

DEPARTMENT OF AGRICULTURE AND FOOD

BRIEFING NOTE – 22 AUGUST 2012

39-18584-1

Issue

RESPONSES TO QUESTIONS FROM UPPER HOUSE BUDGET ESTIMATES

Background

The Standing Committee on Estimates and Financial Operations called the Hon Robyn McSweeney, as the Minister's representative in the Upper House, to a hearing on 6 August 2012 in regard to the Department of Agriculture and Food Western Australia's (DAFWA) 2012-13 budget.

Mrs McSweeney was accompanied by the Director General, Executive Directors and Chief Financial Officer of DAFWA.

The Minister is required to provide responses to questions raised, by Friday 24 August 2012 to the Committee Clerk, Legislative Council, Parliament House.

Current Situation

Responses have been prepared to all questions raised with the exception of four relating to InterGrain Pty Ltd. A two-week extension has been granted in regard to these questions in order for DAFWA to determine its ability to provide certain documents regarding InterGrain's establishment, ownership and relationship with DAFWA.


Responses are provided separately in regard to questions raised during the hearing (Questions on Notice) and those submitted in writing by Committee members (Additional Questions).

Recommendation/Action

The Minister:

1. **ENDORSES** the attached response to Questions on Notice and Additional Questions.
2. **FORWARDS** the above responses to the Estimates and Financial Operations Committee on or before Friday 24 August, 2012

Rob Delane
DIRECTOR GENERAL

NOTED/APPROVED/NOT APPROVED
24 AUG 2012

MINISTER FOR AGRICULTURE AND FOOD

Endorsed by Greg Paust
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Attachment 1: Responses to Questions on Notice
Attachment 2: Responses to Additional Questions

ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE

ADDITIONAL QUESTIONS

Monday, 6 August 2012

Department of Agriculture and Food, Western Australia

Question No. 1 - Funding: Hon Giz Watson asked –

(1.1) Is the Minister aware that the integrity of the Scientific Peer Review relies on the independence of reviewers?

If DAFWA R&D numbers fall below a critical threshold this could compromise the Peer Review process.

Answer: DAFWA management is aware both of the role of review in ensuring scientific integrity and of the imperative for integrity in all aspects of government services. The breadth of scientific skills within DAFWA, and its close collaboration links with other scientific organisations such as the CSIRO and universities, ensures that its scientific methods and products are appropriately scrutinised.

(1.2) What is DAFWA's R&D staffing threshold in the sectors a. organic farming and b. apiary?

Answer:

(a) DAFWA has one staff member specialist in organic farming plus some direct support from DAFWA expertise in related areas, such as cooperatives, food technology, regulations, and farming systems.

(b) DAFWA has one staff member equivalent for apiary with direct support from other DAFWA expertise as appropriate.

(1.3) How many agronomists are there in DAFWA?

Answer: There are approximately 55 Full Time Equivalent agronomists.

(1.4) Has this function been entirely outsourced?

Answer: No

(1.5) What allowance is there in the budget for regulatory oversight of agronomists?

Answer: The Department has no regulatory oversight of commercial or private agronomists.



Question No. 2 – Resource Risk Management: Hon Giz Watson asked –

In reference to the Budget Statements, Paper No 2, Volume 2, page 763, Service and Key Efficiency Indicators: Resource Risk Management. One of the key strategies of the Department in managing resource risk is the establishment of a modern legislative platform that enables industry to take ownership of biosecurity risks of key importance to their industry including funding for activities as appropriate.

(2.1) What alterations to the existing legislative platform will the Department be making to achieve this?

Answer: No alterations will be required. The *Biosecurity and Agriculture Management Act 2007* (the Act) is enabling legislation with associated regulations and other subsidiary instruments. This subsidiary legislation is progressively being implemented. The regulations enabling the Biosecurity Industry Funding Schemes have been in place for 2 years.

The schemes are fully functioning, and industry collects funds on the sale of produce to run programs that manage threats that are deemed by industry to be biosecurity priorities. The Act allows also, for the formation of Recognised Biosecurity Groups that control pests that impact on public as well as private interests. This entitles them to money raised from rates within their areas of operation and matched by the Government, for the purpose of carrying out programs to control established pests and diseases that are of primary concern to their regions.

The regulations that set out how the Minister will consult on the rates to be set have recently been proclaimed.

(2.2) Will funding for activities include funding for local shires to monitor GM volunteers and control GM contamination?

Answer: No.

(2.3) If no to 2.2, why not?

Answer: In 2003, the Australian Office of the Gene Technology Regulator concluded that GM canola is no more weedy or invasive than non-GM canola varieties.

(2.4) With the pending farmer to farmer court action in the Perth Supreme Court, how much has there been allowed in the budget to address any findings which might highlight deficiencies in DAFWA's policies, procedures, computer systems and public advisories?

Answer: The Department is not able to pre-empt the Supreme Court decision.

(2.5) *Has DAFWA audited the current system of regulating GM crops in WA?*

Answer: Yes. In 2010, the Department carried out the GM canola audit program. The final report for this program was tabled in the Western Australian Parliament on 14 April 2011.

(2.6) *If yes to 2.5, what was the result of the audit?*

Answer: The audit report concluded that the 2010 Western Australian GM canola growers met the conditions of the Roundup Ready License and Stewardship Agreement.

(2.7) *If no to 2.5, why not?*

Answer: Not applicable.

(2.8) *WALGA has developed a mapping system <http://walga.asn.au> that overlays various statistics on the growing of GM crops in WA interrelationships and conflicts can more easily be determined and managed. Is a similar reporting going to be adopted by DAFWA?*

Answer: We understand that the WALGA mapping system referred to is the Perth Biodiversity Project. The aim of this local government initiative is to support Local Governments to use their functions and powers effectively to protect and manage Local Natural Areas. The Perth Biodiversity project does not overlay statistics on the growing of GM crops in Western Australia.

(2.9) *If no to 2.8, why not?*

Answer: The Department established the Sensitive Sites service in 2011. This service aims to assist growers in preparing risk assessment and risk mitigation plans for their ongoing production activities and help protect sensitive agricultural production systems.

Question No. 3 – Esperance Barrier Fence: Hon Giz Watson asked –

(3.1) *I refer to page 766 and the line item 'Royalties for Regions Fund' under 'Income from the State Government'. In the 2010-2011 State Budget the Government committed \$5.17million to upgrade and extend the State Barrier Fence. Media reports suggested that \$2.5million of this funding was to be used for materials to construct an Esperance extension. On 19 December 2010 the Minister committed a further \$5million Royalties for Regions funding to the upgrade of the State Barrier Fence.?*

Answer: The initial \$5.17million was provided for materials costs for the Yilgarn Gap part of the State Barrier Fence, the lap wire upgrades to the existing State Barrier Fence, and the Esperance Extension. The further \$5million Royalties for Regions funding was endorsed on 19 Dec 2011. These funds were for the installation costs for the lap wire to the existing State

Barrier Fence (SBF), the approvals and construction costs for the Yilgarn Gap, and for approvals and phase one construction costs for the Esperance Extension.

(3.2) Have materials been purchased for the proposed extension of the fence?

Answer: The materials supply contracts for the lap wire upgrades to the existing SBF and the Yilgarn Gap have been awarded. The materials for these components will be purchased during the 2012-13 financial year.

(3.3) If yes to 3.2, can the Department provide a comprehensive breakdown of:

- (a) what materials have been purchased;*
- (b) who the material were purchased from;*
- (c) the cost of the materials;*
- (d) where these materials are being stored;*
- (e) who is taking responsibility for the storage?*

Answer:

(a) Materials for the lap wire and Yilgarn Gap components will be purchased. This includes posts, prefabricated wire, strainer assemblies, droppers and gates.

(b) Materials will be provided by two suppliers:

- Great Northern Rural Services in Geraldton, and
- Southern Wire in Bassendean

(c) The total cost of the materials for the lap wire and the Yilgarn Gap components is \$1,243,089.85. The cost of the lap wire component materials is \$247,142. The cost of the Yilgarn Gap component materials is \$995,947

(d) For the lap wire component:

- Materials for 30km are stored at the DAFWA depot in Southern Cross
- Materials for 200km are stored at the DAFWA depot at Morawa
- Materials for 120km are being delivered on-site for installation
- Other materials are stored by the suppliers.

All materials are stored by the supplier and will be delivered on-site for installation for the Yilgarn Gap component.

(e) The materials stored in DAFWA depots are the responsibility of DAFWA. Materials stored temporarily on-site are the responsibility of DAFWA. Materials stored by the supplier are the responsibility of the supplier

(3.4) *If no to 3.2,*

(a) what is the timeframe for the expenditure of the funding?

(b) does the current 2012-2013 budget include this funding?

(c) If yes to (b), can you identify the relevant part of the Budget that it falls under?

Answer:

(a) Materials for the proposed Esperance Extension will be purchased when all required approvals for construction are granted. It not expected that purchase of materials for the proposed Esperance Extension will occur during the 2012-13 financial year.

(b) No funding for materials for the proposed Esperance Extension is yet allocated to DAFWA so is not included in the 2012-13 financial year budgets for DAFWA.

(c) N/A

(3.5) *Will the necessary research into environmental, heritage and conservation impacts of the Barrier Fence be conducted by DAFWA staff?*

Answer: DAFWA staff will not be undertaking new research into the potential impacts of the proposed upgrades and extensions to the State Barrier fence. The impacts will be assessed through formal assessment processes by relevant agencies and specialists.

(3.6) *If yes to 3.5, does the 2012-13 Budget provide funding for the necessary research?*

Answer: No

(3.7) *If yes to 3.6,*

(a) How much funding is available?

(b) How many FTEs will be allocated to the research?

(c) What will be the scope of the research?

Answer: N/A

(3.8) *Has the department conducted recent cost-benefit analysis of the Barrier Fence?*

Answer: Yes. A benefit cost analysis of options to upgrade and extend the State Barrier Fence was undertaken in 2007.

(3.9) *If yes to 3.8,*

(a) does the analysis suggest a low return, somewhere in the order of 1:1.12?

(b) will the Department make its analysis publicly available?

Answer:

(a) The benefit cost ratios provided in the 2007 benefit cost analysis vary considerably for the different options assessed. The ratio of the proposed Esperance Extension component of the preferred option is shown to be 1:1.97.

(b) The 2007 benefit cost analysis report is a public document.

(3.10) Is the department aware that material provided to Esperance rural ratepayers by the Esperance Shire Council, in support of a \$1.76million loan to contribute to the cost of building the fence, noted that a study by URS consultants showed a 1:2 benefit?

Answer: Yes. The Department is aware that the URS benefit cost analysis for the SBF (2007) was quoted in material provided to the Esperance rural ratepayers.

(3.11) If yes to 3.10, what efforts have the Department made to ensure that updated cost-benefit analysis figures are available to Esperance ratepayers who are likely to make a financial contribution to the construction of the fence?

Answer: The Department, through the recently formed Esperance Extension Reference Group, has prepared a Consultation and Engagement Plan. In delivering the actions of this Plan, the Department will provide information that is available.

Question No. 4 – Stormwater Plan: Hon Giz Watson asked –

I refer to page 766 and the line item 'Royalties for Regions Fund; under 'Income from the State Government'. I also refer to the Ministerial Statement of 6 June 2012 where the Minister announced a stormwater re-use pilot project for selected wheatbelt towns.

(4.1) Has the Department chosen the priority towns where the pilot project will be trialed?

Answer: The Stormwater Re-use Project Steering Committee, not the Department is responsible for selecting the priority towns. The membership of the Steering Committee is still to be finalised. Four members (DAFWA, Department of Water, Wheatbelt Natural Resource Management and Wheatbelt Development Commission) have been selected. We understand that the final Western Australian Local Government Association (WALGA) delegate will be nominated by WALGA shortly.

(4.2) *If yes to 4.1, which towns have been chosen?*

Answer: N/A

(4.3) *What are the specific criteria that have or will be used to select these towns?*

Answer: Specific selection criteria are still to be finalised by the Stormwater Re-use Project Steering Committee.

Question No. 5 – GM in Agriculture: Hon Giz Watson asked –

In reference to the Budget Statements, Paper No 2, Volume 2, page 758, Government Goal 2: Social and Environmental Responsibility which refers to the need to ensure that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

(5.1) *As part of this goal will the Department be monitoring the contamination of non-GM crops, organic farming and apiary by GM crops?*

Answer: DAFWA has no current plans to monitor for accidental presence of GM material in these circumstances

(5.2) *If yes to 5.1, please detail*

Answer: N/A

(5.3) *The monitoring plans in terms of length, staff allocation and cost; and*

Answer: N/A

(5.4) *The line items in the Budget Statements will fund these plans?*

Answer: N/A

(5.5) *Is the Department aware of:*

- a. *the large price differential between GM and non-GM canola?*
- b. *the demand for non-GM crops by countries within the European Union?*
- c. *the decision in May 2012 of fast-food company KFC to specifically source non-GM high-oleic canola oil for its food production?*

(a) Answer: Yes. On 16 August 2012, the Profarmer daily price service reported non-GM canola (delivery Kwinana) was \$590 per metric tonne while GM canola was \$555 per metric tonne (delivery Kwinana).

(b) Answer: Yes.

(c) Answer: KFC have announced that they will be using high oleic canola oil in its Australian restaurants after May 2012. The KFC media release does not specify the GM status of the oil and as canola oil does not contain protein or DNA, all canola oil is non-GM under Australia food labelling laws.

(5.6) If yes to the above, how is the Government's position on GM consistent with adopting a 'market pull' focus to DAFWA activities?

Answer: Access to GM crops provides grower choice. Growers consider the cost of production and the price of the final product while making their production decisions. Growers are aware of the difference in price that may exist between non-GM and GM canola from time to time and choose to grow GM canola in their cropping program as they have assessed it as being able to contribute to whole farm profit.

(5.7) Will the matters listed in 5.5 be taken into account in determining immediate industry needs and priorities as part of the Department's key industry strategies to foster business and supply chain development on page 761?

Answer: Yes.

(5.8) If yes to 5.7, how will this affect the key strategy?

Answer: Industry has identified the need for access to global technologies to ensure it remains internationally competitive.

(5.9) If no to 5.7, why not?

Answer: N/A

(5.10) In the GM Canola Grower-Monsanto contract (RMP), the farmer signs up for 3 years past the growing season. How this is managed and regulated, particularly when property changes hands? Please identify the relevant law and detail the process that must be complied with.

Answer: Farmers sign a Monsanto Licence and Stewardship Agreement with Monsanto in order to use Roundup Ready canola technology. This means growers agree to undertake

the responsible stewardship of Roundup Ready canola, as set out in the terms of the agreement.

If a property has grown Roundup Ready canola and it changes hands the purchasing grower must take over the responsibility of the contract. The grower selling the property is required to advise the purchasing party of the Roundup Ready canola licence and transfer it as part of their purchasing arrangements.

Contract law is the only law relevant to grower compliance with the Monsanto Licence and Stewardship Agreement.

The processes growers must comply with are documented within the Crop Management Plan that is available on the Monsanto Australia website.

(5.11) What information is available to a prospective buyer about the GM crop history on farm and proximity of neighbouring GM farming properties?

Answer: Any prospective property buyer has the responsibility to conduct due diligence on matters that are important to their farming system.

(5.12) When a farmer grows GM crops and subsequently sells this land do they have an obligation to disclose their previous farming activities to a prospective purchaser?

Answer: As outlined in the Licence and Stewardship Agreement, if a property on which Roundup Ready canola has been grown changes hands, the purchasing grower must take over the responsibility of the contract. The grower selling the property is required to advise the purchasing party of the Roundup Ready canola licence and transfer it as part of their purchasing arrangements.

(5.13) If there are no relevant laws identified in 5.10 will the Government introduce legislation that requires farmers to disclose the prior use of their land to prospective purchasers?

Answer: No.

(5.14) Please provide funding allocations for research initiatives on:

- a. development of non-GM crops;*
- b. research and development for the organic sector;*
- c. soil studies; and*
- d. bees?*

(a) Answer: \$14.13 million.

(b) Answer: \$100,000.

(c) Answer: \$1,799, 204.

(d) Answer: \$200,000.

(5.15) Is the Department involved in, planning to work or currently working on any cost benefit analysis of GM wheat?

Answer: No.

(5.16) Who will own the Intellectual Property of various developments and products of publicly-funded research collaborations through GRDC and CSIRO?

Answer: The ownership of intellectual property is determined on a case-by-case basis.

(5.17) What is the percentage and dollar figure of (a) non-GM farmer and (b) organic farmer levies that are going into GM research?

Answer: DAFWA does not have specific data in this area as levies are raised by the Federal government. However, since the vast majority of crops are non-GM, the proportion for non-GM farmers will be very high. Similarly, DAFWA does not have data for organic farmer levies, but the dominance of non-organic cropping would indicate that the net flow of funding benefits was toward rather than away from organic farmers.

(5.18) Given the substantial reductions in the DAFWA budget – I wanted to ask about the voluntary resistance management program developed for farmers with GM Crops.

- a. How many, if any, FTEs within the Department monitor compliance with the volunteer resistance management program and to assess the ongoing impacts of GM use on the affected land?*
- b. Will the 2012-13 Budget result in a reduction in this allocation?*
- c. Is any other body responsible for monitoring compliance with the resistance management program? If so, please provide details.*
- d. In June CropLife Australia released a list of herbicide resistant weeds that showed that the number of sites of annual ryegrass that are resistant to glyphosate has doubled in the past year. What if any research is being done into growing glyphosate resistance?*
- e. How many FTEs conduct this research?*

(a) Answer: No FTEs are dedicated to monitor the volunteer resistance management program.

(b) Answer: No.

(c) Answer: The Office of the Gene Technology Regulator receives reports from Monsanto on the incidence of glyphosate resistance in Roundup Ready crops. Australian Herbicide Resistance Initiative also conducts sampling transects through the wheatbelt on an annual basis.

(d) Answer: The Department has an Integrated Weed Management project and the national Grains Research and Development Corporation and the Rural Industries Research and Development Corporation fund research on glyphosate resistance.

(e) Answer: 4 Full Time Equivalents.

Question No. 6 – Education: Hon Giz Watson asked –

In reference to the Budget Statements, Paper No 2, Volume 2, page 758, Significant Issues affecting the Agency (dot point two) where the Department commits to working with industry to ensure relevant national and international trends in agriculture are understood.

(6.1) What allowance is there in the budget for review of the Farm Notes to ensure that Farm Notes are adequate and up-to-date?

Answer: Resources are held within projects responsible for the development and review of Farm Notes and web-based information. In addition, DAFWA has allocated 1 FTE to coordinate the updating of Farm Notes on an ongoing basis; and 1.5 FTE's to review and update Farm Notes in relation to the implementation of the Biosecurity and Agriculture Management Act (BAMA).

(6.2) As part of this commitment will the Department be compiling education packages for schools and the community about GM in agriculture during 2012-13?

Answer: No.

(6.3) If yes to 6.1, and in light of Monsanto's share in InterGrain, will these education packages include independent research about the economic, environmental and health benefits and detriments of GM crops?

Answer: Not applicable.

(6.4) If no to 6.3, why not?

Answer: Farm Notes do not form education packages for schools as Farm Notes are intended to provide information to growers and other industry members.

(6.5) Does the Department have procedures in place to review any education packages Monsanto compile for schools and the community about GM in agriculture?

Answer: No.

(6.6) If no to 6.5, how will the Department ensure that the WA public receives balanced information on GM in agriculture?

Answer: The Department will continue to work with industry to provide information relating to GM in agriculture. The Department website contains a considerable quantity of scientific information relating to the safety of GM crops and food products as well as links to other science-based information sources.

Question No. 7 – Outcome and Key Efficiency Indicators: Hon Giz Watson asked –

In reference to the Budget Statements, Paper No 2, Volume 2, page 760, Outcome and Key Effectiveness Indicators. The explanatory note indicates that less than a third of respondents scored the Department's impact on the sector profitability, innovation and sustainability in the last 12 months higher than 6 out of 10.

(7.1) Does the Department have more detailed information as to the reasons survey respondents were disappointed in the Department's performance? Please provide this information.

Answer: No. This year's survey was the first of this type undertaken by the Department. Future surveys will involve additional questions which will seek to identify key areas in which further improvements can be made. However it needs to be recognised that the direct nature of these questions mean that it is not expected that DAFWA would be scored markedly above the 30% range gained in this first survey. The future rate of improvement is the key indicator.

(7.2) What will the Department be doing to reach its 2012-13 Budget Targets?

Answer: The Department expects that improvements are most likely to come from three sources:

- the larger, more strategic projects it initiated under its 2011-15 Strategic Plan; such as the More Sheep initiative and MyCrop website;
- a greater focus on and better targeting of DAFWA's contribution to the innovation mechanisms available to the Western Australian agrifood sector, a considerable portion of which are now extended by the private sector without due recognition to DAFWA's role in their creation; and,
- a sharper focus of DAFWA's investment and effort on its core objectives under its vision for a more profitable, innovative and sustainable agrifood sector.

(7.3) Why is the Department aiming to reduce the proportion of co-investment in Department-led initiatives from the 2011-12 Estimated Actual?

Answer: It is prudent that the Department's budgeting of co-investment is conservative because many of the necessary agreements are not finalised until well into the financial

year. As such the pertinent comparison is the 12% increase between the budget figures for 2011-12 and 2012-13 (please refer to page 760 of the budget paper).

(7.4) *How will the Department meet the 2012-13 Budget Target?*

Answer: The Department expects to be able to increase its proportion of co-investment in 2012-13 primarily through being able to demonstrate its increasing value to industry through each of the three mechanisms outlined in response to question 7.3.

Question No. 8 – Natural Resource Management: Hon Giz Watson asked –

I refer to the Budget Statements, Paper No 2, Volume 2, page 757, Major Spending Changes ‘Royalties for Regions – NRM Initiatives’.

(8.1) *How will the increased 2012-13 allocation be spent? Please provide a complete breakdown of expenditure.*

Answer: The Department of Agriculture and Food and the Department of Water have commenced work on four main themes for the \$78.205 million Royalties for Regions funded Regional Development – Water and Natural Resource Management Initiative. The overall objective of the Initiative is to capitalise on water availability opportunities to support regional development in Western Australia. The Initiative supports strategic regional development and future investment in agriculture, industry, mining, tourism and urban centre by capitalising on water opportunities, development sustainable soil, water and catchment management practices, reducing the long-term impact of natural hazards (such as flooding), supporting state food security and implement pest animal control.

The additional funding is contributing to achieving the following Department led themes:-

Theme and projects	Funding by Project	Total Funding in 2012/13
Regional Economic Development – Water Opportunities		\$2,485,000
• East Kimberley	\$728,000	
• West Kimberley	\$1,758,000	
Gascoyne Food Bowl	\$4,869,000	\$4,869,000
Regional Natural Resource Management		\$5,482,000
• Carbon Farming	\$1,000,000	
• Water Efficiency	\$1,000,000	
• Storm Water Reuse	Nil	
• State Barrier Fence	\$3,482,000	

(8.2) *In reference to the same page and following line item can the Minister explain the impact that the transfer of NRM from controlled to administered will have on current NRM initiatives.*

Answer: There will be no impact on current NRM initiatives. The transfer of funds from controlled to administered is to satisfy an Office of the Auditor General audit requirement as per the Australian Accounting Standards.

Question No. 9 –Hon Giz Watson asked –

How is the Department of Agriculture and Food monitoring what InterGrain is doing?

Answer: There are two Western Australian Agricultural Authority nominees on the Board, one of them being the Chair. The Department meets with the Chair and the Chief Executive Officer quarterly.

Question No. 10 –Hon Giz Watson asked –

How does the Department of Agriculture and Food ensure that Government's investment is generating a reasonable return as it is a "commercial entity"?

Answer: The Department utilises its extensive networks to scan for positive and negative feedback on the performance of InterGrain and its commercially released varieties. The Department meets quarterly with the Chair and the Chief Executive Officer. The Department reviews the five year business plan and also monitors InterGrain's variety market share.

Question No. 11 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 757 'Major Spending Changes,' line item, Enhanced Adverse Weather Monitoring Network, and ask –

- (a) Of the \$300,000 listed for an Enhanced Adverse Weather Monitoring Network in 2012-13, how much will be spent in the South West?*
- (b) Where will it be spent and on what?*
- (c) What are the start and expected completion dates of the project(s)?*

Answer:

- (a) All will be spent in the South West.
- (b) Automatic weather stations will be purchased. Automatic weather stations will be located at Manjimup, Pemberton, Vasse and Donnybrook with other South West sites to be confirmed by November 2012.
- (c) The project start date is July 2012 with a completion date of December 2012.

Question No. 12 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 757 'Major Spending Changes,' line item, Forest Management Plan, and ask –

- (a) Of the \$100,000 listed for a Forest Management Plan in 2012-13, how much will be spent in the South West?*
- (b) Where will it be spent and on what?*
- (c) What are the start and expected completion dates of the project(s)?*
- (d) Why is no money listed in Forward Estimates for 2013-14 for the Forest Management Plan?*

Answer:

- (a) The funding will be used to engage (national) consultants for the development of the timber industry strategy for south-west WA.
- (b) The money will be spent on developing a strategy for timber industry development in the south-west of Western Australia. As required by a 27 January 2010 Cabinet decision, a direction for the forest products industry is required to inform the Forest Management Plan (FMP).
- (c) Strategy development commenced in the 2011-12 financial year and will complete in the 2012-13 financial year.
- (d) This is a discrete expenditure for the development of the timber industry strategy not ongoing expenditure.

Question No. 13 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 757 'Major Spending Changes,' line item, Royalties for Regions – NRM Initiatives, and ask –

- (a) Of the \$9.354 million listed for Royalties for Regions – NRM Initiatives in 2012-13, how much will be spent in the South West?*
- (b) Where will it be spent and on what?*
- (c) What are the start and expected completion dates of the project(s)?*
- (d) Why is no money listed in Forward Estimates for 2013-14 for the Forest Management Plan?*
- (e) How much of the \$9.354 million has been carried over from the 2011-12 financial year?*

Answer:

(a) Royalties for Regions funding received by the Department is not allocated specifically to the South West. The primary project delivering to the South West is the Water Efficiency project, with \$1 million being budgeted to that project for 2012-13.

(b) The Water Use Efficiency project will be delivered to irrigators across the South West. Funds will provide irrigators with assessments and training to increase water use efficiency and to increase the capacity of industry organisations to help improve water use.

(c) The project was launched on 8 June 2012 with planned completion on 30 June 2016.

(d) See response to question 12 (d)

(e) \$5,536,000

Question No. 14 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 757 'Major Spending Changes,' line item, Transfer of NRM from Controlled to Administered, and ask –

(a) Of the \$10 million listed under Transfer of NRM from Controlled to Administered in 2012-13, how much will be spent in the South West?

(b) Where will it be spent and on what?

(c) What are the start and expected completion dates of the project(s)?

(d) How much of the \$10 million in funding has been carried over from the 2011-12 financial year?

Answer:

(a) \$250,000 has been approved to-date for the South West Catchments Council. In addition, the South West will also receive funds from recently approved Strategic Project funding – a figure cannot be determined currently as contract negotiations for this funding have not been finalised. Applications for Community Grants are also currently being assessed.

(b) The South West Catchments Council has its headquarters in Bunbury and other offices throughout the South West. It was approved funding to help maintain good governance within the Council and to continue providing services in:

- Facilitating the identification and prioritisation of NRM assets and actions by the community;
- Providing advice on local opportunities for NRM investment and leveraging of other resources;
- Providing local feedback on the implementation and progress of the State NRM Program; and
- Communicating the Government's NRM policies and facilitating community engagement in the Government's NRM program.

(c) Funding for the South West Catchments Council commences 1 July 2012 and ceases 30 June 2013

(d) None of the \$10 million listed has been carried over from 2011-12.

Question No. 15 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 758 'Service Summary,' line item, Resource Risk Management, and ask –

(a) Of the \$105.615 million listed for Resource Risk Management in 2012-13, how much will be spent in the South West?

(b) Where will it be spent and on what?

(c) What are the start and expected completion dates of the project(s)?

(d) How much was spent on the precursors to Resource Risk Management of Land Management and Community and Environmental Risk in the South West in 2011-12?

Answer:

(a) The Department's activities are broken up into four agricultural regions and 1 pastoral region, with the Southern and South West agricultural regions combined being closely aligned with the South West electoral region. \$47.5 million is earmarked for expenditure against this service in the South West in 2012-13.

(b) A total of 99 projects are identified as providing services into the Southern and South West agricultural regions. Expenditure is not sub-divided below the regional level as different projects may be targeted on catchment, farming system or community basis. These projects include a wide range of roles and activities, including new fruit product development, Invasive Species management, development of Mediterranean-climate dairy systems, and development of the potato seed and processing industry.

(c) Most DAFWA projects run for three or more years. The longest running project relevant to the South West deals with quantifying and predicting changes in agricultural systems. It commenced in 2003 and is expected to finish in 2015. The median start and finish dates of current projects delivering to the region is July 2010 and June 2015 respectively.

(d) \$48.1 million was budgeted to be expended on this service across the Southern and South West agricultural regions in 2011-12. Actual expenditure is likely to be lower than this in line with DAFWA's overall expenditure pattern on this service in 2011-12.

Question No. 16 –Hon Adele Farina asked –

I refer to Budget Paper No 2 Volume 2 at page 769 'Service Summary,' line item, State Contribution to Natural Resource Management, and ask –

(a) Of the \$10 million listed as the State's Contribution to Natural Resource Management in 2012-13, how much will be spent in the South West?

(b) Where will it be spent and on what?

(c) What are the start and expected completion dates of the project(s)?

(d) Why has the State's Contribution to Natural Resource Management decreased by \$4.436 million this year from last year?

Answer:

(a) Refer to answer for 14(a)

(b) Refer to answer for 14(b)

(c) Refer to answer for 14(c)

(d) Last year's actual expenditure included funds carried over from 2010-11.

Question No. 17 –Hon Liljanna Ravlich asked –

I refer to the efficiency dividend under the "Major Spending Changes" table on page 757 of budget paper No 2. What existing programs and services will be cut to achieve the Minister's notional dividend?

In 2015-16, the cuts will amount to \$7.385 million – the Minister should be able to provide information to the Estimates Committee.

Answer: The Department is budgeting to address inflationary and wage escalation costs in addition to the direct loss of consolidated revenue, this cost increase representing a similar impact to a budget reduction in coming years. The Department has created a cost effectiveness framework to ensure savings measures do not impact negatively on strategic intent or impact. Some areas will be quarantined from funding reductions, such as the funding commitment to the Australian Export Grains Innovation Centre (AEGIC).

The Department is routinely re-examining the relevance and effectiveness of each of its front-line services. An individual service would only be affected if it were no longer relevant or effective. The Department's largest cost is salaries and, as such, it will reach its savings target primarily through natural attrition, by not replacing contract staff as their terms expire, and by promoting Transition to Retirement and other initiatives.

The Department will retain its strategic intent and impact by ensuring that all of the activities it undertakes are focused on its most important objectives; and that its most capable people are involved in the most critical roles.

Question No. 18 –Hon Liljanna Ravlich asked –

I refer to the table on page 757 of Budget Paper No 2 headed “Appropriations, Expenses and Cash Assets” and the subheading of “Delivery of Services” and the provision of temporary personnel services for whole-of-government tender CUA22008.

(a) What is the total value of services the Department has purchased through the whole-of-government tender for provision of temporary personnel services in 2011-12?

(b) What value has been budgeted for 2012-13 through that tender?

Answer:

(a) The Department purchased \$1.3 million of temporary staff under whole government CUA22008 for 2011-12.

(b) The Department has not allocated a budget for this purpose as it only uses CUA22008 to engage temporary staff as required, and 2012-13 usage is expected to be very small. These purchases are paid from the 2012-13 Supplies and Services budget of \$37.9 million.

Question No. 19 –Hon Liljanna Ravlich asked –

I refer to page 766, and the line item “Royalties for Regions Fund” under “Income from State Government” and I ask a multipart question.

(a) What are these funds from the regional infrastructure and headworks fund and the regional community services fund allocated towards (which projects and locations) in the fiscal year 2012-13?

(b) How much of the total funds for this line item were allocated to the Pilbara for 2010-11 and 2011-12?

(c) How much of the total funds for this line item are to be allocated to the Pilbara for 2012-13?

Answer:

(a) Projects and locations funded for 2012-13:

Project	2012-13	Location/s
Regional Infrastructure and Headworks Fund		
• Regional Economic Development Opportunities Water	\$2,485,000	Kimberley
• Gascoyne Foodbowl Initiative	\$4,869,000	Gascoyne
• State Barrier Fence and Wild Dog Management Program	\$1,200,000	Goldfields-Esperance, Mid West, Wheatbelt
• Storm Water Reuse	nil	Wheatbelt
• Carbon Farming	\$1,000,000	State-wide
• Water Efficiency	\$1,000,000	Gascoyne, Great Southern, Mid West, Peel, South West, Wheatbelt
Regional Community Service Fund		
• Regional Men's Health Program	\$1,017,000	Statewide
• State Barrier Fence	\$4,944,000	Goldfields-Esperance, Mid West, Wheatbelt
• Rangelands Reform Program - DAFWA	\$150,000	Gascoyne, Goldfields-Esperance, Kimberley, Mid-West, Pilbara

(b) For 2010-11: \$12,581 and for 2011-12: \$68,500

(c) Royalties for Regions funding received by the Department is not allocated specifically to the Pilbara.

Question No. 20 –Hon Liljanna Ravlich asked –

I refer to the line item "Farm Business Planning Program" "Reflow" under "Major Spending Changes" on page 757 of Budget Paper No 2.

(a) What does the word "reflow" mean in this case?

(b) Why did last year's budget show that the budget estimate for the fiscal year 2011-12 was \$8 million and this year's budget put the estimated actual amount at \$2 million?

(c) Why does the farm business planning program funding end after 2012-13?

Answer:

(a) Reflow means carryover funding.

(b) The 2011-12 budget for the Farm Business Planning Program was \$8 million, the actual spending in 2011-12 was \$6 million, therefore, there was a reflow (or carryover) of \$2 million into 2012-13.

(c) At this stage, there has been no decision to fund the Farm Business Planning Program beyond 2012-13.

Question No. 21 –Hon Liljanna Ravlich asked –

I refer to page 757, and the “Delivery of Services” line of the “Appropriations, Expenses and Cash Assets” table.

(a) Can the Minister please provide the number of FTEs that the Department has currently located in the metropolitan area, and also the number outside the metropolitan area?

(b) What plans are there in this financial year for moving more personnel to the non-metropolitan area or outside the area?

(c) In the forward estimates are there plans to move additional people outside the metropolitan area?

Answer:

(a) On average the Department has 51% (609 FTE) of staff located in the metropolitan area and 49% (586 FTE) located in non-metropolitan areas.

(b) The Department is committed to preferentially reducing its metropolitan based staff in line with the reduced staffing capacity available in its forthcoming new headquarters. The Department will retain its strategic intent and impact by ensuring all of the activities it undertakes are focused on its most important objectives; and that its most capable people are involved in the most critical roles. The Department is committed to the strategic relocation of selected functions and will continue to work towards a shift of functions from metropolitan to non-metropolitan areas. This will involve reviewing each vacancy and new position as they arise.

(c) As per the response to (b) above.

Question No. 22 –Hon Liljanna Ravlich asked –

I refer to page 759 dot point seven, “The Department will continue to transform its own business, including the implementation of a new people-leadership model, brand development and a major business system improvement program, key training programs in project management and innovation, and by strategic recruitment along the lines of the 2011 Growing Business Capability program.”

Can the Minister please tell me about this business transformation -

(a) Have external consultants or providers been engaged to assist with the various aspects of this transformation e.g. brand development – how much has been allocated/spent on this activity?

(b) Is the 'strategic recruitment' been undertaken in house or by an external company, how many people have been recruited (if external) how much has been paid for this service?

(c) What 'major business system improvements' are included in the program, who is developing them and how much has been allocated for business system improvements?

Answer:

(a) Three significant external consultancy/provider tenders have been awarded to assist the Department in its transformation activities in the following areas in 2011-12.

Transformation activity:	2011-12
Project management training	\$132,000
Brand development	\$104,665

(b) As part of the renewal of the Department, we needed to increase capabilities in the roles of economists, policy developers and strategists, corporate communicators, business analysts and market analysts. The renewal was run by the Department itself as a campaign approach with a number of innovative recruitment strategies pursued.

A total of 27 appointments were made through the program.

(c) The upgrade of the Department's business systems is a key element of its organisational transformation. The first three underpinning projects for that change have been established and are progressing to budget and on time. A total of \$9.465 million is allocated to this activity for 2012-13.

The three projects are:

Agriculture data services: this is to establish a system by which the Department ensures compliance with the *Biosecurity and Agriculture Management Act 2007*. The major component is a central master organism database.

Infrastructure: this will ensure the Department is able to provide an environment of high availability, business continuity and disaster recovery. the Department's existing information technology infrastructure fails in these three areas. The first phase of this project includes an offsite data centre so that information provided by the Department to its clients can be accessed continuously. Improvements made in this area have already reduced data backup time by more than 50%.

Electronic document management: to provide greater probity and transparency in relation to decisions and actions, and provide a means by which official records of the State can be tracked from inception to end-of-life archiving. In order for the Department to efficiently remain compliant with the *Freedom of Information Act* and the *State Records Act*, an electronic corporate document and records management system is being put in place to complement the Department's physical records system.

Question No. 23 –Hon Liljanna Ravlich asked –

I refer to page 763, paragraph under the heading “3: Resource Risk Management” – “The Department is also central to minimising the risk that exotic biosecurity threats (weeds, pests or diseases) represent to our industries, communities and environment, including both those threats that may be introduced from overseas and those that are endemic in the Eastern States but not Western Australia.”

Can the Minister please advise what the three main ‘biosecurity threats’ are, and what is the budget for dealing with these matters?

Answer: The Department considers the three most significant biosecurity threats to Western Australia’s agricultural industries are Foot and Mouth Disease, Khapra beetle and Karnal bunt. These last two are threats to the Australian grains industry. the Department has allocated around \$4 million for biosecurity risk prevention and preparedness to deal with biosecurity incidents of these and other biosecurity threats. The Department collaborates with biosecurity agencies of other Australian Governments, Plant Health Australia, Animal Health Australia and industry to minimise risks from major biosecurity threats.

Question No. 24 –Hon Liljanna Ravlich asked –

Genetically Modified Canola – I refer to falling GM canola prices as a result of European markets rejecting GM canola because Europe does not want GM products to enter its food chain, and ask -

(a) Is it true that GM canola grown as part of the Barnett government trials was not purchased by any export market and was eventually sold to Riverland Oilseeds in Pinjarra?

(b) Can the Minister confirm whether Riverland processed the Barnett government GM canola and sold the resultant canola meal into the WA animal feed market?

(c) Can the Minister tell Western Australian consumers whether Barnett government GM products went into their food, including children’s food, via dairy and poultry products?

Answer:

a) As documented in the report of the 2009 GM canola trial, in 2009 WA growers produced 1223 tonnes of GM canola and all of this canola was exported. As the Australian Bureau of Agricultural Research Economics and Sciences do not specify if it is GM or non-GM canola in its commodity reports, it is not possible to report on the final export destination of that GM canola produced from the trial.

b) Riverland did not process the GM canola from the 2009 trials. It was all exported.

c) All the GM canola from the 2009 trials was exported. Under Commonwealth law GM food may not be sold in Australia unless Food Standards Australia New Zealand has concluded the food is safe and has been labelled.