as well as individual farmers themselves from across Australia from every state and territory. That included the national peak in the National Farmers' Federation as well as their members and state and territory representatives groups as well.

Senator DOLEGA: How has the feedback been from those stakeholders, which is part of the consultation?

Ms Burr: Broadly supportive. In terms of the intent of the national statement, there is broad support for what it is trying to achieve in terms of setting a whole-of-government policy position on greater economic inclusion of First Nations people in the sector. In terms of more of the specifics as to what the draft national statement outlines, there is support for key desired outcomes, including things such as greater employment opportunities, greater business opportunities and greater trade opportunities. So it is seeing it as a win more broadly for the whole sector. As one ship rises, all ships rise.

Senator DOLEGA: Thank you. Can you also give me some information about how the statement will align with the broader government priorities, including Closing the Gap and supporting economic self-determination? I don't know if the minister would also like to comment.

Ms Burr: This work on the national statement does align more broadly with the Commonwealth economic empowerment agenda and the work that our colleagues at Treasury are leading in that regard as well as alignment with the national agreement on Closing the Gap not just in terms of things such as the priority reforms but also in terms of specific Closing the Gap outcomes related to employment and economic development.

Senator DOLEGA: Thank you. Minister?

Senator McCarthy: Thank you. It's really important to be able to hear about the work that the minister is doing in this space with the department and with stakeholders. I would add that the work also complements the ranger jobs we have around the country. We have over 1,000 ranger positions. Many of them are on our coastlines working in the maritime area and the fisheries area. It has been important for those stakeholders to be part of it as well.

Senator DOLEGA: Thank you. Throughout estimates, in my year of being in this place, it has been fantastic hearing about the ranger program. Thank you for the update.

Senator CADELL: Senator Colbeck, do you want to ask about RFAs and the Forestry Growth Fund now?

Senator COLBECK: Can I get a sense of what advice we've had in relation to the rollout of the new forestry practices system and whether or not we've got a resolution to what the new regime is going to be for the native forest sector in the country? New South Wales is very interested. Western Australia is doing some weird things over there by what they call environmental thinning, which is forestry by another name. Where is the new process at under the revisions to the EPBC Act?

Mr Lowe: The work is progressing well. I know my colleagues to the right of me have been working assiduously on this with their colleagues in DCCEEW with Tasmania, New South Wales and WA. We have been engaging with them, as we have mentioned to you previously, Senator, on landscape scale approvals. In relation to Tasmania, they've advised that they are wanting to progress with a bilateral accreditation and a strategic assessment as a fallback. Work with them is progressing well. They've shared information in relation to their regulatory regime with DCCEEW. We're moving into, I guess, a benchmarking exercise, as we've discussed in

this forum previously, about how the EPBC Act requirements align with their current regulatory regime and whether there are any gaps that will need to be addressed.

Senator COLBECK: But do we know fully what the new regulatory regime looks like? I think when we've talked about this before, the conversation has been around effectively using the existing RFA base, if you like. We identify, as you say, what the gaps are. One of the problems with identifying some of them was that we didn't know what the new national standard looked like and whether that created gaps or what the gaps that created were. How far are we from having that new process finalised—the new environmental standard—which becomes yet another overlay on the system?

Mr Lowe: It is obviously something that our colleagues in DCCEEW are progressing. The two most material ones that we've discussed in this forum previously are matters of national environmental significance and offsets. They are currently out for consultation. We do have a good sense of, I guess, what is being proposed in relation to those standards currently. That is a basis for us to work with jurisdictions on in terms of that benchmarking process.

Senator COLBECK: Let's go to offsets and the capacity in individual jurisdictions for that. My home state of Tasmania has 54 per cent of its landmass in parks and reserves. There's not a lot left for offsets. I know that it's a problem for my premier because we've discussed it. What is the story going to be there? What is the penalty, if you like? The standard is going to require something, and you're already exceeding what the standard is. For example, to quite an oft used number, you want to have up to 30 per cent of your landmass in reserves. We exceed that by 24 per cent already. How does that fit in in the context of what the new environmental standard might want you to do? You've exceeded the standard in a whole-of-landmass sense and environment sense. All of these assessments have occurred in my home state of Tasmania with respect to land use forestry. It has been assessed to death. They are increasingly to smaller scale to suit environmental desires to lock more up and kill off the industry. Does the new standard mitigate against that?

Mr Lowe: How I would characterise it is that the new standard and the process that we're going through will recognise the CAR reserve system, for example.

Senator COLBECK: Comprehensive, adequate and representative?

Mr Lowe: That's right. So that, if you like, already existing offset that came about as a result of the RFA reforms is something that will be considered as part of the process that we go through for this EPBC accreditation.

Senator COLBECK: The CAR process, as you say, goes back a way now. There have been further assessments of the Tasmanian estate through a number of different processes since then, which has resulted in further limitations. Is there a definition, or are there definitions, of what those processes might be? You say the CAR—comprehensive, adequate and representative—reserve system. Is that a recognised format under the standard?

Mr Lowe: I might defer to colleagues here.

Mr Bursle: It's difficult to give a firm answer on that, I think, because I suppose the work of determining what the offset is really turns on the benchmarking exercise that Mr Lowe was talking about. We are in the process of talking with DCCEEW officials and Tasmanian government officials to consider how the Tasmanian forest management system operates.

Senator COLBECK: 'Very efficiently' is the answer.

Mr Bursle: I suppose in terms of how it operates against the new draft national environmental standards and the other legislated requirements of the reformed EPBC Act. So it's an exercise in determining what, if any, residual impacts there might be and what might be required in addition to the existing operations of the forest management system in Tasmania to offset that. I suppose it's also worth mentioning, Senator, that there's a mitigation hierarchy, I suppose, in that reservation of land, particularly noting that there has been reservation added since the CAR reserve process was undertaken, as you say, some decades ago. So in the mitigation hierarchy of avoid, mitigate and repair, there are other actions that can also be either done in addition to current operations or acknowledged in the operations of forestry and their environmental contributions in terms of things such as weed and pest management. I guess that's what I'm talking about.

Senator COLBECK: For example, in the last round of heritage listing, 74,000 hectares were put into reserves as part of that process. A fairly significant chunk of that had been forested, some of it clear-felled. So using the definitions that you've just put in terms of repair, the recovery, replanting and regenerating of those could be part of a process supported under the new framework?

Mr Bursle: Yes. Certainly environmental repair is part of the mitigation framework that is built into the draft standard.

Senator COLBECK: I think we've paid some of the environmental groups to go in and use the same forest practices that they complain about when foresters are using it to regenerate some of the areas that have been forested.

Mr Bursle: I will return to the underlying point, though, Senator. The offset required really depends on the intervening work about benchmarking the Tasmanian forest management system against the requirements under the EPBC Act and to determine what, if any, impacts might require offsetting.

Senator COLBECK: So we don't know what they are yet because we haven't finally agreed what the last elements of the standard will be?

Mr Bursle: Well, I think we have a reasonable idea based on the draft.

Senator COLBECK: Well, you've got it out for consultation.

Mr Bursle: The consultation on the draft closes tomorrow, I think. There is a previous draft that has already been published. There is information that we can start the benchmarking process on. Obviously, it's a relatively complex task to benchmark. That work is underway and being led by colleagues at DCCEEW.

Senator COLBECK: The last statement scares me more than anything. What input do we have into that process? As we've discussed here before, you've got organisations such as ABARES, which does the *State of the forests report*. They probably know it and understand it as well or better than anyone else. What is the input of those agencies into that process to ensure that we're not having some ideological overlay thrown at us that is designed to undermine the industry?

Mr Bursle: We're continuing to remain engaged in quite a level of detail. We're part of discussions between the Tasmanian government and our DCCEEW colleagues on a twice-weekly basis about these. It's worth acknowledging that it is a regulatory process and the decision-maker is the environment minister. In a sense, DCCEEW is certainly the lead agency. There will be regulatory processes where our department can't participate fully. But we're heavily engaged in the process. We're also engaged with Tasmanian officials about support that we and ABARES can provide, particularly in terms of data and information and particularly, as you've mentioned, in relation to the CAR reserve.

Mr Lowe: I will add briefly that the 2026-27 budget also included \$28 million over the next two years to support RFA states to implement the EPBC Act reforms as well. Some of that money is for DAFF to support both human resources and the funding to support states work through the relevant RFA reforms as well.

Senator COLBECK: So where does New South Wales sit in all of this? They are probably the other state that has a very significant native forest sector left. Whereabouts are they sitting with respect to their process and their certainty of a future going forward?

Mr Lowe: They are working through, I guess, what pathway they want to pursue and what will best suit them. What has been, again, I think really pleasing has been the level of engagement we have received from New South Wales. We're meeting if not weekly, at least fortnightly, with our counterparts to discuss which way they want to head but also that information sharing is happening in relation to their regulatory system. So that can happen irrespective of which pathway they choose to pursue.

Mr Bursle: If it assists, I will add to Mr Lowe's answer. Just to be clear, while the New South Wales government is considering which pathway they would like to take, they and Western Australia have provided, I suppose, the underpinning information about their systems so that we can, with DCCEEW, start the benchmarking process. The information assessment task is happening while governments are making choices about their preferred option to target for the EPBC Act regulatory process.

Senator COLBECK: I suppose it depends on how different each of the RFAs is. Each of them would have some variation because of their alignment to the environment of each jurisdiction.

Mr Bursle: I think it's fair to say, Senator, each of the RFA's documents is different, but the systems—

Senator COLBECK: The follow-up framework?

Mr Bursle: that sit behind them—the state forest management systems—are very different and have differing levels of complexity. For example, the Tasmanian government has a single regulator and a forest practices system that applies across the plantation forestry, public, native and private native. That is not the same in New South Wales or Western Australia. The systems that sit behind each of the RFAs are quite different. The regulatory assessment task for each of the jurisdictions will be different. I suppose that is why they are on slightly different tracks in terms of considering which is the right pathway for them to progress.

Senator COLBECK: In terms of the new standard, does that drive any additional or different requirements or practices with respect to how the various RFAs will work? You've just described eloquently the Tassie system and how it applies across different forms of forestry and that it is not the same in New South Wales and WA. But does the new system change the way that any of those practices might work? Does, say, the Forest Practices Code in Tasmania, in the way it operates and what it stipulates you should do, force any changes to those particular codes?

Mr Bursle: I guess it's too early for us to be definitive, Senator. Certainly that's a possibility. I'll use the bilateral accreditation approach as probably the cleanest example. That is very much a process where, in the Tasmanian case, it's a process of assessing the Tasmanian system and whether it effectively kind of line by line, in a sense, meets the same standards and will deliver the same outcomes as the EPBC Act. It is a requirement in accrediting that system. If the Tasmanian system presently does not meet all of the requirements of the EPBC Act, there would be an expectation that the Tasmanian system would change to meet that. I suppose there is the possibility in an accreditation model that state systems will be required to be modified to meet the EPBC Act standards, but that's part of the work that we're undergoing now to understand what changes, if any, are required.

Senator COLBECK: So is there support being provided or being considered for the states for that work?

Mr Bursle: Absolutely.

Mr Lowe: And that funding that I mentioned, Senator, includes \$22.5 million to support RFA states to implement the reforms.

Senator COLBECK: Let's go back to national standard, because that is the driver for all of this. What is the time frame for finalising the national standard?

Ms McCormack: We know of the ones that are currently out for consultation at the moment. I think DCCEE had said, actually in estimates earlier this week when they appeared, that they were aiming for mid-year to have those finalised; I think that is right. I guess the standards are at different levels of progress. But for those ones that are firmly well progressed, that is the sort of time line that DCCEE has given in relation to that. In terms of the process that we're currently working through with RFA states, that's around ensuring approvals are in place before the RFA exemption sunsets, which is 1 July 2027.

Senator COLBECK: So that's a hard marker for us all.

Ms McCormack: Correct.

Senator COLBECK: Because if it's not done by then, there's no framework at all to support operations?

Mr Lowe: That's right. The fallback would be coup by coup permits.

Mr Bursle: Perhaps not necessarily coup by coup, but proponent by proponent, I suppose.

Mr Lowe: Yes.

Senator COLBECK: As a part of this process, the RFA system has been tested legally quite a few times over the last 25 or 30 years and been found sound by the legal system on a number of occasions. What work is being done to ensure that we don't get caught up—I'm going to say it—in an inevitable cycle of process because the environment groups who just want to say no to everything and to forestry will do this because they just want to? How do we ensure that this process is as sound as the system that we're moving away from?

Mr Lowe: That is a consideration, absolutely. Senator, the EPBC Act has been subject to significant legal challenge over the years. As a starting point, having those robust accreditations in place we think will deliver as a benefit greater certainty forest industries going forward under one of those landscape scale approvals. Under a bilateral accreditation, as I understand it, it is effectively the Commonwealth under the EPBC Act accrediting the states' regulatory system for managing forests and forestry practices. Effectively, we're saying, 'Great, you get a tick. Your forest management practices and regulatory system are accredited. You have the discretion to regulate in accordance with the accreditation.'

Senator COLBECK: In accordance with the accreditation of your framework?

Mr Lowe: Yes.

Mr Bursle: I will add to Mr Lowe's answer. To be fair, it is quite similar to the RFA. There are many senses in which the RFAs are an accreditation of a state system. The RFAs themselves don't stipulate how forestry is conducted. They are an authorising framework that references a state system.

Senator COLBECK: But the RFA process is a legislated process appended to the EPBC Act or alongside the EPBC Act that supported that utilisation of natural resources under that legislated framework. The suggestion that it was an exemption under the EPBC Act isn't right. It's a legislated framework that requires those working in the

forest industry to comply with the requirements of the EPBC Act but through the RFA process. That's how that worked.

Mr Bursle: Yes.

Senator COLBECK: What we're now doing is transferring that process into the EPBC Act through the new act.

Mr Bursle: It's a little—

Senator COLBECK: Or through a bilateral under the new act.

Mr Bursle: Yes. I think so. The RFAs are referenced within the EPBC Act. Obviously, there's a separate RFA act that sets up that architecture as well. There are certainly many senses in which it's an accreditation-like arrangement that is referenced in the EPBC Act. I suppose there's also a sense—

Senator COLBECK: Look, I am to a certain extent making a political statement here. Even the review of the act talked about an exemption forestry through the RFAs, which I think was wrong. I think the reviewer was completely wrong about the way he characterised RFAs in the review because the requirements that the forest industry has to meet under the RFAs were part of meeting the requirements of the EPBC Act. So there's a misconception that has been created here that has brought us to where we are today. My concern is to make sure that we have, once we settle this process, something that doesn't end up with the industry in the courts, which is undermining the capacity to operate. That is exactly what the environmental groups, which just oppose this philosophically rather than in a science based sense, would like to do.

Mr Lowe: Yes. We would absolutely agree that the RFA framework is a robust regulatory process, as we've discussed in this committee and in previous estimates, Senator, and provides a really sound basis for accreditation under the EPBC Act. Certainly a goal for ourselves and I think the Commonwealth government more broadly is to deliver regulatory certainty to the forest industry going forward.

Senator COLBECK: So Tassie is seeking a bilateral. We don't know the format that Western Australia and New South Wales will apply for at this stage. It would end up being similar, would it not, though?

Mr Lowe: There's effectively three landscape scale approvals that states could choose to pursue. One is a bilateral; two, a strategic assessment; and, three, I'm going to say a bioregional plan.

Senator COLBECK: A bioregional plan is much smaller scale, though, isn't it?

Mr Bursle: It's probably fair to say that WA and New South Wales are really focused on the bilateral accreditation approach and the strategic assessment. I think they are, for each of the states, the two approaches that they are really focused on. I think the regional planning option is less attractive to the jurisdictions in this context.

Senator COLBECK: Okay. I want to go to the growth fund that was announced as part of the changes. We might need ABARES back here because they'll have this number. I want to confirm the current trade deficit on timber products.

Mr Lowe: We'll see if we've got any information on hand.

Senator COLBECK: I know someone who does.

Ms Anderson: I will leave it to David. He is more competent. We do have some value figures, not volume.

Mr Galeano: Go for it. I'll have to look it up. If you have the numbers there, go for it.

Ms Anderson: Okay. I have a value figure of \$2.9 billion for exports in 2024-25 and \$6.8 billion in imports in the same year.

Senator COLBECK: So \$2.9 billion for exports?

Ms Anderson: Yes. And \$6.8 billion for imports.

Senator COLBECK: And \$6.8 billion for imports.

Ms Anderson: Let's see if that matches David's number.

Mr Galeano: I thought I had it here.

Senator COLBECK: So that's close to a \$4 billion trade deficit?

Ms Anderson: Yes.

Senator COLBECK: My notes told me \$2 billion. It has blown me out of the water. That has deteriorated significantly?

Mr Lowe: That includes, I should say, paper and paperboard products as well.

Senator COLBECK: Okay.

Mr Lowe: Your numbers might just—

Senator COLBECK: We don't do that much of that.

Ms Anderson: No. That's right. It will be a bit distorted. You may have more raw products figures.

Senator COLBECK: If we can refine it to wood products, please.

Mr Galeano: I've got imports for 2024-25. If we go through the different categories, round wood is only about \$1 million of imports. Sawn wood is \$471 million. Miscellaneous forest products is \$1.3 billion. Engineered wood products is a bit over \$1 billion. After that, we go into paper and recovered paper, pulp and woodchips. Probably those categories I read out are the main timber type categories.

Senator SCARR: What was the first number you gave?

Mr Galeano: Round wood. Round wood is only \$1 million.

Senator SCARR: Round wood?

Mr Galeano: Logs. A very small amount, yes.

Senator COLBECK: We send more than that out. Don't worry.

Mr Galeano: This is imports. We import more sawn wood and then engineered wood products.

Senator COLBECK: Where does veneer come from? Where is that coming from?

Mr Galeano: I would have to go to another dashboard to find that. I can find that out for you.

Senator COLBECK: No. Round wood is whole logs. I was curious whether that might be coming from, say, South America, where they are growing Australian trees and sending them back to process here.

Mr Galeano: May well be. I can look it up for you, if you like. I can give you the export figures.

Senator COLBECK: Yes.

Mr Galeano: Round wood is \$308 million. Sawn wood is \$77 million. We have miscellaneous forest products, which is things such as oils—tea tree oil, eucalyptus oil and those sorts of things. That is \$153 million. Engineered wood products is about \$40 million. Again, we get into paper and pulp and those sorts of things. Woodchips is quite a big number—\$1.1 billion. So the total for exports I've got is \$2.9 billion. I hope that matches with the secretary's. Thank God!

Mr Lowe: Because you supplied it.

Mr Galeano: Total imports is \$6.8 billion.

Senator COLBECK: So everybody's numbers are the same. We just need to take paper out of the imports, basically, to get to a net for wood. Still, it is \$4 billion all up.

Mr Lowe: Yes.

Senator COLBECK: Which is significant.

Mr Galeano: I will see if I can figure out that \$1 million of round wood for you as well. Carry on with your questions and I'll come back to you.

Senator COLBECK: Thank you. Are there any restrictions on the growth fund in terms of what it is permitted to invest in, say, with respect to native forest timber? So we can invest in facilities that are upgrading their equipment for native forest processing?

Mr Lowe: Yes.

Senator COLBECK: So no restrictions on that versus plantation?

Mr Bursle: I can refresh my recollection. My recollection is that there are two components, Senator, under the Forestry Growth Fund. There is \$150 million from the National Reconstruction Fund. My recollection is that the act for the National Reconstruction Fund includes a prohibition against native forest product related to native forest logging.

Senator COLBECK: So there is \$150 million in concessional finance to modernise processing across the industry delivering through the National Reconstruction Fund. The National Reconstruction Fund has a prohibition against supporting native forests?

Mr Bursle: Yes. Product from native forest logging; I think that is the language of the act, but I can double-check that for you. But my recollection is that the act includes a restriction in relation to native forest logging.

Senator COLBECK: So that \$150 million in concessional loans is about as useful as an ashtray on a motorbike for the native forest industry if you're not allowed to use it.

Mr Bursle: I guess it is the degree of connection to native forest logging.

Senator COLBECK: And the other \$150 million of the \$300 million is about workforce, which is not necessarily a problem; we need that. It is to improve workforce health and safety, support community wellbeing and lift productivity. Effectively, what we are saying is that we can't do any work that will support the processing of timber from native forests?

Mr Bursle: No. Sorry, Senator. I've given you the wrong impression there on the limits of the NRF's investment capacity. That relates to the logging itself. My understanding is that the processing of product would still be in scope within the NRF. That question is probably best directed to the National Reconstruction Fund Corporation and the department of industry to give you a technical answer, as it's their legislation.

Senator COLBECK: Is it possible for you to take that on notice and confirm for me, please?

Mr Bursle: Yes, certainly. Just to be clear, the remaining \$150 million is still subject to design. The government has given an indication of where it would like to focus its investment, which absolutely includes investment in the processing sector. We're in the process of consulting with industry and worker groups and states and territories about the targets of that \$150 million. That will be subject to a decision of government about how we use that funding predominantly through grant programs. So it's certainly not all reserved for workforce. I forgot the other example you used, Senator.

Senator COLBECK: Improve workforce health and safety, support community wellbeing and lift productivity. There's a range of things you could do in there that would meet that. Are there any restrictions on that with respect to native forest harvesting? Making sure you have good workplace health and safety in that part of the industry is also important.

Mr Bursle: No. As I said, that component of the Forestry Growth Fund is still subject to design, so we're still working through what the focus of that investment will be.

Mr Lowe: It would be fair to say, Senator, to give you some insight through consultations that we have been undertaking on that component of the fund, that innovation and scaling up manufacturing has been a theme. As you mentioned, support for workforce training has been a theme. Investing in the plantation estate has been a theme. Addressing competition of imports through illegal logging laws has been a theme as well.

Senator COLBECK: Well, all of them are clearly important elements. If I look at the values of a forestry system and I'm making a comparison between native forests and plantation and I'm looking at that in a value sense, I'm going to choose a native forest based system on most occasions because it's better for water quality. It doesn't use any chemicals. It is basically an organic forestry system. It is better for biodiversity and carbon storage. It doesn't matter what value you pick; they are the values that a native forest regime brings to you. Plantation brings a consistent and reasonable value source of fibre for paper and things of that nature. In some circumstance if it is managed well over a decent growth cycle, you can get some timber out of it, depending on the species. We understand pine and all of that. Again, in terms of the values that I think people, if they understand them, would want, a native forest based regime does a whole range of things that are of genuine value, yet we continue to get it undermined by those who philosophically rather than scientifically want to stop the industry. In terms of the second \$150 million, when is your time for finalising the arrangements for that?

Ms McCormack: At the moment, as my colleagues have outlined, we've undertaken a fair bit of consultation on that with a range of different people, including from industry and others and state government officials as well. We're in the process now of bringing together that and, I guess, tightening up some of the design considerations for particular grant programs that might support a number of those objectives we talked about. That will then be subject to a decision of government to decide on those final parameters. We're working as—

Mr Lowe: It's not far away.

Ms McCormack: Yes. We're working as quickly as we can through those processes.

Senator COLBECK: Is the release of it dependent on the finalisation of the processes that are going on with the states?

Ms McCormack: In terms of the EPBC Act processes, do you mean?

Senator COLBECK: Yes.

Ms McCormack: No.

Mr Lowe: No.

Senator COLBECK: So that funding can effectively start to flow as soon as the grant processes are finalised?

Ms McCormack: Yes, that's right.

Senator COLBECK: So we should expect to see some of that start to move in this next financial year?

Mr Lowe: Yes.

Ms McCormack: Yes.

Senator COLBECK: So none has gone out the door yet of that \$300 million?

Mr Bursle: No. The NRFC has funding available, but it is my understanding that no facilities have been entered into yet.

Senator COLBECK: Do you know if they've received any applications, or should I go to Industry to ask for that next bit?

Mr Bursle: Yes. They would be best placed to give you an accurate answer, Senator.

Ms McCormack: They opened to applications on 20 April.

Senator COLBECK: Okay. There is a requirement under the National Reconstruction Fund not to support anything to do with native forest harvesting. Am I characterising that correctly?

Mr Bursle: I'm just checking the legislation now. Yes, that's my read, Senator. It relates to primary production and harvest, not downstream processing.

Senator COLBECK: That's a legislated element of the act, or is it part of the regulations?

Mr Bursle: I believe it's in the act itself, not in the regulations. Again, it's not our legislation. It is probably best to ask DISR.

Senator COLBECK: This comes back to a sentiment that I've expressed here a number of times about how this agency is listened to by other departments. Why are we legislating against a legal, highly and very well regulated practice, particularly when you compare it globally, and restricting its access to government programs? Philosophical question, I know. I can't ask you for an opinion. The minister might like to give me one or not. It just doesn't make sense to me that we are legislating against an industry that, as we've discussed, has a highly regulated framework that it operates under. It beats most places hands down. Look at the timber that we're importing. I bet a lot of it is coming from jurisdictions that don't have anywhere near the level of forest practices and regeneration that we do. It's no different to the conversation we had earlier with one of our friends from the Greens about sugar being grown in West Papua with Australian technology.

ACTING CHAIR: Senator Colbeck, we might need to rotate shortly. We do have a bit of a programming update as well for the officials. How are you traveling with your questions?

Mr Bursle: In section 63 of the NRFC Act, it includes the requirements. I've just checked. I'm not wearing my glasses, but it's in the act.

Senator McCarthy: Senator, the only contribution I would add to that is that Minister Collins met with the Tasmanian minister, Felix Ellis, recently.

Senator COLBECK: I saw him prowling the halls here last week or the week before last.

Senator McCarthy: She certainly reiterated to him that she wants to see forestry operations continue in Tasmania under the new arrangements. This is the same message that Minister Watt has also provided to Tasmania, if that assists.

Senator COLBECK: Thank you. That makes my last complaint more salient. We are saying that we want to continue to do this, but then we go and legislate. You go and legislate an industry from accessing a program that's designed to support industry in the country. Do you have a sense of to what proportion the growth fund will reduce the reliance on imported timber products? Is that something that the success or otherwise of the operation of the fund will be measured against?

Mr Lowe: I think it's fair to say it's something that we would certainly have in view. We discussed in this committee, I think at last estimates, the imports of engineered wood products, for example. It's an element of our industry that we're seeking to support to grow. We see that there is strong potential for our industry in that space. Through those themes, such as innovation and scaling up modern manufacturing, we would be seeking to grow the capability of Australian industry to produce more products like those. Obviously, there's that theme about addressing the competition of imports through illegal logging laws as well.

Senator COLBECK: Look, that's an important framework. I think the work that we've done over the last decade and a half in that space has been really important and good. But you have to have access to resource here.

The whole thing is all about how if we don't have access to resource, you can't replace anything with anything. I suppose that would be my point—making sure that we retain access to resource. We definitely need to grow our plantation resource; there's no question about that. But the native resource will give us a better environmental outcome from that anyway. Maintaining access to it is critical.

Mr Lowe: These new technologies and the modern manufacturing processes also enable, I guess, parts of the forest estate and parts of the harvest to be used in structural timber and those sorts of things. They previously weren't able to use them. It utilises the forest estate more efficiently—

Senator COLBECK: Are you getting higher yield?

Mr Lowe: and for a higher value purpose as well.

Senator COLBECK: I would rather solid timber than glue and timber. Anyway, that is a personal preference as a chippie from way back. Thank you, Chair.

ACTING CHAIR: Thank you for that, Senator Colbeck. We will keep moving, if that's okay. Before we move to our next senator, I will give a quick programming update. We are due to go to the dinner break at 6.30 pm tonight. In the interests of trying to stay light on our feet, we are going to move to half an hour dinner break instead of an hour. We will come back from dinner at 7 pm. We are trying to work pretty hard to get outcome 1 wrapped up by dinner. There is no pressure, Senator Scarr. I believe in you, as a fellow Queenslander.

Senator SCARR: I would like to cross-examine someone at the table about page 42 of Budget Paper No. 2.

Ms Anderson: I think Mr Geysen is lurking out in the waiting room. I might ask him to come in. Feel free to start asking questions.

Senator SCARR: I will give you a bit of introduction. This is the table entitled 'Securing the future of agricultural trade'. It sets out the provisions made by the government over the budget year and estimates period. There is some commentary in relation to charging for export regulatory services.

Ms Anderson: That is probably more Ms Hutchison, but Mr Geysen may be able to help us as well.

Senator SCARR: For the benefit of the *Hansard*, I'll read the particular section. It says as part of the \$77.1 million provision that is being made:

- \$8.2 million in 2026–27 to maintain export regulatory services, with revised cost recovery arrangements for these services deferred to 1 July 2027 in recognition of the disruptions being experienced by farmers and producers due to the conflict in the Middle East.

First, I will ask you the basis for that provision. Why is that provision of \$8.2 million being made? What does it relate to?

Mr Geysen: Through MYEFO, the government made a decision to return export cost recovery to the full cost over a period of time. So it was a staged uplift. The first year of the difference of the increase, government was looking to cover 75 per cent of the uplift. So the \$8.2 million represents the 25 per cent that would have been proposed to increase on 1 July 2026.

Senator SCARR: Okay. I'm going to do some reverse engineering here. You are the right person, as chief financial officer, to help me. Eight point two million dollars represents 25 per cent of the annual sum, so 100 per cent of the annual amount is four times \$8.2 million, which is \$32.8 million. Is that correct?

Mr Geysen: It sounds correct, broadly, yes.

Senator SCARR: The total sum—that \$32.8 million figure—is the figure for?

Mr Geysen: The \$32 million?

Senator SCARR: The \$32.8 million is the total amount?

Mr Geysen: That would have been the full-year uplift increase.

Senator SCARR: The full amount of the uplift or the full amount? That is what I'm trying to get back to—whether or not we're talking about uplift. What is the total? Do you understand what I mean?

Mr Geysen: That would be the difference between what the department is currently charging versus if it were at full cost recovery.

Ms Hutchison: I think there are three things to take into account, Senator. For a number of years, the department has been under-recovering the full cost of services. The decision in MYEFO was to return to full cost recovery in a stepped way. So the department has been recovering an amount of cost for cost recovery. Over a four-year stepped increase, the government was intending to increase the prices by 25 per cent in year 1; 50 per cent in year 2; 75 per cent in year 3; and 100 per cent in the fourth year. So on 31 March this year, the minister

announced to the industry that the government had decided not to increase prices at all in year 1—so in 2026-27. So that first step up that was 25 per cent of the gap would not occur. That money reflects that gap. So the government would have been supplementing 75 per cent of that, but they will now supplement the entire amount for year 1.

Senator SCARR: So the \$32.8 million is the gap?

Ms Hutchison: Is the gap.

Senator SCARR: The existing gap?

Ms Hutchison: Correct, yes.

Senator SCARR: What percentage of the total amount is the gap? Do you understand what I mean? What is the total cost?

Ms Hutchison: We do have that.

Senator SCARR: Do you understand what I'm saying?

Ms Hutchison: I do understand what you are saying.

Senator SCARR: You are not recovering the total cost. At the moment, there's a gap by increments. Initially, it was proposed as increments of 25 per cent. Over the course of four years, you would bridge the gap so there was 100 per cent cost recovery.

Ms Hutchison: Correct.

Senator SCARR: My question is: what is the total amount that is being spent on the provision of these services today without the gap being covered?

Ms Hutchison: The full value of the cost recovery is around \$190 million.

Senator SCARR: So the full amount is \$190 million.

Ms Hutchison: In that order. The reason for not going directly to that number is we've got seven export cost recovery arrangements. We've got numbers split out across those seven arrangements. All together, the value of the export cost recovery arrangement is in the order of \$190 million.

Senator SCARR: Is it provided anywhere how that \$190 million is broken down in relation to the seven areas?

Ms Hutchison: Yes, it is.

Senator SCARR: Is that public?

Ms Hutchison: It is. What we have in the public domain currently, Senator, is seven cost recovery implementation statements for this financial year, 2025-26. What is also in the public domain is seven consultation or draft cost recovery implementation statements. They were released in February this year. We undertook consultation on them. They are currently in the public domain.

Senator SCARR: They are in the public domain.

Ms Hutchison: They've been subject to consultation. We've undertaken direct engagement with industry over the course of the consultation period. We're now in the process of finalising the cost recovery implementation statements that will be published before 1 July 2026 this year.

Senator SCARR: This year?

Ms Hutchison: Yes.

Senator SCARR: So what is not in the public domain?

Ms Hutchison: The finalised CRISs for 2026-27 are not yet public. The draft ones are. But the finalised cost recovery implementation statements are not yet.

Senator SCARR: Have they been finalised?

Ms Hutchison: They are in the process. They are in the final stages of being finalised.

Senator SCARR: So what is left to finalise them?

Ms Hutchison: We need to finalise the CRISs and we need to finalise the legislation that will give effect to the price increases within those documents.

Senator SCARR: Okay. Thanks for that. It helps me get my head around this. I'm looking of this figure of \$9.6 million in the table above the commentary. Of the related receipts, there is a negative impact of \$9.6 million. I'm trying to marry that up with the \$8.2 million.

Senator CADELL: That's insane.

Senator SCARR: That was my observation, Senator Cadell.

Mr A McDonald: He's sharp.

Senator SCARR: I hope no New South Wales five-eighth is as sharp as that tonight.

Mr Geysen: Senator, I may need to take on notice the actual specifics. The \$9.6 million that you are referring to was the adjustment to the receipts. So government won't be recovering that. That represents the 25 per cent that we would have recovered next financial year that the government has agreed not to recover.

Senator SCARR: So why isn't it—

Senator CADELL: Is it cost recovery or cost recovery plus the amount?

Mr Geysen: I'll have to check the reason for that, Senator. It may be just the volumes have been updated since the receipt estimate was put in at MYEFO to when it was actually updated.

Senator SCARR: You see the obvious question it raises in our mind. This is the issue that has been raised by industry—farmers and producers—this concern of whether it is a genuine cost recovery model or whether it will enter into the domain as a tax by being something over and above a genuine cost recovery model. When I see that discrepancy between the \$8.2 million and \$9.6 million, which was observed by my friend from New South Wales Senator Cadell, who will be—

Senator CADELL: Otherwise known as the winner.

Senator SCARR: He will be a friend until kick-off.

Ms Hutchison: Senator, the cost recovery model—

Senator SCARR: Why the discrepancy?

Ms Hutchison: There is a Commonwealth government charging framework that the department is required to adhere to in setting up the cost recovery arrangements.

Senator SCARR: Okay.

Ms Hutchison: So the cost recovery arrangements are designed and we are required by government to ensure that they recover the minimum efficient cost of delivering the services. They cannot be set to over-recover or collect a tax. If it costs us \$50 to deliver a thing, we recover \$50.

Senator SCARR: I understand that is the concept, but there is concern that in reality when these charges are levied they are going to be over and above cost recovery. That concern is underlined by the discrepancy between these two numbers. During the course of this evening, can someone find out why there is the discrepancy?

Ms Anderson: This may be an obvious point. In the context of us under-recovering at the moment, I think we're very far away from applying any taxes. I do appreciate that particular discrepancy there.

Senator SCARR: Secretary, I appreciate that comment, which provides me an opportunity to ask you a question.

Ms Anderson: Sure.

Senator SCARR: Clearly, the government recognises that it's tough at the moment for farmers and producers. There is a reason why that 25 per cent uplift was deferred for 12 months. I will quote from the budget papers:

... in recognition of the disruptions being experienced by farmers and producers due to the conflict in the Middle East.

So there is a recognition, it seems to me, in terms of the delay of the 25 per cent uplift, that times are tough out there for our farmers and producers. Even that incremental cost of 25 per cent, and that uplift of 25 per cent to bridge that gap, will have an impact on our farmers and producers. The government recognised that needed to be delayed because of current circumstances. Do you recognise that, Secretary?

Ms Anderson: Absolutely. I think in the context of the significant uncertainty created by the Middle East crisis, that's what drove that decision. We've supported that. We're now implementing it through this additional arrangement with the supplementation we've received.

Senator SCARR: I think Senator McDonald has a follow-up question.

Senator McDONALD: Because so many farmers and graziers are really feeling the squeeze of capped prices and increasing costs of production, they are constantly looking for ways to be more efficient. They are adopting technology with no subsidies. You know the story. What is the department adopting to reduce its costs, because cost recovery is one thing? Are the costs always sharp? Are you adopting technology? Are you looking at

processes and whether or not there can be streamlining, remote inspections and all that sort of thing to try to reduce costs?

Ms Anderson: Absolutely. I definitely acknowledge that we do have a responsibility to drive down costs, just like anyone in business does as well. We have a range of improvement projects underway and that have been underway over many years. Some of the benefits of them in a financial sense haven't been realised simply because other costs have gone up. There have been ICT projects and other things to ensure that we are delivering our services more efficiently. But in a context of higher prices, inflation and other things, some of that has been a bit swamped in recent years. But they are still ongoing. I think one of the clearest things I heard since starting, Senator, is that I need to look at this in the department. We will be putting in place, in addition to the things already underway, a bit of a cost recovery uplift process that will make room to fund and support so that we can give everybody a bit more certainty and clarity over what is going on and capture what is being done and give more information to industry about that going forward.

In the context of the export cost recovery arrangements in particular, Senator, we will be establishing a unit to support ongoing regulatory efficiency processes. We are still developing that at the moment. I expect early in the new year and by next estimates we can come back to you on how we've set that up. We think it's important for industry too to have a place to go to put their ideas to us on further efficiencies.

Senator McDONALD: I think that's right, because industry has got plenty of good ideas. At the same time, I see in the budget papers that there is a significant amount of money—\$71.1 million over four years—to fund overseas forums on trade and travel and what not. It is always good to have measurements around how much business comes out of those trade deals. Is that a good use of money when at home people are struggling with margins?

Ms Anderson: Yes. Just to be clear, that is not just to fund a whole lot of travel and diplomacy in the area. Most of it is technical market access. It supports our counsellors. It supports, I guess, the technical discussions and processes that give life to trade agreements and other things. So industry is quite supportive of that funding. Most of that is appropriation funding rather than drawing on industry costs.

Senator McDONALD: Yes.

Ms Anderson: Of course, we then put in place these arrangements and, I guess, provide a regulatory service in order to support exports. I think it's one big cycle. That part of the work is an important part of the cycle. But we don't necessarily charge for all of that. There are some elements of that we do charge for. Mostly, we charge for the things that deliver direct services. I think it is one cycle. All parts of that cycle are pretty important. I made a point earlier that we have a responsibility to continually ensure that we are looking for efficiencies and seeking ideas for efficiencies from industry as well.

Ms Hutchison: I would add to that there are examples. For example, we can streamline processes. You mentioned that industry looks at either technology or business processes or where to take costs out. We've done things like reducing the fees incurred by exporters for sending, collecting, printing and maintaining bilingual paper certificates. We've got a significant program of work underway around electronic certification and engaging widely with trading partners around the world for electronic certification for exports and for imports; and phasing out the use of manual processing for non-genetically-modified organisms and plant export certification to 37 countries. We can put some estimates on these that would number in the hundreds of thousands of dollars of savings for bringing 532 paper certificates down to 33 for paperless exchange, for example. We are improving biosecurity; streamlining and aligning legislation; adopting a risk based approach; and aligning our activities with market access. We talked earlier today about the work going on to get export facilities and sending rendered product back into Indonesia, for example. So we do have examples of direct programs and projects that have been underway over multiple years and direct engagement with industry to look to streamline, automate and remove costs. We will continue to do that in a very methodical way, as outlined by the Secretary.

Senator SCARR: In terms of this deferral, you are deferring 25 per cent of the uplift that was going to occur over the course of the next financial year by 12 months. Does that mean the first year when you start to get uplift recovery it will be 50 per cent of the uplift?

Ms Hutchison: Correct.

Senator SCARR: It's going to be twice as much that year than it would have been in one year. So farmers and producers are going to get a double whammy in the first year. Is that correct?

Ms Anderson: I wouldn't say it's a double whammy. They will still get the additional year with the lower costs, Senator.

Senator SCARR: But—

Ms Anderson: The jump will be higher.

Senator SCARR: Well, it's going to be twice as much in the uplift.

Ms Anderson: It would have been 25 per cent and it's still going to be. It's just we are supplementing in the meantime, Senator.

Senator SCARR: But when the uplift—

Ms Anderson: So we're not recovering the loss from this year; I guess that is my point.

Senator SCARR: I understand, Ms Anderson. When it is introduced—

Ms Anderson: It will be lifted.

Senator SCARR: Why didn't you just push the whole recovery out by a year so that you still had that graduated increase—25 per cent, 50 per cent, 75 per cent, 100 per cent—instead of doing in three years what you were proposing to do in four?

Ms Anderson: I think because of the particular circumstances of the deferral related to the Middle East. I think that was the purpose. Ultimately, it was the decision of government, Senator, to take the delayed introduction but not move out the whole profile.

Senator SCARR: Okay. Do you accept, Ms Anderson, that this year it is disruptions arising from the Middle East but in the follow year it could be weather disruptions? It could be other global market pressures. We have heard the issue with respect to, say, the sugar industry and what it's facing in terms of new competition out of West Papua that seems to be facilitated by our own research. Do you accept that these challenges occur every year? This year it's the Middle East. Next year it could be weather.

Ms Anderson: Absolutely. I think my job as secretary of the department is to deliver these services. The policy of multiple governments has been cost recovery in this area. We are moving to implement that without the supplementation that we've recently received. I guess my only response to that is I need to make sure that we are continuing to deliver those services efficiently. Everything else is a policy matter. That has been the longstanding policy of government—to recover these sorts of services.

Senator SCARR: I have one more question, perhaps, before dinner.

ACTING CHAIR: I have deep faith in you, Senator Scarr, that we will be on time.

Senator SCARR: Thanks. I have faith in our team, Chair. I want to go to the micro level. We have been speaking at the macro level. What safeguards do you have in place or how do you ensure that the uplift doesn't disproportionately impact smaller producers and smaller farmers as opposed to average agribusinesses that may be better able to absorb the uplift?

Ms Hutchison: The premise is to charge people what it costs to deliver the service. We've got two main ways to do that. One is fee for service. If I require a certification, I come out and certify for you. It is on demand. How much we charge you will be dependent on how much of our service is used.

Senator SCARR: Sorry to interrupt. The issue with that is if I have less production that still requires the same service, I have less production to carry that cost compared to someone who is producing far more. How do you address that issue?

Ms Hutchison: The cost recovery arrangements are quite detailed.

Senator SCARR: That's good.

Ms Hutchison: It wouldn't surprise you to know that. We have regular engagement with industry through what we call industry consultative committees. How we design the cost recovery implementation statements, how we distribute charges between fee for service, how we take account of big versus small, and people who might be ad hoc exporters versus high-volume exporters is subject to discussion and negotiation in those consultative committee arrangements. One example is that when the final cost recovery implementation statements are published, there will be some changes between what was in the consultation CRISs as a direct response to feedback from industry about what the balance of those charges should be. So we're well aware of that. We work hard to work with industry and within the rules we're given to try to set up the balance of the cost recovery arrangements to limit the disproportionate effect of them. So it's very much on our minds, Senator.

Mr C McDonald: There are some provisions in the pricing that allow for smaller operators. There is a small horticultural products discount, if you like. There are also different charges for registration based on the tonnage that a business exports. They are some of the arrangements that are in place.

Senator CADELL: Just before we go, there was a question earlier about invasive species, which is outcome 2. Before we release officers from outcome 1, we want to confirm that it is outcome 2.

Ms Anderson: Yes, invasive species is outcome 2. I don't know what your question is.

ACTING CHAIR: Thank you. That brings us to the end of outcome 1. We can release officers from outcome 1. We are now at the dinner break.

Proceedings suspended from 18:33 to 19:04

ACTING CHAIR: We are now moving into outcome 2. I thank officers for joining us for outcome 2.

Senator CADELL: I want to talk about white spot control. Can we get a list of the current white spot control zones, please?

Dr Smith: The white spot control zones, as we discussed in the last estimates, haven't changed.

Senator CADELL: Haven't changed?

Dr Smith: Haven't changed. They amalgamated those two in New South Wales, and that has been the last of those changes.

Senator CADELL: How many containers of uncooked prawns and failed testing has there been in this financial year, 2025-26, so far?

Dr Smith: I would have to check. We do assurance testing for those. I will take on notice the actual numbers.

Senator CADELL: There are still some failing?

Dr Smith: I can get some information for you on that quite quickly. From memory, I think the previous compliance rate was in the order of about 98 or 99 per cent. Those that weren't compliant were not unreleased and either re-exported or destroyed, depending on what the importer wanted to do under our legislation.

Senator CADELL: Someone may be looking out for you who is in another room. How many boxes didn't pass this time compared to last year? Which of those numbers are available?

Dr Smith: I'll see what I can do, thanks.

Senator CADELL: Has the department formed a view or given any advice that we should be relaxing biosecurity controls on white spot at the moment? Are we seeing that we're getting over it?

Dr Smith: We haven't relaxed any of our white spot requirements.

Senator CADELL: You haven't given advice that we should?

Dr Smith: No.

Senator CADELL: A concern raised by operators is that we are hearing that there will be an outsourcing of white spot to country of origin rather than in Australia. Is that going to happen? Is industry correct on that, or is that not true?

Dr Smith: At the last hearing, we discussed the fact that we had released in November 2025 guidelines for evaluating overseas pre-export testing programs. This was looking at whether there could be equivalence for testing overseas. As I think I explained to Senator McDonald at the time, this is just guidance. A series of evaluations and processes would have to be in place should a country ask for that assessment to be undertaken. Only as we did that assessment and we deemed that it was equivalent to our onshore testing would we consider putting it in place. But a lot of steps would need to happen for that to occur. All we've provided is guidance. We've had requests from importer countries. We are required to look at equivalence measures. We provided some guidance on that.

Senator CADELL: You have had requests from importing countries to do that? How many?

Dr Smith: We have had requests from countries to look at these. I would have to give you the numbers. I will take that on notice to give you the numbers.

Senator CADELL: Have any progressed beyond inquiry? Have any started the process to get equivalency?

Dr Smith: No.

Senator CADELL: Given that we're still getting one or two per cent historically, I think, from your numbers just then, do you have a view on whether mandatory or random testing is the way to go on white spot?

Dr Smith: Under our import requirements, we have a range of measures. Some of them will be around sourcing from facilities or premises that are free from the disease. We have had that thoroughly checked. What we then do as well on that is we still do an assurance program, where we go and test batches to doubly confirm at the border whether they are compliant.

Senator CADELL: Batch check from free countries. What about prevalence?

Dr Smith: We are testing only those batches that are coming in in accordance with our import conditions. We still have to assess the competent authority to make sure that they can meet our requirements. When and as we test for them, we are checking to see if there is any presence. Presence doesn't mean live virus per se. It could be material. We would make a determination saying it doesn't meet our requirements. It would then have to get destroyed or exported. But all of the measures we have in place manage those risks really carefully. This is just about making sure they are still appropriate.

Senator CADELL: I understand. You specified the difference between free importing countries and importing groups where white spot doesn't exist. What is the difference where white spot does exist? Is there a higher profile of testing for those countries? Is it not mandatory? Is it still random? Is it still batch testing?

Dr Smith: What we would require, as far as our requirements, is that they must come from a premises that is free from those diseases. A whole series of health certifications give us confidence that we're not going to import white spot into the country. Of course we don't want to. There are a whole range of conditions under our prawn import risk analysis and conditions, one of which is that we've had them thoroughly checked and tested. Everyone has had opportunity to provide comment on those. We've had them independently verified. They are the same conditions we have now.

Senator CADELL: Could you table those guidelines? Are they publicly available on a website or something?

Dr Smith: Yes. I will double-check. We certainly gave a version of them to the Australian Prawn Farmers Association, for example. That material is not of a protected nature. I'm happy to provide it.

Senator CADELL: Okay. Australia has never successfully gotten rid of an invasive species or disease, be it fire ants, varroa mite or anything like this. What are the prospects for white spot in Australia? Are you looking at that?

Ms Saunders: I will correct the record. There has been very successful eradication of invasive species into this country. I have some figures that I can access in just a moment. You have referred to a couple in particular. Red imported fire ants are still the subject of an eradication program, which the Commonwealth is heavily invested in. You have spoken about varroa. That's true; we have transition to management. I want to correct the record that we haven't had any success in dealing with invasive species. This country has actually been very successful.

Senator CADELL: I'm not aware of any we've got rid of.

Ms Saunders: I will check.

Senator CADELL: I'm happy to be corrected.

Ms Anderson: Equine influenza is one of them.

Senator CADELL: Yes, okay.

Ms Anderson: That is off the top of my head. There are others as well.

Ms Saunders: I will hand back over to Dr Smith to answer your specific question. I will come back to you on those figures.

Dr Smith: I have my good folks getting the compliance rates. The 2024-25 border compliance rate was actually 99.75 per cent. We don't have box numbers. We would have to get that detail within the system. I wouldn't be able to get that to you straight away.

Senator CADELL: On notice is fine.

Dr Smith: Yes.

Senator CADELL: I am getting the context of all of that. I am happy with those details on that.

Ms Saunders: Senator, I will come back to your question with regard to finalised emergency responses. I am happy to table this list, if that's helpful.

Senator CADELL: Just table it if it is big.

Ms Saunders: We can table it. I am sure I have figures in my head that since 2015 we have eradicated about 28 invasive species.

Senator CADELL: Diseases?

Ms Saunders: The figures are quite high. I will still come back to you.

Senator CADELL: How many haven't we?

Ms Saunders: A small number. Once again, I have to track down those figures. I will come back to you as I get that information. I have a list here that I will provide. I haven't done the maths on this.

Senator CADELL: I may have misspoken; I apologise. It would be the difference between a pest versus a disease.

Ms Saunders: Pests and weeds. Apologies. I will correct that.

Ms Anderson: Invasive species would be the baseline.

Senator CADELL: That would be my misspeaking.

Ms Saunders: But I understood your question, Senator. I will firm the figures.

Senator CADELL: We might go to the commercial fishing ban, if I can. Was the department consulted before the Western Australian government introduced its commercial fishing ban on 1 January?

Ms Anderson: I think we have the wrong outcome. That is outcome 1; I'm sorry.

Senator CADELL: Not a problem.

Senator SCARR: I have been given these by a colleague. I think you will be able to guess where the colleague emanates from when I ask the first question. I want to talk about the continuation of deer management in South Australia. What forward estimates have been allocated for the continuation of deer management, particularly in South Australia and Tasmania, as well as the critical coordinator roles for feral pigs, cats, deer and rabbits that support farmers managing invasive species across tenures to achieve efficiencies and drive down populations in this budget?

Dr Vivian-Smith: I will start with feral deer, if I may.

Senator SCARR: Sure.

Dr Vivian-Smith: Then we can talk about the other species that you mentioned. There is a national feral deer action plan in place. It runs from 2023 to 2028. It's a collaborative plan between government and non-government organisations to manage feral deer. It is very much national in focus. To help deliver that program is the National Feral Deer Coordinator, who is based in South Australia. That's Dr Jane McKenzie. The coordinator works closely with PIRSA, where she is based, to deliver functions across Australia. There is a program of work that is in South Australia. The Commonwealth is funding the coordinator program until October 2027. We've invested \$8.7 million in feral deer related projects under the Supporting Communities Manage Pest Animals and Weeds program.

Senator SCARR: I'm sorry to interrupt. Is it possible to break that down into how much would be spent in relation to activities in South Australia? Is it possible to break it down on a jurisdiction basis?

Dr Vivian-Smith: Yes. I do have that breakdown. We've got \$500,000 allocated, which is focused on eradicating feral deer from the peri-urban regions of the national containment zone within South Australia. This involves coordinated effort to suppress or eradicate a number of small satellite feral deer populations before they spread further. It is focused on the Clare Valley region. It aims to protect horticulture and critically endangered threatened communities. But that's not the extent of the programs that are occurring in South Australia. Because these are established pests, it's a shared responsibility. State and territory agencies have the lead responsibility for established pests. There is a whole lot of on-ground work that is going on regarding feral deer within South Australia and elsewhere.

Senator SCARR: Again, I want to make sure I do my colleague justice. In terms of the forward estimates, is there a similar figure you can give me to the half million dollars, noting the caveats you have provided?

Dr Vivian-Smith: We are contributing to the coordinator position until October 2027 as well.

Senator SCARR: Until October 2027. What happens after October 2027?

Ms Saunders: We note that it is a shared responsibility, Senator. We will work with stakeholders about what next steps are and whether there is a requirement to continue the coordinator role. I suspect that there will be a view of stakeholders that there needs to be one. Of course, from a Commonwealth perspective, that will be the subject of prioritisation by government and will be the subject of budget considerations.

Senator SCARR: Thank you. That deals with deer. My colleague asked me to ask some questions in relation to other pests—feral pigs, cats and rabbits—in South Australia. Can you give a similar summary?

Ms Saunders: Would you like a similar summary for each of those, Senator?

Senator SCARR: A similar summary, yes.

Dr Vivian-Smith: In terms of feral pigs, again, we have a national feral pig action plan, which helps coordinate activities across the country. The Australian government has been providing funding support to

Australian Pork Limited to host the national feral pig management coordinator. That is Dr Heather Channon. She supports the implementation of the feral pig action plan.

Senator SCARR: Where is she located? Queensland?

Dr Vivian-Smith: No. I don't think she is based in Queensland.

Ms Saunders: Perhaps we will take that on notice, Senator.

Dr Vivian-Smith: Yes. We can take that on notice.

Senator SCARR: Sorry, that's a football reference. Sorry, we're a bit distracted.

Senator CADELL: Chair, there's no bullying allowed in Senate estimates.

Senator SCARR: Perhaps you could take it on notice to provide as much granularity as you can in relation to the deer, feral pigs, cats and rabbits to the extent you can over the forward estimates with respect to South Australia. The deputy secretary provided the insight that just because the funding comes to an end doesn't mean that's the end. There's obviously going to be engagement with the relevant state or territory. Correct?

Ms Saunders: Correct. I would also like to put on the record that whilst they are important activities you are referring to, there is a range of other activities that we support across the Commonwealth both by ourselves and the department of the environment in addressing invasive species. I'm happy to share it with the committee also.

Senator SCARR: Sure, please.

Ms Saunders: I'm happy to do that. Before I do that, so I don't forget, I will come back to Senator Cadell's question about responses. Since 2015, there have been 28 responses funded nationally. Twenty-three have been eradicated, and five have been found not technically feasible to eradicate.

Senator SCARR: So which are the five?

Ms Saunders: I can tell you that too. My apologies if my pronunciation isn't correct.

Senator CADELL: I've read some of them.

Ms Saunders: There is the Macao paper wasp in the Cocos (Keeling) islands. We have Panama disease. They sound terrible, don't they? There is chestnut blight, tomato and potato psyllid complex and the giant pine scale in Victoria and South Australia.

Senator SCARR: It sends shivers up your spine.

Ms Saunders: Indeed.

Senator CADELL: Where are the current ones at, such as varroa and fire ant and polyphagous shot-hole? Where do they fit?

Ms Saunders: I'm looking at the time frame for these. This is 2015 to 2025.

Senator CADELL: Both those things were here, but they are not on that list at all.

Ms Saunders: I should have been clear from the outset, Senator, that is 2015 to 2025. They've occurred during the financial year 2025-26. Is that correct?

Senator CADELL: No. They were both there before that.

Senator COLBECK: Varroa definitely was.

Ms Saunders: Transition to management? My apologies.

Senator COLBECK: Varroa arrived in 2022 or 2023.

Dr Vivian-Smith: Some time ago. The varroa mite transition to management just completed in late February this year. There are still some ongoing administrative matters, I think, with that program. Polyphagous shot-hole borer also transitioned to management more recently. So they are not completed.

Senator CADELL: They are not on either column because of that?

Ms Saunders: That's exactly right.

Dr Vivian-Smith: Yes.

Senator SCARR: And the fire ants?

Ms Saunders: Well, that's still an eradication program, Senator, so we still have an objective of eradicating by 2032.

Senator CADELL: The emus beat us in the Emu War.

Ms Saunders: Senator, I will go back to your earlier question. As I said, there are a range of other measures that we have in place to address invasive species. There has been a great deal of interest in this area. I thought it

was really important to just flag, as I said in my earlier comments, that we do have a world renowned biosecurity system and continue to experience more significant feral pests and disease incursions than many comparable countries. The government remains firmly committed to maintaining a strong and sustainable national biosecurity system. It has invested more than \$2 billion in additional biosecurity funding since 2022. That includes, in 2023-24, a sustainable biosecurity funding package of more than \$1 billion over four years, with more than \$260 million per year ongoing. This was touched on much earlier in the day. The funding base for biosecurity in particular remains stable at approximately \$928.6 million in 2026-27 and \$888.8 million in 2027-28. That reduction between those years primarily reflects the planned completion of tranche 1 of simplified targeting and enhanced processing systems projects. My point is that whilst there has been some reprioritisation—you have raised some points with regard to particular activities coming to a natural conclusion and needing to be reconsidered—there has been a significant and ongoing investment in biosecurity. We are actually very well positioned as a country. The key for me is that biosecurity operations have not been impacted by the recent budget reprioritisation. No biosecurity activities have ceased as a result of these changes.

Senator SCARR: To what extent do you consider things, from a South-East Queensland perspective in particular, such as fire ants? Our acting chair is nodding sagely. They just keep expanding out and out from the areas where containment was trying to occur. It has just been a steady increase. To what extent do you consider at some stage we need some surge funding to try to get on top of this so that in 10 years, when whoever is sitting around this table asks you about the position with respect to fire ants, it can be on that list of eradicated species?

Ms Saunders: There are two parts to your question, Senator. The first point is that you talk about expansion. Whilst it has been very public that there have been incursions that have been identified coming out of the containment zone—I will refer to my colleague with regard to the specifics of the number we have—there actually hasn't been an expansion. I think if you were to ask questions of the program, you would find that it continues to be effective. There have been some challenges within the suppression area—within the horseshoe that we've described to the committee before—with regard to the eradication zone. Within that, there have been some pressures on suppression. Certainly Queensland has indicated that they are looking to explore with national partners the potential for additional funding to support that activity. We note that the eradication will be effective if suppression is also effective within the eradication zone. Firstly, there hasn't been an expansion. There certainly have been some incursions that have been identified outside that zone, which have been managed and responded to very well by the program. Yes, there are questions in relation to the budget and whether additional funding would be required to support suppression. That would be the subject of consideration when the Queensland jurisdiction actually prepares the next response plan for the NFAEP program, which will then be considered by all stakeholders.

Senator SCARR: It is a fascinating area. There is a tipping point. I don't know what the term would be in terms of the management of these invasive species. Presumably, they reach a tipping point when it transitions to that list. We don't want that to occur.

Ms Saunders: Senator, we're absolutely committed to eradicating this. This committee has heard several times before about the cost of NFAEP if this isn't eradicated. So that's our intent.

Senator SCARR: My colleague asked me to broach this. In terms of the demarcation of operations, if you like, under the coordination agreements, including with respect to the threat abatement plans for the national deer coordination, is there a general rule with respect to who pays for what?

Ms Saunders: I think this is a good point, because this issue has become conflated with regard to Commonwealth, state and industry responsibilities. There is some variation there. Think about the Commonwealth's role. We have specific responsibility nationally for prevention, interception and emergency response coordination while the states and territories and land managers retain primary responsibility for the on-ground management of established pests and weeds. They are the general lines of accountability. What we do have is a variation of measures based on consultation with those stakeholders who have an interest. It is a shared responsibility, so what you'll see is variation. For example, I know one of the coordinators is funded by industry. The wild dog coordinator is funded by industry. In the case of deer, that has been—

Dr Vivian-Smith: Largely contributed to by the Commonwealth. But it varies depending on the actual pest. In the case of red imported fire ants, because it is under eradication, it falls within a different kind of cost sharing model, where the Commonwealth pays 50 per cent clear cut. The states and territories each pay a component.

Ms Saunders: Just to be clear, that's an emergency response. They are nationally cost shared arrangements; all of them are. Even then, the formula that is applied is considered by stakeholders in the response. As I said, established pests and weeds is predominantly the responsibility of the states.

Senator SCARR: Ms Saunders, you're giving me lots of confidence, I must say.

Ms Saunders: Good.

Senator SCARR: You're all over this. Can I take you to rabbits?

Ms Saunders: Please.

Senator SCARR: What funding is being provided to rabbit biocontrol research?

Ms Saunders: So the project cost is approximately \$4 million from 2025 to 2029. We have only over recent months agreed to pursue national cost sharing for this project. There were discussions in February this year. I understand most governments have secured their contributions. Once again, it's a shared responsibility. There is a proposed co-investment from the Australian government. I didn't quite get to this in my earlier comment. As I said, this is not just about DAFF's contributions; this is about how we contribute as a Commonwealth. In that regard, we have \$2.6 million being contributed by DAFF, CSIRO and MLA.

Senator SCARR: What programs in particular are being funded for rabbit biocontrol research? Can you give us some granularity with respect to what it is intended to spend that money on?

Dr Vivian-Smith: Ms Saunders just outlined the forward work program. It is still being settled at the moment. That will give us this rabbit biocontrol pipeline for the future. In terms of current investment, we've got support—it is about \$1.265 million—invested in rabbit biological control related projects.

Senator SCARR: How much in South Australia?

Dr Vivian-Smith: The biological control program is largely seeking new agents, so it's more of a national focus rather than state based focus.

Senator SCARR: Sure.

Dr Vivian-Smith: What will work hopefully in—

Senator SCARR: The rabbits aren't different between South Australia and Queensland.

Dr Vivian-Smith: South Australia will work elsewhere. There's \$500,000 to CSIRO, which is part of the DAFF contribution to this next phase. CSIRO is also contributing \$515,000 to monitor rabbit viruses to inform the potential rabbit biological control agents. We've also provided to June 2027 \$250,000 to CSIRO to continue to monitor the rabbit viruses that are circulating in Australia to inform both the potential rabbit biological control agents and inform how it's working across the landscape and where to deploy the current viruses.

Senator SCARR: Okay. I have been asked to ask a question—

Dr Vivian-Smith: So there's one other—

Senator SCARR: Sorry, there's more?

Dr Vivian-Smith: There's \$200,000 also co-invested with the Centre for Invasive Species Solutions. That supports the national rabbit coordinator program to help with supporting best practice of wild rabbit management. That is an important co-component, because we can't simply rely on biological control as a silver bullet for rabbit control. We need to use a range of different measures.

Senator SCARR: Okay. What funding has been allocated—it might fall within one of the categories you just outlined—to the rabbit biocontrol accelerator program research? I'm not sure if it's a reference to a specifically named program or it's just a generic catch-all which might fall within what you just outlined.

Dr Vivian-Smith: Senator, there are quite a few different components of work. They have slightly different names. I'll have to take that one on notice.

Senator SCARR: Take that on notice; that's fine.

Dr Vivian-Smith: I haven't done my homework on that.

Senator SCARR: I want to ask a question about the environmental biosecurity project fund. Does that require anyone else?

ACTING CHAIR: No.

Senator SCARR: As I understand it, following the budget, the environmental biosecurity project fund has remained at the level of \$850,000. Is that correct?

Ms Saunders: That's correct, Senator.

Senator SCARR: Why there hasn't been any increase in the amount of that fund given inflationary cost impacts et cetera?

Ms Saunders: As I mentioned earlier, Senator, because there's a range of measures in place to measure the risks that particular funding is available for. I'm happy to go through what they are, if that assists you, Senator. I think the general point is that we believe that currently the Commonwealth contribution through a range of measures, not just by ourselves but DCCEEW, CSIRO and others, is adequate to manage the risk.

Senator SCARR: Okay. Let me put it to you another way. I'm trying to get my head around it. What you are basically saying, as I understand it, is that you can't ringfence that amount of \$850,000 and consider it in isolation?

Ms Saunders: Exactly right.

Senator SCARR: You have to consider all the other programs around it and look at it from a global perspective. Is that correct?

Ms Saunders: That is correct, Senator.

Senator SCARR: I will ask a question about the position of chief environmental biosecurity officer.

Ms Anderson: She is sitting right here.

Senator SCARR: I was asking the question and thought: 'This is going to be embarrassing. How do I lift my head and read the very small type?'

Ms Saunders: I think I introduced her as CEBO. My apologies; I used the acronym.

Senator SCARR: How am I expected to read that? Lovely to meet you, Dr Vivian-Smith. I will ask the secretary. Secretary, this position has been, as I understand it, elevated to a first assistant secretary level position.

Ms Anderson: That's right.

Senator SCARR: Why was that decision made?

Ms Anderson: I'll ask Ms Saunders to help. I think it was in response to a review that indicated we should elevate that role. It was a reflection of the significant responsibilities. She can correct me if I have that wrong.

Ms Saunders: You've answered very eloquently, Secretary.

Ms Anderson: That's good.

Ms Saunders: I think it was happening in parallel. I don't think we were necessarily reliant on the review. It's certainly an observation coming into the role. It previously was a FAS position before I came into the department. Certainly I note the incredible importance. When we look at biosecurity risk, we wanted to make sure we had a very strategic view to the future risks and emerging risks in biosecurity. We note this is a consideration across all of our biosecurity work. Certainly as a department we felt it was important that we reelevated the position to a FAS so we could get the necessary strategic leadership that was needed.

Senator SCARR: I think that's a wise decision. I have been given confidence in terms of the answers I've received today. Dr Vivian-Smith, what is happening underneath you in terms of the structure beneath you? Has there been a change in that regard as well in terms of ASL allocations?

Dr Vivian-Smith: No, Senator. It is remaining stable. We've met much the same function that it has had. It has increased over recent years. As I get my feet under the desk, I will be reviewing the structure. If I need to make recommendations regarding capability or other changes, I can make those recommendations. Senator, we do work really closely with our colleagues across biosecurity group in biosecurity animal and biosecurity plant. The expertise that we draw on is really very much across the group. Environmental biosecurity covers a plethora of different pests and diseases and different types of expertise and different types of work. So we try to tap into that as much as we can.

Ms Saunders: I will add to that. Dr Vivian-Smith is bang on in terms of the importance of this role but also that it is a little different to the other chiefs that we have. Not only is there a requirement to work across and tap into the capabilities of resources across the division and across the department; it also has a collaborative partnership relationship with DCCEEW.

Senator SCARR: Who are the other chiefs?

Ms Saunders: We have them here today. We have our chief plant officer.

Senator SCARR: By section.

Ms Saunders: And we've got our chief veterinary officer.

Senator SCARR: I don't need them to come up to the table. I don't want to cause a brawl here. What are the different staffing levels beneath each of the chief positions?

Ms Saunders: They all vary based on the nature of the business undertaken. There are some nuances with regard to the responsibilities and priorities of each of the chiefs.

Senator SCARR: Okay. I want to be very careful with my questioning in this regard. So you've only gotten your feet under the desk. How long have you held the position?

Dr Vivian-Smith: Since 18 May, Senator.

Senator SCARR: What was your position before then?

Dr Vivian-Smith: I was the Australian chief plant protection officer. I have a background in invasive species.

Senator COLBECK: Potatoes.

Ms Saunders: That's right.

Dr Vivian-Smith: Yes, Senator.

Senator SCARR: Do you have any initial impressions you want to give us in terms of whether or not you need more ASL numbers?

Ms Saunders: We could probably do with more, Senator.

Dr Vivian-Smith: It's too early to make any specific recommendations. We're always very busy and we can always do with a few more.

Senator SCARR: Okay. Congratulations on your elevation. The last few questions relate to the impact of fuel costs. Presumably, a lot of this work dealing with invasive species is on the ground and in the air trying to track what is happening and engaging in practices that are addressing the issue. How is that impacting in terms of budget allocations? You have those cost increases in diesel and jet fuel and whatever it is.

Ms Saunders: As soon as we became aware of the potential risks arising from the Middle East crisis, it is something that we began closely monitoring, almost day by day and week by week. At this stage, there has not been any impact. But if we do see increases in costs going forward for an extended period, that will have an impact. That hasn't materialised yet, but we'll monitor very closely and we'll obviously continue to reprioritise and support where the highest risk is.

Senator SCARR: Okay. So potentially it is something under a watching brief?

Ms Saunders: Absolutely.

Senator SCARR: If the Middle East situation continues and fuel continues to be at high levels, there will need to be reconsideration as to the capacity to undertake the activities that you currently undertake. Is that a fair summation?

Ms Saunders: That's correct.

Ms Anderson: To be super clear, the sorts of things that are done in this area would be on the higher priority list. We would look at those things such as diesel usage across the whole department. We would not be cutting into on-the-ground responses, although in this instance many of those are done by the states and territories. Another part of Ms Saunders's business is a whole range of operations at the border as well. We would always prioritise them and absorb any cost increases. It's not that we wouldn't do those things. It is just that they would cost us more. That would mean I have to find other resources to support that and prioritise to support it.

Senator SCARR: Okay. That's comfortable. Thank you, Secretary.

Senator McDONALD: I want to continue the discussion on feral pigs. Senator Scarr is a good Queensland senator. He is smart, thoughtful and nice to people. I didn't get any of that. I want to talk to you about what is actually happening on the ground with feral pigs. There are 26 million pigs. They continue to explode. They are a massive problem everywhere I go. If I drive up to a water bore, they are in the troughs. In the rainforests, they are eating turtle eggs and cassowary eggs. Down south, they are carrying Japanese encephalitis. This is an incredibly serious problem. I want to shout out to the work of Heather Channon as the feral pig coordinator and all of those people, but we're not seriously putting any effort into it.

I want to talk about the measurements of success for the department. Secretary, you said that we have a great record on biosecurity. I don't know that I agree. That's not a criticism of anybody. It's just our reality of a massive continent and a massive coastline and animals who arrive and go, 'Yippee', with no major predators and everybody is soft and squishy and delicious. We don't get rid of them once they arrive. Pigs is something that there's a great deal of enthusiasm for shooting. When I go into regions, I say, 'What are we doing about pigs?' They say, 'We've got to get rid of them, just not all of them, because what would we do on the weekends?'

Ms Anderson: Just to clarify, when I was talking about biosecurity successes, we were talking about the management of exotic pests both at the border and the range of things Ms Saunders talked through in terms of successful eradications. I appreciate that biosecurity for people in rural Australia means a lot more than just the exotic pests. It is the range of endemic pests. There is complete recognition I think on our part that these are significant losses to productivity on farm across the board. So there's no denial of that.

I think we have a vexed issue of the federation that we need to talk about. I know no-one really likes talking about it. But the issue is most of these things are the responsibility of the states and territories to manage. Where the Commonwealth gets involved, we coordinate, we do strategies and we provide funding for coordinators. The actual on-the-ground work is mostly done in the states and territories. It has always been a consistent challenge for us. I think people want the Commonwealth to step up and take responsibility for everything, but the reality is that we can't do that. We don't have the resourcing. We're actually the regulatory leaders and the other things to do that. I will just say that by way of overarching comments. I don't want to diminish, and I don't want you to think I'm diminishing, the impact of some of those issues on producers because I well understand, having had some feral pig chasing in my youth as well. I will ask if the team wants to add to anything in relation to our involvement with pigs in particular.

Ms Saunders: In terms of impact—I will probably defer to my colleague to share more of that with you—as the secretary said, this is a shared responsibility. Certainly we are responsible at the border with regard to dealing with specific pests, weeds and diseases. If you consider feral pigs, I guess the point is that it is a shared responsibility. We have a national feral pig action plan to reduce the impact of feral pigs. It has been an agreed plan by the states, territories and industry. It was agreed in October 2021. I don't actually have the plan or reporting against it to be able to tell you what it has delivered in terms of impact. You would probably get a better sense than me, Senator, from your engagement on the ground about how impactful that is. All I can really share with you today, though, is what the Commonwealth government is contributing to that work. I don't think that goes to the heart of your question with regard to outcomes. Certainly the Commonwealth has made a contribution. I can talk through the dollar figures that are contributed, but I don't think that addresses your question.

Senator McDONALD: So yesterday or the day before—it all merges a bit—I went into the environment and communications committee and asked them questions about what they are doing to protect native species, particularly turtles and cassowaries. They said, 'Feral pigs—you'll have to go and talk to agriculture about that.' So they are putting money into protecting native species, but they are not putting any money into helping you or the states eradicate feral pigs. I'm listening carefully. I understand everything that you are saying. But if we're not reducing numbers, then we're failing. We're really good at admiring the problem and providing some coordination and a website. We'll keep talking about it. I don't know how we're going to turn our minds to actually clearing areas of pigs. When I was a younger woman in the Channel Country, the army went in and shot wild cats. They did a great job and kept their eye in. They probably used a lot of bullets. It was a really great program as far as protecting native species and pulling the numbers back. I just don't know. I don't want to keep coming to committee hearings and discussing that we're not making any progress and continuing to talk about it as if we are.

Ms Saunders: I'm happy to take on notice and come back to the committee with regard to what impact the action plan is having. It will require consultation with those lead agencies. In this instance, you are talking about the Queensland government. We'll engage with the Queensland government about their views on the impact of the actual plan and what more could and should be done in that regard.

Senator McDONALD: I'm sorry to interrupt. I suggest you also talk to Environment and prise some money out of their cold, dead hands. They are spending billions of dollars on protecting the Great Barrier Reef but not a cent goes into stopping feral pigs digging up river streams and putting sediment into it and killing turtles and whatever else.

Senator COLBECK: And blaming farmers for it.

Senator McDONALD: And blaming farmers for it while they are at it. If there's not a coordinated strategy, the money is wasted. You are more practical and focused than other departments, I would suggest. That would be a program that I think would be worthy to talk about—getting money out of departments that have lots of money and doing some practical work.

Ms Saunders: Certainly DCCEEW does have funding particularly which considers invasive species.

Senator McDONALD: I've just been over at that committee. They don't think pigs are a problem. They don't consider dealing with pigs.

Ms Saunders: I want to get some visibility in terms of the Commonwealth contribution. I want to point out, though, that there is \$3.87 million invested in projects and \$7.7 million in multispecies projects, including pigs.

We also have \$2 million invested in Indigenous pest weed management in Northern Australia. That is just a small number of activities. There are also some other activities, which I know DCCEEW is leading, that I understand would have some impact but don't go to the heart of your question. I certainly undertake to engage with stakeholders and come back to you in a more meaningful way in relation to what impact the action plan is having and what more can and should be done.

Senator CADELL: That amount of money in itself wouldn't kill the number of pigs there are in Queensland. The quantum is what we're dealing with here. I won't have a go at the intent. You couldn't buy enough 30-30 rounds or something big enough to take down a pig. At that number, and to take every one out in a year, it wouldn't do it. And that's if you're a good shot.

Senator McDONALD: And I get that you're not running the program. There used to be an aerial shooting program for the cane farmers. You talked about Panama tropical race 4. That's what spreads it—pigs. That's what is spreading it between farms. We could do a whole lot of great work environmentally and agriculturally if we actually turned our attention to programs that reduce the number of pigs. I'm sorry; I feel like I've pounced on you. You are here to report on a very well-meaning program, but it is doing buggger-all. Pigs are out of control. Every day we don't do something about it. I say that we need to shoot 25 per cent to keep the numbers stable. Heather says 70 per cent, so I've learned something new today. But we would need to be shooting or killing in whatever way 70 per cent of 26 million, which is about 15 million pigs a year, just to stand still. I don't get a sense that we're seriously doing that. Environment should be taking responsibility for this because they are the ones who want to protect species, and yet they are doing nothing about it. I am hoping I can get Senator Faruqi and the Greens on board with my feral pig campaign because I think it's the biggest thing we can do for the environment.

Senator CADELL: To be fair, they should do it with pigs.

Senator McDONALD: And camels. We rely on landholders to go out and shoot thousands of camels in order to protect land and native species and anything else that is happening. Nobody gets any help for that.

Ms Saunders: I would have to take that on notice. We would have to get advice from the jurisdictions.

Senator COLBECK: Be careful of the answer. It has a history. I was having lunch recently with a former colleague who has a passion for camel eradication. There are hundreds of thousands of them.

ACTING CHAIR: Are you still going, Senator McDonald?

Senator McDONALD: I am, but I have aroused excitement.

Senator COLBECK: I was going to ask about camels. I couldn't help myself.

Senator SCARR: Just before we get off pigs, I have one follow-up question on pigs. A specific concern that has been raised with me is frustration amongst farmers and producers in relation to feral pigs located on Defence Force property. They are on Defence Force property. The state government can't do a damned thing about pigs on Defence Force property. They are coming on to their land. They eradicate all the pigs in their areas, but then they are moving back on to their land from Defence Force property.

Senator McDONALD: This is a great project.

Senator SCARR: And national parks.

Senator McDONALD: We have the federal defence department, federal environment department and the federal ag department. You've got all the money and all the ammunition. You've got all the tools to have a great feral pig program.

Senator SCARR: On that particular question, what coordination is there with the Australian Defence Force?

Ms Saunders: I would need to take that on notice, Senator.

Senator SCARR: Because you understand the issue?

Ms Saunders: Absolutely. Indeed.

Senator CADELL: The control doesn't happen.

Senator McDONALD: That's right.

Ms Saunders: We appreciate the feedback.

ACTING CHAIR: We'll keep going with Senator McDonald's questions and then we will rotate to Senator Faruqi.

Senator McDONALD: Thank you. I am still sitting with feral pests, but I am moving to North Queensland and invasive weeds, particularly prickly acacia, Chinese apple and others—Parkinsonia and Parthenium, mesquite and mimosa. Generations of landholders in north-west Queensland have spent millions of dollars and decades

trying to eradicate invasive weeds across their land and waterways. They are contacting me. They are at their wit's end and in tears because they are losing the battle against weed control. I assume you are well aware of the rapidly expanding infestation of prickly acacia in north-west Queensland. Is the department undertaking a review of vegetation management and land clearing regulations that landholders say restrict effective long-term weed control and land management? Who should I direct that to?

Ms Anderson: If you are talking about land clearing, we are probably in slightly different territory in terms of responsibility even with DAFF, sorry, Senator.

Senator McDONALD: You know where I'm going, though?

Ms Anderson: I do, absolutely, yes.

Senator McDONALD: We've got legislation here that says you can't clear country to remove rubber vine and the list of species I've just identified and replant with native species because the legislation doesn't allow you to.

Ms Anderson: I'm happy to take that on notice, Senator. Others may know a bit more. I'm sure at the very least we can talk to our colleagues in DCCEEW. I'm sure it crosses over a bit into their territory as well.

Senator McDONALD: Well, it does. The EPBC prevents a lot of environmental management. Does the department engage with landholders on the management balance of environmental protections and invasive species control?

Ms Saunders: It's predominantly done at a state level, Senator. Once again, it gets back down to how the risks are managed on the ground. It's by jurisdictions.

Senator McDONALD: Right. Even though it's federal legislation that is overarching this.

Ms Anderson: I would have to take on notice any EPBC Act touchpoints in the question you raise. I'm happy to do that.

Senator McDONALD: I'm happy to provide you with some specific examples, if that would be helpful, so that you can say it is.

Ms Anderson: Yes. I'm happy to take those.

Senator McDONALD: What immediate programs and/or supports are in place to eradicate prickly acacia beyond the \$20 million Southern Gulf prickly acacia jointly funded program?

Dr Vivian-Smith: Prickly acacia is quite widespread in Queensland. We would normally frame that in terms of population management rather than being able to eradicate it. It has been deemed ineradicable for many years. I think you might have mentioned the gulf savannah work that's underway. That has been able to treat close to 400,000 hectares. There has been a range of other collaborations with landholders, managers, and community and education providers as well as an identification guide that has come out of that. That was a research and development project recently with the University of Queensland. Under the Future Drought Fund, which is not within the biosecurity outcome, there has been \$5.9 million that is to support weed biological control and tackle some of the worst invasive species. That has included supporting some of the work that the Queensland government is doing through their biological control program on prickly acacia and a range of other troublesome weeds not just in Queensland but elsewhere in the country. There has been some funding that came through in 2019 following the floods. Species like prickly acacia are particularly problematic following widespread flooding because the seeds are washed through the catchment and cattle are moved from one property to another and often have prickly acacia seeds within their gut system that can help contribute to the spread. So that funding was there to reduce the impact of prickly acacia on primary producers and the environment in affected areas of north-western and central western Queensland. It went to three different NRM groups as well.

There has been a range of other historic investments into biological control for prickly acacia. It's a particularly difficult target. So far, a number of agents have gone through to being released. There are six different insect agents. Two of them have established. I think through the Queensland program I mentioned earlier, which the Commonwealth is co-funding, there was another species released about three years ago. So it requires a sustained, coordinated effort across the landscape, preventing it spreading to new areas, and suppressing it where it is in situ in a coordinated fashion with groups of landholders. Obviously, some of these properties are very large. It is also continuing to invest in programs. Biological control may provide that longer term solution to enable land managers to not have to focus so much on that weed.

Senator McDONALD: So some of that funding that you've just gone through is available through the NRM groups to assist land managers with weed control on their property?

Dr Vivian-Smith: That was provided post flooding from 2019 to 2020 through to 2023-24.

Senator McDONALD: So that has finished?

Dr Vivian-Smith: Yes.

Senator McDONALD: Are there any current programs that they can apply to, to at least get financial support for managing this?

Dr Vivian-Smith: I'll have to take that on notice.

Ms Anderson: I think Dr Vivian-Smith mentioned the Future Drought Fund. Again, I'm not an expert on that. I will take it on notice as to whether it is currently open. But that is a part of outcome 1, so we can just check with our colleagues and see whether there is anything currently open or whether there would be in the future.

Senator McDONALD: It would be great if you could come back to me. That drought fund money is money that survived the cuts?

Ms Anderson: So—

Senator McDONALD: Yes, exactly!

Ms Anderson: No.

Senator McDONALD: No.

Ms Anderson: The reduced spending envelope doesn't remove the opportunity for future grant programs.

Senator McDONALD: A 'reduced spending envelope'—such a nice way to say it, isn't it. This is a problem. We're identifying that what possibly could have been the only fund available to assist people—

Ms Anderson: I wouldn't go that far.

Senator McDONALD: You will come back to me?

Ms Anderson: I will come back. I just don't understand the exact nature of the grant opportunities within the buckets of money available at the moment, which are still currently available. I will check with the team and come back.

Senator McDONALD: On notice, when you do that, please, could you tell me what overall funding is available for weed control throughout the country? What funding to eradicate invasive weed species is allocated to North Queensland, to the Northern Territory and to northern Western Australia? Can you come back on those with that same focus on what money is available to land managers and landholders to help them?

Ms Anderson: Yes. It's different opportunities.

Senator McDONALD: This is my final question. I have written to previous ministers. There is a project in Queensland. They have done trials for prickly acacia as a biofuel to Japan. They've now got contracts to export it to Japan. I've written asking for permission from the minister for them to export an invasive pest or weed. I can't get a minister to respond to me. David Littleproud did. He wrote a letter to the project saying 'yes, once your thing is in place'—but, since that, I haven't been able to get a minister to say: 'Here's an economic use for this weed, and we'll back you in putting it into pellets and sending it away.'

Ms Anderson: Thanks. We'll chase that up.

Senator McDONALD: When the project writes to you, soon, I hope you go, 'Yes, I know what that's about, and that's a very good idea.'

Ms Anderson: Will do, yes.

Ms Saunders: Senator, we'll take those questions on notice. I have mentioned that there are a number of funding measures available that go to these issues. I thought it would be useful to flag them, noting that these will be some of the sources where this funding comes from. I think this is the measure you are referring to in terms of DCCEEW. There is the Saving Native Species program. It has just received an additional \$99.6 million in 2026-27. It extends the program for two years. That would probably be the mechanism you are referring to in terms of engagement with DCCEEW. Under the Natural Heritage Trust, 95 of the 111 regional projects include pest animal control and/or weed removal activities. This might be in your interests, Senator, potentially when GRDC is on tomorrow. The Grains Research Development Corporation has also invested \$25 million alongside significant partner contributions into the national weed management initiative. They should be able to give you some further information with regard to the work being done there.

Senator McDONALD: When you come back to me on notice, I think what I'm looking for is specifically assistance for landholders for poison, physical removal or whatever the other programs are that people are using currently. I want to go back to these people who rang me literally in tears saying that they just can't keep managing their land because every season it's back.

Ms Anderson: We'll come back to you.

Senator McDONALD: That would be terrific. I'll share the call.

ACTING CHAIR: Senator Faruqi.

Senator FARUQI: I have some questions on animal imports—specifically, greyhound imports. In April 2026, the New Zealand government passed legislation banning greyhound racing from 1 August 2026. The legislation established the Greyhound Transition Agency specifically to oversee the rehoming of—I think this is the estimate—1,500 dogs remaining after racing ends. A leaked Facebook post from a private greyhound racing New Zealand group has shown that greyhound racing New Zealand is organising a charter flight from Christchurch to Queensland in early August with a capacity of 70 greyhounds. There is a message explicitly asking participants to please keep this information confidential. This does appear to me to be a deliberate attempt to avoid the Greyhound Transition Agency. It is being organised covertly by the very body that is supposed to be winding down the industry. Deputy Prime Minister of New Zealand Winston Peters stated at the announcement of the ban that the dogs will be rehomed, not re-racetracked. If these dogs, which really should be retired and finally enjoying life as a companion animal, are being sent to Australia to be trapped in racing, if they survive, they will become the responsibility of Australians to rehome. You would know that we're already at a rehoming crisis. Has the government received any notification to import these dogs?

Dr Smith: Yes. We are aware of this charter flight. In fact, we have been negotiating directly with the New Zealand MPI, our equivalent, on this consignment coming through. So we are working with the authorities to bring them in under our companion-animal normal import protocols. For that, they would need to meet all the category 1 requirements in New Zealand. They have to be fit for travel. They have to make sure they meet all our certifications. When and as they come to Australia—I understand that this consignment is probably going to come in July, from what we understand, talking to our counterparts—so long as they meet the import protocols and they are certified fit for travel, which is done by the certifying vet in New Zealand, they can be released into Australia. As to how they are then used, that's not something that we have control over thereafter. They are being imported as companion animals, like other animals. This is not unusual. We've done this before, as far as bringing consignments of greyhounds into the country under those conditions. I think we did so last year in April as well.

Senator FARUQI: How many greyhounds were brought in at that time?

Dr Smith: In the previous consignment, I think approximately 80 came in in a similar way. They were imported under normal conditions. When they get here, because they are a category 1 country, they don't require a permit because they have a similar health status to us. They don't undertake quarantine. But they still have to meet requirements around identification and residency. We need to know that they've been in New Zealand and they are not just transiting from elsewhere. Once they've met those requirements, they can then be released out of biosecurity control.

Senator FARUQI: They were imported here as well for companion animals?

Dr Smith: We treat them as any other companion dog or cat condition. There's no specific—

Senator FARUQI: So they could be racing here in Australia? They could be being raced here in Australia?

Dr Smith: They could be, or they could be rehomed. They could be pets. We only import them for the purposes of biosecurity control. How and when they are used beyond that is not within our remit.

Senator FARUQI: So you don't care that the Greyhound Transition Agency there wants these animals rehomed, not re-racetracked? You don't care about that?

Ms Anderson: It's not that we don't care. We do not have responsibility. We cannot act outside our legislation.

Senator FARUQI: Who has responsibility for that?

Ms Anderson: In terms of what happens to dogs, it's a state and territory responsibility in terms of racing. I appreciate that you are concerned about the animals. As individuals, we're concerned about animals as well. But we can only act within our legislative responsibilities, and Dr Smith has outlined those.

Senator FARUQI: So the minister has no discretion to delay, refuse or place conditions on the importation of these dogs?

Ms Saunders: It's not a decision of the minister.

Senator FARUQI: So the minister has no discretion on that?

Ms Saunders: It's a decision of the department as the regulator.

Dr Smith: Under our Biosecurity Act, we can only look at whether they meet our import requirements. So long as they meet our health requirements et cetera and they are fit for travel, they are imported as a companion animal. As to how they are then on-used or rehomed is outside of our regulatory responsibility.

Senator FARUQI: Even when you know in this instance that they obviously are going to be raced? There is already a major issue of rehoming greyhounds that are so cruelly treated in Australia in the racing industry. You clearly know that they are going to be raced. Even then you will do nothing?

Ms Anderson: We don't know that they are going to be raced.

Senator FARUQI: Well, I think you do know that.

Ms Anderson: This is a New Zealand requirement. In terms of New Zealand meeting a public requirement, as you've stated it, that would be a matter for New Zealand. As I said, once they are here, as long as they meet the requirements that Dr Smith has outlined, that is then a matter for the relevant authorities that look after the treatment of animals. That is the states and territories.

Senator FARUQI: So why do you think this operation is being called a covert operation?

Ms Anderson: I don't know. It seems like we know about it.

Senator FARUQI: How long have you been negotiating, with these dogs to be brought here?

Dr Smith: Like I said, we have worked with New Zealand on a range of cases. The last one I think we brought in was in April last year. That was all done very openly, as we would normally do with negotiations with our counterparts. We are aware of this consignment that is coming through in July.

Senator FARUQI: When were you made aware of this?

Dr Smith: I would have to check the exact time when we were made aware of this. But this is not unusual—that, when a country asks to bring in consignments of animals, we will look at them.

Senator FARUQI: They are not just regular animals. You know the issue of greyhound racing. You know it is being banned in New Zealand. It is not just any animal. You do know how cruelly the greyhound racing industry treats greyhounds? You do know that?

Dr Smith: This is outside of my remit. I'm not trying to obfuscate.

Senator FARUQI: No. But you are importing animals here. I am asking you a question. Do you know that thousands of greyhounds are killed by the racing industry in Australia and the same thing was happening in New Zealand? Are you aware of that?

Dr Smith: I am a veterinarian. I have worked in private practice. I do know about industries and the like. But I guess, in my capacity here, all I'm able to do is to work within the requirements that we can under the Biosecurity Act for this purpose.

Senator FARUQI: Do you know of the previous consignment where those dogs are?

Ms Saunders: As Dr Smith said, once they've fulfilled our biosecurity obligations at the border and they are released, we have no visibility, oversight or responsibility with regard to—

Senator FARUQI: You don't care about the welfare of those animals?

Ms Saunders: No. As the secretary said, it's not about caring or otherwise.

Senator FARUQI: It is. It is about caring.

Ms Saunders: It is about fulfilling our legislative obligations. Our remit does not extend beyond that.

Senator FARUQI: Minister, do you believe the Australian government should be facilitating individuals seeking to sidestep the New Zealand government's own welfare legislation? Do you think that is appropriate?

Senator McCarthy: Senator, I can take your question on notice.

Senator FARUQI: Take the question on notice. Thank you very much.

ACTING CHAIR: Senator McDonald.

Senator McDONALD: I want to turn to bananas. I am alerting banana growers that we are about to do questions. I want to ask some questions about biosecurity risks to the northern banana industry. We discussed it at the last estimates. Since we spoke last time, you will have visited the Philippines. On what dates did the visit take place?

Ms Saunders: I will introduce Dr Allison Jones, who is currently acting first assistant secretary of our plant area.

Dr Jones: Thank you. Yes, we were finally able to undertake this visit to the Philippines. It was from 23 to 27 March.

Senator McDONALD: How many people attended?

Dr Jones: We had a delegation of four from the department. I can outline what expertise they had.

Senator McDONALD: That would be good, thanks.

Ms Saunders: I will add this, as Dr Jones wouldn't be familiar. You will recall that at the last hearing you made a request with regard to ensuring we had independent expertise from Queensland. We did have that expertise as part of that delegation. Perhaps Dr Jones could add who that individual was and the capacity in which they participated.

Dr Jones: Yes. That's right. In relation to your suggestion to take an experienced banana plant production systems person, we did that. They were one of the delegation.

Senator McDONALD: One of the four, or that was in addition to the four?

Dr Jones: That was part of the four. We also had a highly experienced auditor. We took a risk assessor. We had a tropical plant pathologist who had experience in bananas. In addition to those four, we were also accompanied by our agricultural counsellor, who accompanied and helped facilitate a lot of the visits and the arrangements with our Philippines government counterparts.

Senator McDONALD: I had asked that the independent scientist, or the banana expert that went, be somebody approved by industry.

Ms Saunders: That occurred; we did consult. The feedback was very positive in regard to the selection of that individual.

Senator McDONALD: That was the tropical plant expert?

Dr Jones: That was the plant productions agronomist that the Queensland Department of Primary Industries, in consultation with the banana growing industry, had suggested that we take along. That was able to be facilitated, so we worked to take that person along.

Senator McDONALD: Again, in addition to the four?

Dr Jones: That was as part of the four—three from DAFF and one from the Department of Primary Industries in Queensland.

Senator McDONALD: So you've got the auditor—I'm assuming that's not the expert; the risk assessor—that's not the expert; and the tropical plant person—that's not the expert. Is it the assessor? Is that the expert?

Dr Jones: It was a plant production systems agronomist who had experience with banana growing.

Senator McDONALD: I'm sorry; I'm being difficult. I'm just trying to match. Of the four people you described—the auditor, the risk assessor, the tropical plant person and—

Dr Jones: The agronomist.

Senator McDONALD: The agronomist—okay. I'm looking at—

Dr Jones: Who's had extensive experience in banana growing and production.

Senator McDONALD: And that was the one that was agreed with the industry?

Dr Jones: That's right.

Senator McDONALD: From Queensland?

Dr Jones: Correct.

Senator McDONALD: The banana expert?

Dr Jones: Yes.

Senator McDONALD: Fabulous. And then the ag councillor you met on the ground over there—that's the fifth person?

Ms Saunders: Yes.

Senator McDONALD: Will you need to visit the Philippines again? If so, when and how often?

Dr Jones: At this point, we have enough on-the-ground experience and observations to be able to complete our draft risk analysis report. That's not to say that, further down the track, if and when things progress any further—and that's obviously dependent on a lot of steps in between—of course, we would go and visit again, but at this point we don't need to undertake any further visits.

Senator McDONALD: What was the cost of international and domestic flights, accommodation and sundry costs for the trip?

Dr Jones: For the components that we were responsible for, that was with an envelope of, I think, \$67,000. I can double-check that figure, but that was the upper limit of approval, and we were well within that. I will just add that that also includes all of the on-the-ground travel while we were there, accommodation and security attaches that were part of the trip.

Senator McDONALD: Thank you. How many plantations did you visit?

Dr Jones: The delegation visited five farms producing the cavendish bananas for export across the three main provinces that produce cavendish bananas. They were Davao del Norte and Davao de Oro, which is in the Davao region, and then also in Bukidnon in the northern Mindanao region.

Senator McDONALD: How many in the northern region—how many of the farms?

Dr Jones: I might need to take that exact one on notice because some of those were within those other regions.

Senator McDONALD: I gathered that. Thank you. At the additional estimates in February, you referred to a system whereby Philippines exporters register plantations that would be eligible to export to Australia. I assume they are the five farms; they would all be eligible to export?

Dr Jones: A range of farms would be eligible to export, and these regions and farms that we visited are in that region. So, whether they choose to, down the track, if and when that's an option, they would be within that remit.

Senator McDONALD: Did the system for registration meet Australian conditions for export?

Dr Jones: The delegation observed a number of different activities in relation to the farm production facilities, how they manage the pests and how their packing sheds worked. This information will form part of the draft report that we will get full swing into now that we have some of this information. But it won't be the only information that we'll rely on in our assessments. I think it would be difficult to provide you with an assurance at the moment because this is only some of the information that we'll use in our report.

Ms Saunders: I'll have to take that on notice because I'm not—do you have a figure?

Senator McDONALD: I have not marked in a figure in my question, so unless somebody texts me while you're talking—

Ms Saunders: My apologies—I will take that on notice, noting, as in my earlier comments, our budget certainly remains stable. We had a small increase in some grants, but I'm not sure which one you're referring to.

Senator McDONALD: How much of the biosecurity budget is for plant security?

Ms Saunders: It's not defined in that way. It's not that simple. We'd have to extrapolate other data to get to answer that question directly. I don't know if that answers your question, but certainly I've got some figures in regard to—the CSIRO received additional funding, but I don't think that was your question.

Senator McDONALD: Has that got the Australian Centre for Disease Preparedness in it?

Ms Saunders: Yes, there is some funding for ACDP. They've received an additional \$347.4 million over four years, which includes funding for the operations of the ACDP.

Senator McDONALD: Okay—\$347 million over four years?

Ms Saunders: Yes.

Senator McDONALD: I'd say that's what my question was referring to. It's my understanding that that centre focuses on animal and aquatic threats more than plants. What we're trying to get to is, if we are proposing to consider importing bananas from a country that's got a lot of banana diseases, what sort of work we're doing here to prepare for additional banana diseases.

Ms Saunders: Certainly, the intent is based on the risk assessment we undertake, which is that that would not be necessary because we would only agree and have conditions in place that ensured we maintained our very high biosecurity standards and an appropriate level of protection that's close to zero but not zero. That wouldn't be the intent.

Senator McDONALD: So you're going to, on notice, come back to me around plant security as much as—perhaps the biosecurity budget and the various pillars that it's built on?

Ms Anderson: Some of that will be a little difficult to disaggregate in terms of operations, just so you're aware, but we can do our best to try to differentiate.

Senator McDONALD: Yes. I'm going to very optimistically ask if you can break out a budget for plant security in Northern Australia.

Ms Anderson: I think we don't tend to fund in that way. For example, we have office buildings and things in Cairns or at least an operational staff there. I guess we could have a little look at how we could demonstrate—

Senator McDONALD: I don't want you to spend ages of time answering this question for me when you could be doing something more practical.

Ms Anderson: Yes.

Senator McDONALD: But obviously Northern Australia is a large, vast area with lots of exposed coastline and not many people monitoring it.

Ms Saunders: We do have an Indigenous Rangers Program up there, but there are a range of other activities that we're performing up there. I think the challenge for us is, as the secretary said, disaggregating that, noting it's not just plant; it will also be multiple biosecurity threats that we're considering in the north.

Senator McDONALD: Yes, fair enough. The minister for agriculture recently addressed an event where she spoke of this government's additional \$2 billion in biosecurity investment. Could you please provide a detailed overview of these new investments and outcomes?

Ms Saunders: Those investments have been since 2022.

Senator McDONALD: Right. So this has been from when the Albanese government was elected?

Ms Saunders: That's correct.

Senator McDONALD: They've done an additional \$2 billion in biosecurity investments. Would you be able to provide a framework for the new investments and the outcomes that they're focused on, please?

Ms Saunders: Yes, but I'll take that on notice—since that time.

Senator McDONALD: Yes, absolutely.

Ms Saunders: But what it has given us is certainty in our budget outlook, as I touched on earlier today. We've got a very stable budget through the out year, so it ensures that we can make sure we've got the right capabilities in place to ensure that we're managing the risk.

Senator McDONALD: Yes. The northern banana industry is still very concerned about an incursion of pathogens or pests from imported bananas from the Philippines. Will the government take full responsibility and pay for the eradication effort if there is an incursion?

Ms Saunders: I'm just reflecting on your question in terms of—as I said, the intent through all the work that we're doing is to ensure that there is no incursion. In terms of if there's any incursion of exotic species, we then move into territory where there are national cost-sharing arrangements, and we work as a nation in responding to any incursions that occur.

Senator McDONALD: I understand that. The northern banana farmers spent—I'd have to look back at my notes—\$130 million or \$150 million eradicating a disease that came into this country. They are very exercised about the idea that we would import a plant into this country when we grow it to excess here. We have a great industry. It supports a whole lot of other jobs and trucks and people in Northern Australia. I guess what they're doing is saying that, if we're going to take this enormous risk for no perceivable benefit to Australia, is the government going to provide more than just 'It will be fine; we will share the cost with you if there's a disease incursion'?

Ms Saunders: We are very alive to the industry's concerns, and my colleague Dr Finnin has had several engagements with industry, so be assured we very much appreciate their concerns and share concerns as they relate to ensuring that we do not, as a result of any decision we make—we want to ensure that anything we do does not increase the biosecurity risks associated with the importation of bananas, obviously. We've got a long way to go in regard to this process before we're in a position where there is a decision and any agreed measures would be proceeded with.

Senator McDONALD: As the report and the consideration are made, I just want to keep labouring this point so that there is a clear understanding. A grower has messaged me while we're talking: 'Cost sharing is a great way of solving the government's problem'. And guess who bears it? It's farmers who already have almost no margin. So, as the report is written about whether or not we should be considering the importation of bananas from a country that has a lot of diseases for no discernible benefit to the Australian consumer, and certainly not Australian farmers, that we're thinking about, if there is an incursion of disease, who's going to pay the bill? The farmers are saying: 'No, not us. We're flagging this is not our problem. You're creating this problem.' Has it been

determined yet if the import risk analysis should be conducted as a regulated BIRA—I've forgotten what that stands for—or a non-regulated import risk analysis?

Ms Saunders: It's still under consideration. But certainly we'll be open to taking the BIRA path and engaging the SAG in considering that.

Senator McDONALD: So we're a fair way down the path. We started talking about this last year. I think you have to have the assessment done by the end of 2026.

Ms Saunders: I'm not sure about the timeline.

Dr Jones: I'm happy to jump in there. If the risk assessment does proceed down the pathway of a BIRA, at the time that the BIRA starts, there is a 30-month period for the risk analysis to be completed. We are close, but we have not yet decided on whether or not to proceed with a BIRA or down the import risk assessment pathway that's not regulated. We hope to do that by the middle of the year, so in June—in a number of weeks or so—and we'll be in a position to be able to let industry and others know which pathway we're taking there.

Senator McDONALD: What's going to determine your decision-making on that?

Dr Jones: There's a range of factors that we need to take into consideration. Obviously, the trip report will help inform the types of things that we need to consider, but there are aspects with a BIRA, such as the Scientific Advisory Group advice, that can be used. There's also, in the BIRA process, an opportunity for stakeholders to have our process reviewed by the Inspector-General of Biosecurity. So there are a number of factors in there that help provide a guaranteed amount of transparency. However we end up proceeding, we will be utilising the expertise of independent experts, but they're the types of factors that we'll consider in making that decision.

Senator McDONALD: Okay. My final question is: what work is ABARES conducting at the moment regarding the banana industry?

Dr Jones: We have engaged our ABARES colleagues to have a look at the economic impact of a range of different banana diseases and what that economic impact would be if they were to arrive. That's information that we'll also utilise and publish as part of our draft report when we get to that.

Senator McDONALD: Would ABARES also do economic analysis of the value of the non-disease-affected industry—so the value of the industry—in backhauling to communities and the benefits that bananas bring to Australia?

Dr Jones: I'm not exactly across the entirety of what the economic analysis will include, but that's something we can take on notice.

Senator McDONALD: I would suggest that, because if you go to analyse what the cost of a disease incursion would be then, by its nature, that must mean that you're measuring what the value of the industry is, not just in bananas but, as I said, in backhaul and—it's developed a whole lot of other agricultural industries, as you'd know, because of the ability to have those trucks moving around in the north.

Dr Jones: Yes, and I know that, as part of their analysis at the moment, they have been engaging with the banana industry to understand fully all of those different aspects as part of their banana industry.

Senator McDONALD: I'd say that bananas are the backbone of Australia's food sovereignty. It really does provide that spine of infrastructure and investment, so it's an important one to get right. Thank you. Chair, I'm happy to share the call if you could come back to me later.

ACTING CHAIR: Thank you.

Senator CANAVAN: I just want to get an update on red fire ants. We have done fire ants, have we? Sorry, I wasn't here.

Senator McDONALD: We broadly did invasive species, but we didn't specifically—

Senator CANAVAN: Okay. I'd be particularly interested to know what the status of the outbreaks that occurred in Central Queensland is. I think it started last year, from memory. Have we got anyone here on fire ants?

Dr Vivian-Smith: They're not necessarily referred to as outbreaks; they're just detections of importance. For that particular detection of importance from August 2025, they've undertaken the initial treatment and surveillance. This is the Queensland government national red imported fire ant program. They've undertaken the initial treatment and the surveillance out to 500 metres, and they've completed four rounds of aerial treatment as well. They're continuing to monitor that program. There was also a detection in Moranbah in Queensland in July and August 2025, and that has also undergone the initial treatment surveillance up to the 500 metres and four rounds of aerial treatment completed.

Senator CANAVAN: Okay. Is that ongoing treatment at the moment? There's not a decision taken that there's no more risk?

Dr Vivian-Smith: They have a specific protocol when they detect one of these outliers and they have to do a certain number of rounds of treatment. They need to respond quickly, investigate and prioritise treatment depending on exactly what they encounter. This is usually direct nest injection and then at least two rounds of broad-scale treatment. Then they need to monitor for at least five years to confirm the proof of freedom. They've certainly completed more than the two rounds minimum required there, and the monitoring is ongoing.

Senator CANAVAN: Okay, so it'll go for another four years or so on that plan?

Dr Vivian-Smith: Correct.

Senator CANAVAN: What about in South-East Queensland? I was talking to a turf farm operator recently, and they're pretty frustrated—they don't think there's much progress being made eradicating fire ants. Is there a status update there?

Ms Saunders: You're referring to suppression or the eradication program, Senator?

Senator CANAVAN: Both.

Ms Saunders: As you know, suppression is the responsibility of the Queensland government, and they're in a better position to comment on that. In relation to the advice we get from the program routinely in regard to red imported fire ants, the view is it's still eradicable, and that's our intent. There have been some delays in the program based on weather, as you know, and conditions that have made it difficult, but there have been significant inroads made in regard to the program, which is why we're in the process now of working with Queensland to develop an updated response plan for the next four years with a view to continuing our intent on eradicating this risk.

Senator CANAVAN: Okay. And northern New South Wales—where's that up to?

Dr Vivian-Smith: There was a detection in July—one of the detections of importance in Tweed Heads. That was just a single nest and one infected property. They've completed the initial treatment, the surveillance up to 500 metres, and then further surveillance out to two kilometres. Because it was just a single nest, the treatment requirements are designed to continue to monitor to make sure there are no further fire ants there. There were also some earlier detections, I think, in New South Wales, in Wardell, in January 2024. The final round of treatment has been completed, and the surveillance for proof of freedom has commenced. Then the detection that was quite well publicised when it occurred, in South Murwillumbah in New South Wales, has also had its final round of treatment completed and the surveillance for proof of freedom has also commenced there—so no further detections at those locations. I think they're all of the New South Wales detections of importance that have occurred.

Senator CANAVAN: Okay. I might move on to wild dogs. My understanding is that the department had provided or has been providing \$650,000 to National Wild Dog Management Coordinator. What's the status of that program?

Dr Vivian-Smith: There is the National Wild Dog Action Plan, and that's an action plan that's in place from 2020 to 2030. That is led by the livestock industry, and it supports collaboration. Historically, industry has actually funded the National Wild Dog Management Coordinator role. The current funding ends in September 2026, and I understand that there is further work underway to secure industry funds for that coordinator position. The Australian government, through the Supporting Communities Manage Pest Animals and Weeds Program, has provided around \$200,000 per year to Australian Wool Innovation for support roles and operational funding to support the delivery of the plan—so the work of the coordinator. That currently ends—while industry considers the funding for the coordinator, we do expect that state and territory governments and potentially the Commonwealth government will also be then considering what kinds of contributions, in kind or otherwise, would go into the wild dog coordination activities under the coordinator. So it's very much a shared responsibility, with state and territory agencies having the lead and supporting local coordinated on-ground control programs. The Commonwealth has traditionally provided some investment there to support those roles in very much a shared capacity, and there's other work underway as part of research as well.

Senator CANAVAN: So the government has cut funding to wild dog responses?

Ms Saunders: No, there's been no cessation of funding.

Senator CANAVAN: But this funding ends in September 2026. That's what—

Ms Saunders: This particular position is funded by industry currently, and our understanding is there's further consideration of ongoing industry funding of this.

Senator CANAVAN: Dr Vivian-Smith just said that the funding—the \$200,000 a year, I think she said—finishes in September 2026. Did I mishear you there?

Ms Saunders: It currently ends in November 2026—

Senator CANAVAN: Okay, it ends in November. So the funding has been cut?

Ms Saunders: No, it hasn't been cut. The service continues and, of course, we will (1) as a department and (23) as government consider prioritisation of our efforts in this regard. And, of course, if there's additional funding proposed and it's considered to be a priority, that will be considered as part of the budget process.

Senator CANAVAN: Is that funding in the budget now?

Ms Saunders: The funding until November 2026 is, yes.

Senator CANAVAN: And what's after that for wild dogs?

Ms Saunders: Then we would need to make a decision.

Senator CANAVAN: So the funding's been cut.

Ms Saunders: No, the funding has not been cut.

Senator CANAVAN: Well, we can go around in circles as much as we can, but there was \$200,000 of funding to wild dogs, and now there's not going to be after November 2026. It's been cut.

Ms Saunders: Can I just add that the Supporting Communities Manage Pest Animals and Weeds Program was a finite program to deliver certain program outcomes. They have been delivered, but, as they come to cessation, we will, as we do routinely, prioritise. And if there's a decision to be made—if the decision of government and/or the department is that we need to continue to invest in this then that will be considered.

Senator CANAVAN: I presume you disagree with Mr Hamish McIntyre, the Chair of the National Farmers' Federation, who said, 'These funding cuts are deeply disappointing,' in reference to—

Ms Anderson: I think we need a bit more context than that—whether he was referring to the wild dog program.

Senator CANAVAN: Well, he was referring to the cuts to this program, I thought.

Ms Saunders: I think, Senator, if you're referring to comments—I also heard those comments in recent days, if they're the comments you're referring to, in the media. He's referring to the \$60 million investment in Supporting Communities Manage Pest Animals and Weeds Program. That was a discrete program from 2022—

Senator CANAVAN: So that was cut?

Ms Saunders: through to 2026. No, it has—

Senator CANAVAN: So you don't agree with Mr McIntyre? He says these funding cuts are deeply disappointing. That's how he describes it.

Ms Saunders: No, we don't agree.

Senator CANAVAN: You don't agree. But you had \$60 million and now it's zero. That's a cut. I think Mr McIntyre is just describing reality.

Ms Saunders: There have not been any cuts.

Senator CANAVAN: But we're in a different universe here in Canberra.

Ms Anderson: I think we're jumping all over the place. You're quoting from media articles that we don't have in front of us. We're happy to talk through the biosecurity funding.

Senator CANAVAN: Well, Mr McIntyre goes on—you asked for context—to say:

We believe they are short-sighted decisions, especially in the face of a problem that multiplies quickly.

Wild dogs cost agriculture \$302m a year.

Do you agree that wild dogs cost Australian farmers \$302 million a year?

Ms Saunders: We'd have to take that on notice, I think.

Senator CANAVAN: In these comments, he's directly referring to wild dogs. He says the cuts are disappointing, and you've said you did fund some activities in regard to the Wild Dog Action Plan, but now you don't. That's a cut.

Ms Saunders: Senator, we haven't cut. The work is ongoing. I take your point, though, that, in terms of November 2026, there's been no decision made about what will occur post that time. But, as I indicated earlier, we're in discussions with industry and jurisdictions, noting this is a shared responsibility.

Senator CANAVAN: When was the decision made to cut the funding?

Ms Saunders: There has been no decision to cut funding.

Senator CANAVAN: When was the decision made to cut the funding?

Ms Saunders: Can I just make a point in regard to the Supporting Communities Manage Pest Animals and Weeds Program. That was established as a time-limited measure. It provided \$60 million from 2021-22 through to 2025-26 and includes an additional \$11 million top-up in the 2025 budget. Existing projects all continue to their agreed end dates, with the department continuing to administer projects into 2026-27 valued at approximately \$13 million. A number of major projects continue through 2026-27, including national coordination work on feral deer, pigs, cats, foxes, wild dogs and rabbits; Indigenous ranger projects; collaborative jurisdictional projects; and weed biocontrol initiatives with CSIRO and state partners.

Senator CANAVAN: Alright—

Ms Saunders: It's important, if I can just finish, Senator. This reflects the completion of what has been agreed project activities under a time-limited measure and, as you know, Senator, future funding decisions will be considered through the budget process.

Senator CANAVAN: When was the decision made to reduce funding in relation to wild dogs?

Ms Saunders: There has been no decision to reduce funding.

Senator CANAVAN: So you made a decision not to renew this funding without any analysis?

Ms Anderson: The decision has not been made one way or the other.

Senator CANAVAN: But my point is: did you provide any advice to the minister about the consequences of not continuing with this funding?

Ms Anderson: At the right time when the decision is due to be made—

Senator CANAVAN: Well, no, I'm asking to date. I'm not asking about the future. Have you provided—

Ms Anderson: Well, I've said the decision has yet to be made.

Senator CANAVAN: Can I just finish my question, Chair? Have you provided any advice to your minister about the consequences of not continuing with this funding?

Ms Saunders: We have routine conversations with the minister's office in regard to terminating measures and budget changes.

Senator CANAVAN: Okay. Have you provided any specific advice about this—or written advice—let's go with that.

Ms Saunders: I can take it on notice.

Senator CANAVAN: It sounds like there hasn't been. Obviously, the industry is extremely concerned with this and, by the sound of it, you and your minister have not even considered the consequences of not continuing this funding.

Ms Saunders: I don't think that's true, Senator.

Senator CANAVAN: You can describe it however you like. I very much think it meets the colloquial definition of the word 'cut'. But, regardless, you were saying there was \$60 million in activities funded, and now there are not. And, worse, you haven't provided me with any evidence that the government's actually considered the consequences of not having that funding available. So I presume you haven't actually done any modelling on what reducing this funding will do to national wild dog numbers and, therefore, livestock.

Ms Saunders: As I said, there's been no decision to reduce. There are conversations now with all relevant stakeholders to consider what the next steps are, noting the funding the Commonwealth provides was established as a time-limited measure to deliver outcomes, which it has done.

Senator CANAVAN: Yes, okay. I didn't actually use the word 'decision' in that question. I asked: have you modelled the impact of not having this funding available next year? That's definitely happening.

Ms Anderson: I'm not sure what you mean by modelling, Senator.

Senator CANAVAN: Okay. Well, have you analysed or have you assessed—or whatever verb you'd like to use—the impact of not having this funding available next year on wild dog activity and the potential cost, particularly to the livestock?

Ms Saunders: As discussed, this is a shared responsibility and all stakeholders are in discussions in regard to what the next steps might look like post-November 2026.

Senator CANAVAN: But why haven't those discussions occurred before the budget? This is in a few months' time. Why haven't you been able to come to a conclusion on these issues? I mean, you would have known for years that these were terminating. Why are we now in a situation with just months to go before the programs terminate without any analysis done seemingly about the impact of removing funding, with no decision made, as you've said? Why are you leaving it to the last minute?

Ms Saunders: Once again, I can just repeat my comments that there are ongoing discussions with stakeholders.

Senator CANAVAN: I wonder if the minister would jump in and try to defend you. It's her decision. It shouldn't have been down to you, but it doesn't seem like the minister is—

Senator McCarthy: Senator, if you'd like me to jump in, I'm more than happy to jump in. The department's already answered your question. Just because you don't like their answer doesn't mean they haven't answered your question.

Senator CANAVAN: Well, why have you left it to midnight?

Senator McCarthy: No, Ms Saunders has said to you that this is not a budget cut. There will be considerations, like there are with any budgets and any funding going forward for further decisions, and that is normal practice. You did it in government; we do it now. If we use the same analogy as you that, because we're talking about November—we didn't know there was going to be a Middle East crisis. We've come forward with billions of dollars to be able to support the country. So there is no cut in this, okay? There's the answer. There's nothing else that needs to be said to that.

Senator CANAVAN: I've just got a follow-up question, then, on what the minister just raised: was the Middle East fuel crisis a reason why this funding hasn't been decided upon?

Ms Anderson: No, not that I'm aware of.

Senator CANAVAN: Why did the minister just say that we couldn't have seen this crisis—

Senator McCarthy: Well, I'm giving you an example—

Senator CANAVAN: No, you—

Senator McCarthy: If I may, Chair—

ACTING CHAIR: Sure.

Senator McCarthy: You used the analogy that, in six months time, this is what's identified in the budget. I'm saying that we didn't see the Middle East crisis coming.

Senator CANAVAN: What's that got to do with the price of rice in China? It's completely irrelevant.

Senator McCarthy: I'm giving you an analogy. Anything can happen between now and then, like the MYEFO and like other budget preparations. You know that, when you were in government, you did the same thing.

Senator CANAVAN: It's not me being partisan here, Minister. The head of the NFF has said that you have created a half-a-billion-dollar problem that the government is walking away from.

Senator McCarthy: There is no problem.

Senator CANAVAN: Well, can I finish my question, Chair?

Senator McCarthy: There is no problem with this.

Senator CANAVAN: There's no problem with pests in this country, is there?

Senator McCarthy: There is no problem with this in terms of the funding, Senator Canavan. That is what I'm referring to.

Senator CANAVAN: I'll just finish the quote if I can. Obviously, it makes the minister uncomfortable, but Mr McIntyre said:

That's a half-a-billion-dollar problem the government is walking away from—and that's only two of the pests farmers are battling.

That's the dogs and rabbits you mentioned as well.

Senator McCarthy: Well, you've just repeated the question—

Senator CANAVAN: He goes on to say:

Costs of managing these pests will only go up, further increasing pressure on farmers and the environment.

He's very clear and concerned about this, but the government does not seem to share his concern. The minister just said that this is not a problem. I think pests are a huge problem in this country, and it's not clear why the government doesn't have a plan to deal with pests, just months away from funding ending to deal with them.

Senator McCarthy: Mr McIntyre, if you're listening, Senator Canavan is misrepresenting what I have said. You may want to read the *Hansard*.

Senator CANAVAN: I'll give Hamish a call after this and see what he has to say about your evidence, Minister.

Senator McCarthy: I'm happy to tell him myself, Senator Canavan.

Senator CANAVAN: Maybe you might want to reach out to him. Has the National Wild Dog Management Coordinator raised any concerns with the department about the termination of these programs?

Ms Saunders: There's been no decision to terminate programs.

Senator DOLEGA: Can I raise a point of order, Chair. I think that it's confirmed that these programs have not been terminated. We seem to be just going around and around in circles.

Senator McCarthy: It's what Senator Canavan likes to do—go around and around in circles.

Senator CANAVAN: You just said they were terminating programs. I'm using the language they just used, Senator Dolega. They just said they were terminating programs. I'm just using the same words. And now you're saying no—

Senator DARMANIN: The point remains that you're not going to get any different answers.

Senator CANAVAN: This is a totally different question. I'm asking, has the National Wild Dog Management Coordinator raised any concerns about this funding not continuing after November this year?

Ms Saunders: I would have to take that on notice. I can't comment on what the coordinator said, but I would imagine there would be an expectation that it would continue, and those conversations are underway with all stakeholders, noting this is not a Commonwealth responsibility; it is a shared responsibility. In fact, the management of pests is predominantly the responsibility of states and territories. Those stakeholders are under consultation about what the future would look like, noting these are defined programs to deliver outcomes within a specific time frame, which has occurred. And, as you would expect, Senator, you wouldn't expect just to continue rolling something on. It's a good opportunity to reset and rethink about what is actually going to be effective to deliver the outcomes we need to actually better manage this pest.

Senator CANAVAN: Has anyone in the department reached out to the National Wild Dog Management Coordinator and sought his or her views on the—

Ms Saunders: We're in consultation with the coordinator, as we are with all coordinators.

Senator CANAVAN: Have you actually spoken to the coordinator about the—well, there was a decision in the budget to remove funding or to finish funding for a range of pest and disease programs. That's the decision.

Ms Saunders: There has been no decision, Senator. Sorry, I have to repeat that.

Senator CANAVAN: Well, it's Budget Paper No. 2 on page 41. The government is reducing uncommitted funding in a number of grant programs, including pest disease preparedness and response.

Ms Saunders: As you said, Senator, it's uncommitted funds, so it hasn't stopped any activity.

Senator CANAVAN: Did you ask the National Wild Dog Management Coordinator about the impact of that decision?

Ms Saunders: It has no impact, because this is uncommitted funds.

Senator CANAVAN: But why can't you use those funds to fund the \$200,000 a year to the National Wild Dog Management Coordinator?

Ms Saunders: Well, if after consideration of stakeholders there's a view that this is a priority by government then it will be considered as part of the budget process.

Senator CANAVAN: Yes, that is my point. Have you considered the views of the stakeholders? I would have thought the National Wild Dog Management Coordinator is a stakeholder. Have you spoken with them?

Ms Saunders: Senator, I think I've said several times we're in consultation with stakeholders, which would include the coordinator.

Senator CANAVAN: That's great. That's the point—I just said—

Ms Saunders: I've said we're in consultation.

Senator CANAVAN: Have you or have you not discussed this with the National Wild Dog Management Coordinator?

Ms Saunders: We routinely engage with all of the coordinators. I just can't give you the specific—

Senator CANAVAN: That's not an answer, with due respect. I'm asking: have you asked the National Wild Dog Management Coordinator about this program?

Senator McCarthy: It is an answer. Just because you don't like it, Senator Canavan, doesn't mean it isn't still an answer.

Senator CANAVAN: Have you asked the National Wild Dog Management Coordinator about this program?

Ms Saunders: I personally have not spoken to the coordinator.

Senator CANAVAN: Okay. Thank you; that is an answer. Has anyone in your department—

Ms Saunders: I said I will take that on notice.

Senator CANAVAN: Wow! Okay. You say, 'We consult regularly with stakeholders'—

Ms Anderson: Chair, if I might—

Senator CANAVAN: but the very most important stakeholder here hasn't been consulted.

ACTING CHAIR: Just a moment, Senator Canavan.

Ms Anderson: I think Ms Saunders's evidence has been completely verballed in that response. I think she indicated that the process of consultation involves the coordinator. Although she hasn't personally done that, I think it's unfair to insinuate that there has been none simply because the nature of the evidence was general.

Senator CANAVAN: You've provided no evidence of that.

Ms Anderson: We've taken it on notice, and I think you will find that the answer is yes, but we will take it on notice to be sure.

Senator CANAVAN: People get pretty frustrated that we can't get simple answers to questions. One of the stated aims of the National Wild Dog Action Plan is for the Commonwealth to provide 'national direction for wild dog policy development at the state and regional levels'. I know you said earlier that this is a state responsibility. Well, in the actual plan, it says the Commonwealth has a role. Has the department advised the Victorian government of the phase-out of the baiting program?

Ms Anderson: The baiting program?

Senator CANAVAN: Well, apparently the baiting program is finishing as a result of this funding cut, I'm told.

Dr Vivian-Smith: We'll take that on notice. My understanding is that the baiting programs are generally funded by the states.

Senator CANAVAN: Has the National Wild Dog Management Coordinator raised any concerns to the department about reductions in baiting in Victoria?

Ms Saunders: I'd have to take that on notice.

Senator CANAVAN: When was the last time you had a briefing from the wild dog coordinator—the department?

Ms Saunders: I'd have to take that on notice.

Senator CANAVAN: I might leave those questions there. I'm just turning to peanuts. Apparently there are some allegations that peanuts have been sold with the incorrect labels. Is anyone aware of that issue?

Ms Anderson: I'm afraid that would be an outcome 1 question.

Senator CANAVAN: Alright, so I've got the wrong area. I missed it.

Ms Anderson: You can put it on the record or we can take it on notice. Oh, sorry, I am incorrect.

Senator CANAVAN: Okay. I thought it would be more of a biosecurity thing, but okay.

Mr Grosse: If you give me some details, I might be able to answer that.

Senator CANAVAN: Apparently there have been allegations that some imported peanut products have been marketed or labelled as lightly roasted, but they're actually sold as raw peanuts. You're not aware of those?

Mr Grosse: Probably not.

Senator CANAVAN: Okay.

Mr Grosse: Not without more detail. I'm sorry.

Senator CANAVAN: This is coming from a constituent.

Mr Grosse: If you have the information, we're happy to receive that, evaluate it and see what we can do.

Senator CANAVAN: Have you undertaken any recent investigations of peanut products from China or Brazil in regard to biosecurity or labelling?

Mr Grosse: Not recent ones that I'm aware of.

Senator CANAVAN: But how are these issues enforced? Do you rely on complaints or is there a monitoring program at all in regard to peanuts?

Mr Grosse: Yes, various methods. They can be from members of the public; they can be inspection activity at the border that we identify—a multitude of—

Senator CANAVAN: Have there been any instances of mislabelling in the last five years?

Mr Grosse: There is one investigation that is ongoing in relation to mislabelling.

Senator CANAVAN: Of peanuts?

Mr Grosse: Yes.

Senator CANAVAN: Okay. When was that detected or begun?

Mr Grosse: That would have been last year.

Senator CANAVAN: here was the country of origin?

Mr Grosse: I probably won't say any more because that is subject to an ongoing investigation.

Senator CANAVAN: Well, maybe take it on notice. It seems strange you can't say the country of origin. I'm not asking for the importer or something.

Mr Grosse: Well, it does involve mislabelling, so that's probably why.

Senator CANAVAN: Does it involve mislabelling the country of origin or something?

Mr Grosse: Yes.

Senator CANAVAN: Okay, so it's not about the actual characteristics of the product itself. Do you have a method to distinguish between roasted and raw peanuts?

Mr Grosse: I might see if one of my colleagues can come to the table on that one, because obviously we receive the allegations and investigate them, but it's interceptions at the border—

Senator CANAVAN: You could just eat them.

Mr Black: The imported food inspection program, in terms of policy context, sits within my division. In terms of what we would be inspecting for at the border, it will depend on the risk rating of the food. I would imagine that—I don't have the exact details of this instance, but my expectation is that peanuts are probably deemed at a low risk, so the inspection rate would probably be something like a random five per cent, and then it would be compliant with labelling requirements. So it is possible that product has come in and it wasn't part of inspection because it wouldn't have needed to be depending on the risk rating; then it would be potentially for sale; and then it becomes a matter for the state and territory jurisdictions in terms of meeting the labelling requirements of product against the Food Standards Code in Australia.

Senator CANAVAN: What are the penalties if someone doesn't label a product correctly?

Mr Black: I'll have to take that on notice.

Senator CANAVAN: Have you had any discussions with peanut growers or processors recently about these issues?

Mr Black: I certainly haven't, personally.

Senator CANAVAN: I should recognise that the industry is under a lot of stress at the moment. We might send you some details on that then, too, from this constituent.

Mr Black: Thank you.

Senator CANAVAN: That's it from me.

ACTING CHAIR: Before we rotate the call, I'll do a quick programming update. In the interests of staying light on our feet and trying to push through, the committee has discussed pushing through.

Senator McDONALD: The score is 20 to six to Queensland.

ACTING CHAIR: A very important score update, as well! Senator Colbeck.

Senator COLBECK: Is there anything to update in relation to potato mop-top virus in Tasmania with the outbreak there?

Dr Crnov: There has been no change in the status of potato mop-top virus since the last Senate estimates.

Senator COLBECK: So, since February this year, there's been no change at all?

Dr Crnov: No change in status.

Senator COLBECK: Have you been notified of any further detections?

Dr Crnov: No, we've had no further detections.

Senator COLBECK: So that's a total of nine in Tasmania?

Dr Crnov: I don't have the figures for Tasmania.

Senator COLBECK: Well, a genuine change in status would have been some on the north island, which there hasn't been, clearly.

Dr Crnov: It was determined in September last year—I'm sure that you're aware—that it's not technically feasible to eradicate from Australia. That's what the decision by the national—

Senator COLBECK: So it's not technically feasible to eradicate from Tasmania because it doesn't exist on the north island would be the extrapolation of that. Is that right?

Dr Crnov: The decision was actually that it's not feasible to eradicate from Australia. It hasn't turned up on the mainland—I've just realised what you've meant by north island. I'm having a very slow evening!

Senator CADELL: It wasn't Papua New Guinea!

Senator COLBECK: I'm just trying to distance myself from these people over here fighting over—

Dr Crnov: The country status for PMTV is that it's under official control and limited to Tasmania.

Senator COLBECK: Okay. I'll chase further detections at home.

Dr Crnov: Sure. It's under long-term management. It's under management in Tasmania.

Senator COLBECK: Okay. Based on that, there remain movement restrictions for product from Tasmania?

Dr Crnov: From Tasmania—that's right. The states and territories, as I'm sure you're aware, set the entry conditions, and it's restricted.

Senator COLBECK: Has it had any other impacts more broadly on biosecurity status for international trade?

Dr Crnov: No, it hasn't. Australia's status under the International Plant Protection Convention is that the disease is under official control and limited distribution, so it's just confined to Tasmania, and there has been no impact on exports.

Senator COLBECK: So no impact on exports at all, including from Tasmania?

Dr Crnov: I'm not aware that there were exports from Tasmania.

Senator COLBECK: They would be limited if there were.

Dr Crnov: That's right.

ACTING CHAIR: Senator McDonald.

Senator McDONALD: Could I turn to biosecurity again—protections from lumpy skin in Northern Australia. What investment has the department allocated to protect Northern Australia from biosecurity risk, specifically lumpy skin disease, given that it is endemic in parts of Asia and mainly our near neighbour of Indonesia?

Dr Smith: I think your question was just about lumpy skin disease.

Senator McDONALD: I'm concerned about biosecurity risk across Northern Australia, but lumpy skin is the one that keeps me up at night.

Dr Smith: Yes. I can talk about our border controls, and then we've got Dr Cookson, who can talk about Indonesia and near neighbours around disease status. Obviously, we're looking very carefully at the disease status in our near neighbours, and we still maintain our layered approach to mitigate foot-and-mouth disease and lumpy skin disease at the border. We still have a range of real-time assessments of travellers, as you would be aware, around imported personnel, baggage et cetera and traveller declarations and the like. We do have a watching brief around potential pathways into Australia, and that's my division's role. As you'll recall, last year, when we looked at the risk settings with foot-and-mouth disease and undertook risk assessments at that time, we were able to dial down some of those requirements, particularly around foot mats, without having an impact on the overall risk for entry, noting that we do bring in and have people moving in between approximately 70 countries which have

foot-and-mouth disease. That's not to say that we aren't vigilant—we are and we look very carefully at those risk pathways—but at this stage we're confident that they are still managing the risk.

Senator McDONALD: It's my understanding that there's been a new surge of the disease of foot-and-mouth in Indonesia. Is that something that you're monitoring? What intelligence are you getting?

Dr Smith: I'll hand over to Dr Cookson on infections, and I'm happy to answer beyond that.

Dr Cookson: Senator McDonald, as you know, foot-and-mouth disease was reintroduced into Indonesia in 2022 after around 30 years of being absent from that country. During that time it has established across many of the islands within Indonesia, including the islands of Java and Sumatra, amongst others, but they're the highest cattle-producing areas. What we've seen during that time is what we would expect with a disease that has established, in that, with some level of background immunity due to either exposure or through the vaccination campaigns that have been administered by the Indonesian government, there are lower levels of disease generally across those populations. However, we are also aware that we do see periods of higher numbers of cases from time to time.

My information is that the last peak reported by the Indonesian government occurred around January, with a larger number of incidents of foot-and-mouth disease occurring than we had seen over the previous months. We're very conscious that this is sort of a normal scenario that we might expect with an established disease and we are very conscious that it requires careful monitoring to ensure that our measures remain fit. Dr Brant Smith can go to some of those measures at the border. Perhaps just before I finish—our approach to managing biosecurity, particularly in the near region, is multilayered. We undertake a range of activities for technical cooperation and support with Indonesia and other neighbouring countries to our north, as well as the border measures and post-border measures that we apply in the country here. If it's of value, I can go to some of those cooperation activities that we're undertaking with Indonesia, or I can hand over on the border measures.

Senator McDONALD: I am curious, but I will run out of time. Would you mind, on notice, providing that? I would be very interested to know what work is happening with those other countries. Thank you. Could I now turn back, then, to not just the travelling and borders but also what activities and programs there are for surveillance for particularly lumpy skin disease in place across the north. Are you still doing insect—what do you call the insects that you monitor to see if they have the disease?

Dr Cookson: Vector monitoring.

Senator McDONALD: Vector monitoring. Thank you.

Dr Smith: We do do vector monitoring, as Dr Cookson has said, to look for those particular insects that we know can carry the disease from Indonesia into Australia. We work through our Northern Australian Quarantine Strategy, which is one of the main mechanisms that we put in place to detect those insects. We also have those at various ports of entry as well. Previously, we talked about some modelling work that we did to look at prevailing winds and working with the Bureau of Meteorology to determine what the likely entry points are and then where would we need to focus our effort in that case, particularly with the changes of winds in monsoon periods. We remain incredibly active on that. As part of the Lumpy Skin Disease Action Plan, we also have vector surveillance strategies that we're working very closely with our counterparts in the jurisdictions and with industry on, and that remains a really strong focus. We've also been looking at some work around the numbers and types of insects we would need to look at as well. So there's a lot of work that's still ongoing.

Senator McDONALD: Are DAFF officers based in Northern Australia and on the ground to inspect, monitor, educate and engage with the frontline people of the north, particularly in the agricultural sectors about biosecurity risks generally, given the proximity of Northern Australia to—well, Cairns is closer to Port Moresby than Brisbane, and Darwin's a fraction of the distance to Indonesia than it is to Sydney. So are DAFF officers on the ground?

Dr Smith: We do have a number of DAFF officers on the ground. A lot of them are based within the border operations division but also, as I mentioned, the Northern Australian Quarantine Strategy—Dr Cookson lives in Northern Queensland as well, so she has a strong focus on the north as well with the chief vet officer. But, yes, we do have a lot of on-ground staff. We also work with Indigenous ranger groups and with Northern Territory, Western Australian and Queensland counterparts in the ag departments. And we've obviously got a lot of communications and material that we provide as well to ensure that there's an ongoing focus.

Senator McDONALD: Operation Lunar is proposed to respond to illegal foreign fishing threats. Is it multitasked for surveillance and response to biosecurity risks like lumpy skin disease, foot-and-mouth, and the insect detection programs?

Ms Anderson: I think you're referring to the illegal foreign fishing vessels.

Senator McDONALD: I am.

Ms Anderson: Yes. I don't think there would be a connection, but I might just see if someone—

Ms Saunders: It is obviously one of the biosecurity risks that is considered in responding to illegal fishing. In that instance, as you know, there's a whole-of-government arrangement in place for that, led by the Australian Border Force, which we contribute to. We work very closely with our partners in Fisheries, as well, to ensure that, when they are responding, they're very alive to the biosecurity risks, and we give very clear guidance in regard to how biosecurity security risk should be managed.

Senator McDONALD: That's exactly what I was hoping you were going to say.

Ms Collins: Further to what Ms Saunders has just provided, we have operating procedures in place. With the Australian Fisheries Management Authority, we have a protocol, and with Australian Border Force, we have standard operating procedures. Each of those documents outlines the biosecurity risks and management measures to be undertaken where the vessels are found at sea, or, if they're found onshore, how biosecurity risks are to be managed.

Senator McDONALD: And that specifically includes some of the other things that you would normally be looking for onshore—detecting insects that might be carrying lumpy skin disease or foot-and-mouth?

Ms Collins: The data we get from that program is certainly shared with the Northern Australia Quarantine Strategy, who is responsible for the surveillance programs. For example, if there is a vessel that has come to shore, that information is shared with the NAQS team and included as part of the surveillance program.

Senator McDONALD: That sounds quite high level for me. I want to hear some dirty boots. Please give me the confidence that this is the same sort of rigorous process that you'd expect if it were happening in Australian waters.

Dr Cookson: Perhaps I can add some context around the insects that are known to be involved in transporting lumpy skin disease. I think what Ms Collins has described would go to some of the identification of specific biosecurity risk materials, like animal or plant commodities that can be associated with pests or diseases. The insects are perhaps a little bit more nuanced than that. Lumpy skin disease is transferred from animal to animal by biting insects. It's what called a mechanical transmission, in that the virus is on the mouth parts of the insect and is actively injected into another animal to cause the infection. So it's a little bit different to other diseases that we see like, say, bluetongue, where the insect itself is part of the biological cycle of the virus and the virus can survive in the insect.

What we know about the insects that transport lumpy skin disease as contamination on the mouth parts is that there's a finite period of time that the virus might be infective. It degrades quite quickly from about two days. With the illegal fishing vessels, the types of insects that may be associated with that are probably not the ones that we're so worried about, in terms of the timeframes as well as their ability to be exposed to the animals here. The long distance wind dispersal pathways we're interested in are those ones that can bring potentially contaminated vectors during a shorter time period directly from countries where the virus would be present into northern Australia. So the risks are a little bit different between those different paths.

Senator McDONALD: I was imagining that if you had an illegal fishing vessel you had the opportunity for an insect to land, to hitch a ride. Are you thinking that timeframe is too long for them to still be carrying the disease once the illegal fishing vessel arrives in Australia?

Dr Cookson: That's the premise I'm assuming. Obviously, there's a lot of variability with those assumptions, but we do know that those long-distance movements of lumpy skin disease tend to occur when there are infected animals that have moved long distance and then the insects pick it up and transmit it to animals within that local area. My assumption, on what we know, would be that the illegal foreign fishing vessel pathway has a lower likelihood of that occurring than some of the other pathways we're concerned with.

Senator McDONALD: That is good to hear. May I turn to another topic: I want to ask about night-time loadings. Independent consultants Ausvet were contracted in November last year to undertake an independent review of viability of night-time livestock vessel inspection. Did the department commission this review?

Ms Collins: Yes, we did.

Senator McDONALD: How much was the contract worth, please?

Ms Collins: The contract was \$136,000.

Senator McDONALD: What was the final cost of this report?

Ms Collins: That was the full cost of the contract, now finalised.

Senator McDONALD: The Ausvet review determined there was no definitive evidence that night-time biosecurity clearances of livestock vessels pose a higher risk of disease or invertebrate incursion than those in the daytime. Based on the extra costs and lost revenue faced by exporters who must wait till daytime to be cleared by biosecurity and the findings of the report, will the department resume night-time inspections?

Ms Collins: While the report found no definitive evidence, the report did note that the data are limited and the consequences that may accompany a failure of detection are high. So the report made four recommendations: one that we conduct a comparative trial of daylight and night-time inspections; one that we improve data capture and risk profiling; one in relation to demerit systems for strengthening compliance in livestock vessels; and one in relation to optimising lighting conditions and managing inspector fatigue and workplace health and safety.

Senator McDONALD: So you will undertake the trial as per the recommendation?

Ms Collins: We met with the industry last week. Obviously, we can only undertake a trial if we're doing it in collaboration with industry, and industry agreed wholeheartedly to enter into the trial with us.

Senator McDONALD: What is the timeline for the proposed trial?

Ms Collins: We're in the process of developing a methodology. Once we've got the methodology, it will be more about what number of vessels we need to conduct the trial on to get a statistically significant result as opposed to a definitive timeframe. I note the recommendation was a 12-month comparative trial, but I would say if we can do it in a shorter period than that and get something statistically significant then we will do it in a shorter period.

Senator McDONALD: Given that night-time inspections were happening up to 2024, why do we need to do a trial?

Ms Collins: Night-time inspections were happening up until 2017. They were happening up until 2023 in Darwin, and I believe that was because of the workplace conditions there. Really, our fundamental concern is around managing biosecurity risks on livestock vessels. The report from Ausvet certainly didn't give a green light in terms of it being safe to go ahead. In fact, the report recommended a trial, and we've agreed with industry that we'll go ahead with that trial.

Senator McDONALD: Up to 2017, or 2023, did you have disease detections that you are now stepping back and saying that that was where you missed disease? Why are we starting from the beginning again?

Ms Saunders: We shared this with industry last year: our data showed there has actually been 10.5 per cent noncompliance between 2015 and 2025. Noncompliance, particularly across livestock carriers, remained a persistent operational issue. There were 114 demerit action reports recorded to livestock vessels over the period. Of these, 99 inspections resulted in a demerit, equating to 10.5 per cent of all inspections. So the risk is very real, which is why we want to ensure that the pilot is thorough and that we can ensure that for any changes—and we're certainly open to that if the evidence supports it—we can manage the risks at an appropriate level of protection.

Senator McDONALD: So detection rates went up when you were only doing them during the day?

Ms Saunders: No. My point is that to suggest there is no risk is not accurate. We're seeing high rates of noncompliance, so we have to ensure that whatever measures we have in place manage those risks, and at this stage the science has indicated—the science is what we've relied upon in making this decision—that we could not adequately manage the risk by doing night-time inspections. This independent report suggests it's an open question and further work needs to be done, noting that the risks if we got this wrong would be significant.

Senator McDONALD: But they said there was no definitive evidence that night time biosecurity clearance—

Ms Saunders: Based on the limited pilot, but then the report also then goes on to say that it acknowledges that, which is why it's recommending further work needs to be done. If we proceeded based on the limited sample they had done, there is a risk that could be materialised. So further work needs to be done.

Senator McDONALD: How will the proposed trials take place?

Ms Saunders: As Ms Collins said, those discussions are happening with industry now, with a view to having an agreed methodology and way forward.

Senator McDONALD: And how much will that cost?

Ms Saunders: We'll be doing that in kind.

Senator McDONALD: If there are gaps in this data, why can't the data be collected when undertaking night-time inspections instead of undertaking a trial?

Ms Collins: Because we're still uncertain about the ability to detect some of the biosecurity risks on vessels at night time. The report said that there's a gap in the evidence, and therefore a trial condition was required to be undertaken. Given the level of noncompliance, we think this is the appropriate level of caution.

Senator McDONALD: In the report, it was stated that resourcing, financing and staffing may play a larger role in the department's ability to conduct high-quality inspections than ship hygiene itself. Is it simply the case that unionised staff are saying that they don't want to work at night, rather than any scientific reason?

Ms Collins: That's not the case at all. The inspections are part of the measures to manage a risk on a biosecurity risk pathway. Livestock vessels are considered to be a high biosecurity risk pathway, and we're making sure that the measures that are implemented are appropriate to manage that risk.

Senator McDONALD: It's just that your \$136,000 report said that resourcing, financing and staffing may play a larger role in the department's ability to conduct high-quality inspections.

Ms Collins: Obviously, staffing—

Senator McDONALD: It's the science that's saying that, not me.

Ms Collins: That's what it says in the report, but it also says there's a gap in data, there are no lighting standards and there's no definitive evidence. It also says the consequences of getting it wrong are high.

Senator McDONALD: What is the process for implementing the regulatory improvement project?

Unidentified speaker: Which project are you referring to?

Senator McDONALD: That's for live export.

Ms Saunders: That might be in outcome 1.

Ms Anderson: I'm afraid that's outcome 1, if it's a live export question. The inspections of vessels are obviously biosecurity, but—

Senator McDONALD: This is about biosecurity for live export.

Ms Anderson: If you repeat the question, I can make doubly sure.

Senator McDONALD: I want to ask you about the regulatory improvement project.

Ms Anderson: I think that is run out of Mr McDonald's division. He was here earlier today. If you want to put the question on notice, I'm happy to take it, but I don't think we'll be able to answer it if it's about that.

Senator McDONALD: I will put it on notice.

Ms Anderson: Thank you.

ACTING CHAIR: Thank you very much to our officers from the department. We can now release officers for outcome 2. That concludes today's hearing. Thank you to all the witnesses who appeared and to Hansard and Broadcasting for their assistance. I remind senators that the committee has agreed that any written questions on notice should be lodged with the secretariat by Friday 5 June 2026. Thank you again to the department and the secretary.

Committee adjourned at 21:28