

Mr Mick Murray; Mr Dean Nalder; Mr John McGrath; Mr Chris Tallentire; Chairman; Dr Graham Jacobs; Mr Terry Waldron; Ms Simone McGurk

Division 63: Agriculture and Food, \$118 198 000 —

Mr I.C. Blayney, Chairman.

Mr D.C. Nalder, Minister for Agriculture and Food.

Mr M. Webb, Acting Director General.

Dr K. Chennell, Executive Director, Biosecurity and Regulation.

Mr P. Metcalfe, Executive Director, Grains and Livestock Industries.

Mr J.V. Eftos, Executive Director, Business Support.

Ms M. Taylor, Chief Finance Officer.

Mr J.K. Ruprecht, Executive Director, Irrigated Agriculture.

Mr J. Moynihan, Director, GrainsWest Business Development.

Mr E.A. Mavrantonis, Project Manager, Rural Business Development Unit.

Mr V. Ferdinands, Principal Policy Adviser.

The CHAIRMAN: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to the discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 3 June 2016. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

[Witnesses introduced.]

The CHAIRMAN: The member for Murray–Wellington.

Mr M.P. MURRAY: I have a question about the targeted voluntary separation scheme at page 694 and the allocation of minus \$9.7 million. How many redundancies have been taken already, what is the future projected figure for further redundancies and where will those redundancies be targeted?

Mr J.V. Eftos: The total number of voluntary severances that occurred in 2015–16 is 157.

Mr M.P. MURRAY: The second part of the question is about further targets. What is the cost for future redundancies and where in the agency will they be targeted?

Mr J.V. Eftos: Because of the way that we have been able to manage our financial situation there is no intention for further severances in the coming financial year.

Mr D.C. NALDER: I think that a lot of the hard work and rebasing has been done. I am relatively new to the portfolio, member for Collie–Preston, but I and the acting director general, who is also new to the role, are most interested in defining objectives in the way government supports the agricultural sector going forward. The agricultural sector is the second-largest industry in Western Australia and it has a very important role. The government has an extremely important role to play, particularly in the protection space—biosecurity—and supporting the industry to grow. I think we need to look at the department's strategic imperatives and align the organisation behind those. To me, that means we will do new work around the department's strategic direction. I am not doing that, but the acting director general is. I support that work, which is rebasing and refocusing on the Department of Agriculture and Food's core and the direction it should go in.

The department needs to play a key advocacy role to support the sector. Looking at the department historically, it has become a bit reliant on other departments and just passes on news. I am looking at the department championing the agricultural sector within government and how it works across government. I believe that the department needs more of a commercial-acumen focus; that is, not to make money, but to understand businesses' and customers' commercial realities, whether it be a producer or someone else in the supply chain, so that the

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advice, support and service we provide is the best it can be. To me, that is the focus on rebuilding and regrowing that we want to put in place so this department can be the premier department within the Western Australian government.

Mr M.P. MURRAY: Having heard that from the minister, I understand that office space is available at the Bentley offices. What is the future of those Bentley offices? What is the minister's plan if a government other than the Liberal-National government decides to sell that area?

Mr D.C. NALDER: As we work through the strategic direction we need to work out the department's organisational structure. I have a view that there is a requirement for research and innovation across the supply chain to support the industry, but I look at the premises we have and they are old and from my perspective not what they need to be. I am very keen to support establishing new premises for the new department. When I say "new department", I mean as we refine the focus and work out exactly the role it will play and how it will fit in with other research areas, like universities. I believe that new premises are required, but I do not believe that we need the same amount of space that we have at Bentley, and we are in the process of investigating that. I am very keen to move as quickly as possible to find a solution, which may involve selling some of the land to help fund part of a new building process, but all those things need to be worked through. At the same time, we are working through the longer term strategic direction of DAFWA and the role that it plays. We will align the organisation behind that strategic direction, so that we know exactly what we want. I want to be very clear about the space that is required by Christmas time.

Just reinforcing that point, I see that the government has an extremely important role to play to support the sector to be the best it can be. In my life in agriculture this is probably the best outlook I have seen in the sector across the board, and there is a lot of optimism. I believe we have a window of opportunity to capture that and we need to organise ourselves correctly and premises will play an important role in that.

Mr M.P. MURRAY: The minister gave a very nice, fluffy speech. What, if any, research is being done into relocating the department's premises to a country region?

[12.10 pm]

Mr D.C. NALDER: There are a number of regional offices today around the state that do a lot of research. I visited the Esperance office a few weeks ago to look at its seeding equipment. It has a little header that is really unbelievable—I have not seen a five-foot front since my grandfather's old machine that sits out underneath the tree at home. However, the research is out there. I still believe in the extremely strong importance of having a centralised function that should be a centre of excellence, because we export 80 per cent of the produce that we create—that is probably the right word—and overseas markets are extremely important. I do not believe that we have an area that effectively showcases that or the level of research work that is undertaken. I believe that there needs to be a strong correlation and connection with universities, so I still favour strongly the South Perth premises, but work needs to be undertaken and I cannot commit to anything at this point in time.

Mr J.E. McGRATH: I refer to page 694 and the seventh line item in the table about the government announcing an additional \$50 million funding for the Department of Agriculture and Food Western Australia in 2018–19 and 2019–20. Is the minister saying that this money will be used to advance agriculture in Western Australia, but he has not worked out how the money will be spent? When will we know how that \$50 million will be spent and where it will be invested? Will it be overseas marketing or technology?

Mr D.C. NALDER: Before I came in as minister, a stocktake review was underway, looking at exactly where we were at. Through the acting director general, I have requested that the department focus on the way forward. I made an approach to the Treasurer and the Premier, and therefore cabinet, in which I said that I believe we are at risk of letting standards drop if we allow any further cuts at this point in time and that we need to undertake greater strategic work to understand the direction of the organisation. I received support for that. As I said, the internal goal of the department is to double agricultural output by 2025. I am very keen to see real, tangible outcomes from that strategic direction and the underlying actions that align to that growth. I believe it is plausible and possible. At this time, I am not exactly sure where that focus should be, and I am waiting for and relying on the work on a strategic direction that Mark is undertaking within the department with the appropriate support. I have been advised that I will receive a first heads up on that paper by the end of June—but we really want it in the next six months—clearly outlining the direction of the department. That will then align the activities behind that direction and the budget allocation. With the opportunity that I see in agriculture, we need to better articulate what activity we are doing to support that, and that will align to the spending and ultimately define the budget that we need. It could be that we need a bigger budget, but we have to articulate it down to key deliverables that deliver tangible benefits back to industry. As an example, we recently launched the Bravo apple, and I personally think it is a fantastic product. When we launched the Pink Lady 20 years ago we lost the intellectual property—we let it out. We must make sure we protect it, but in talking to apple growers —

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Mr C.J. TALLENTIRE: I raise a point of order. This was not asked for in the question.

The CHAIRMAN: Yes. I will ask the minister to —

Mr D.C. NALDER: Am I going on a bit long? I will take it offline and share the apple story with the member for South Perth later.

The CHAIRMAN: Thank you, minister.

Mr C.J. TALLENTIRE: I refer to page 698 and the six services of the agency. The minister said that there have been 157 redundancies of late. Under service 5, “Biosecurity and Product Integrity”, the table demonstrates that in 2014–15 we had 405 full-time equivalent employees, and in 2015–16 they have gone down to 355. How many of those staff sacked were in biosecurity-related jobs?

Mr D.C. NALDER: Can I just clarify exactly where the member is looking? I cannot quite find it. Is it on page 695?

Mr C.J. TALLENTIRE: No, it is on page 698, under service 5, “Biosecurity and Product Integrity”. In the table, the line item “Employees (Full Time Equivalents)” shows that there were 405 positions. The department got rid of 50 positions, so we are now down to 355 positions. How many of those jobs lost were related to biosecurity?

Mr D.C. NALDER: I will hand over to Kevin Chennell.

Dr K. Chennell: The pattern of job losses in biosecurity and regulation has been about half that in other directorates in the department. Was the member asking about figures for 2015–16?

Mr C.J. TALLENTIRE: Let us do it in two stages. In 2014–15 to 2015–16, 50 jobs were lost. How many of those were biosecurity related?

Dr K. Chennell: I will have to take that on notice, but my understanding is that the biosecurity losses were half that in other divisions. Two areas were targeted through the integration of the laboratories and a change in the service delivery in invasive species.

The CHAIRMAN: We are seeking some supplementary information.

Mr D.C. NALDER: I will just clarify that we are looking at the reduction in the number of employees from 405 to 355 and the specific roles that that entails.

Mr C.J. TALLENTIRE: No; how many of the 50 jobs lost were biosecurity related?

Mr D.C. NALDER: Okay; so how many of those 50 jobs were related to biosecurity.

[Supplementary Information No B16.]

Dr G.G. JACOBS: Thank you, minister, and thank you for your visit to Esperance to look at the agricultural area —

The CHAIRMAN: A question, please, member.

Dr G.G. JACOBS: I refer to the line item “Wild Dogs Management Plan” on page 694. Does the plan include the state barrier fence, which is around the agricultural region in Esperance, and the pastoral cell fences in the Murchison and the goldfields? Is the \$750 000 for just planning? What other moneys will be devoted to building a fence?

Mr D.C. NALDER: The budget papers show that we have allocated \$750 000 in 2016–17 for the ongoing employment of eight licensed pest management technicians. I will get someone to explain some of the detail around this. This is a first step only of implementing an industry-led wild dogs action plan. The action plan will soon be released and will result in government supporting far greater leadership from the industry in managing the threat of the dogs. We remain committed to upgrading the state barrier fence, with industry supporting its ongoing maintenance. When I was recently in Esperance I looked at that fence, and it is an issue that needs to be considered as part of that plan. I will hand over to Kevin Chennell, who leads DAFWA’s biosecurity area, to help with any further issues regarding that. At this stage there is no funding for the fence at Esperance. I am keen to see how we will progress that but I do not have a specific answer at this point. I will see whether Kevin can add anything further for the member.

Mr M.P. MURRAY: So that we do not have to do it twice, can I add on to that a question about the northern area of that fence?

Mr D.C. NALDER: The northern area currently has a fence. Is it about maintaining or upgrading it, or is the member talking around the pastoral region?

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Mr M.P. MURRAY: Just leave it for moment.

[12.20 pm]

Dr K. Chennell: There are 17 recommendations in the Western Australian wild dog action plan. The first is to create a wild dog alliance, and that has been done. Justin Steadman has agreed to chair that alliance, which includes Australian Wool Innovation and all major interested parties in WA. The other recommendations deal with recognised biosecurity groups and investigating the use of industry funding schemes to support wild dog control. As the minister has mentioned, \$750 000 per annum has been recommended over four years to support doggers and a statewide engagement and training program. The business case for the state barrier fence came out very strongly and it is recommended to complete that. It is also recommended that industry takes on the maintenance of that barrier fence, and money is recommended to government, at this point only, of \$1.5 million as contestable funds to stimulate and support cell fencing for dogs. Research and development is also included in the plan and other measures. I probably should stop there.

Dr G.G. JACOBS: Dr Chennell mentioned pastoral cell fencing and the amount of \$1.5 million. What is the current status in the wild dog plan for pastoral cell fencing?

Dr K. Chennell: Pastoral cell fencing is recognised as one of the methodologies to support wild dog control. Some work has been done on the business case value of particular sizes of fencing. The larger the fence and the larger the area it covers, the less business case return, so there is an optimal size. As I said, it is recommended to government that some funds be provided, through a mechanism to be determined by government, to stimulate the development of cell fencing.

Dr G.G. JACOBS: The Kalgoorlie Pastoral Alliance in its proposal for a cell fence to encircle 14 or 15 pastoral leases has done all that work. Is the wild dog plan cognisant of the work that has already been done? We just need to build a fence.

Dr K. Chennell: Yes; the wild dog action plan is approximately 75 pages long. There was an extensive consultation process and all the major groups involved in planning or that are using fences at the moment, which includes Rawlinna out in the Eucla —

Dr G.G. JACOBS: I know it well; it works.

Dr K. Chennell: All those dog fences have been considered and all the various plans that are currently afoot have been considered. Then we used an economist and scientist to look at the optimal size, location and the type of fencing that returns the best yield on investment.

Mr C.J. TALLENTIRE: How many of the regional biosecurity groups that Dr Chennell mentioned in his answer to the member for Eyre have been brought into existence in the agricultural region?

Dr K. Chennell: The eastern wheatbelt is a recognised biosecurity group. There are three or four that are currently going through the process.

Mr C.J. TALLENTIRE: That is the same answer that you gave me last year.

Dr K. Chennell: It is still correct.

Mr C.J. TALLENTIRE: The answer is one.

Dr K. Chennell: That is correct.

Mr M.P. MURRAY: I refer to page 693 and the line item at the bottom “Livestock Biosecurity” with an allocation of \$1.49 million in 2015–16 and zip in 2016–17. Can the minister explain that to me, please?

Mr D.C. NALDER: I pass that back to Mandy Taylor.

Ms M. Taylor: If the member compares the line item “Livestock Biosecurity” in 2015–16 with the top line “2016–17 Tariffs, Fees and Charges”, it is the tariffs, fees and charges that were increased in 2015–16 in the midyear review process, and that relates to laboratories.

Mr M.P. MURRAY: I am not quite sure I heard the answer, if Ms Taylor could speak a bit louder for me, please.

Ms M. Taylor: The line item “Livestock Biosecurity” is the same category as “2016–17 Tariffs, Fees and Charges” so the out years are in that first line. In 2015–16, the allocation is nearly \$1.5 million. In 2016–17, it is \$1.3 million; and the out years are there as well.

Mr M.P. MURRAY: It is not marked in the budget as such.

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Ms M. Taylor: No; they have been labelled differently, unfortunately. When we put them through the midyear review, they were labelled as livestock biosecurity, but they all relate to tariffs, fees and charges.

Mr M.P. MURRAY: I have a further question to the minister. Is this shuffling of the chairs typical of the Department of Agriculture and Food?

Mr D.C. NALDER: No, I would not say that at all. In the midyear review it was given a different title. As I said, right at this point in time, we are going through a full review of the department and that strategic direction will ultimately align with any shift of the budget in the future. We see biosecurity and the protection of the industry as of paramount importance. It may be that at the end of the review we end up allocating further funds towards biosecurity, but I want to let the review dictate that. We are deadset serious about ensuring we protect our industry. Western Australia has a natural advantage over the rest of the world in that we do not have a lot of tropical diseases, pests and so forth, and we must protect our industry to ensure that we can continue to access the markets that we have and, potentially, access markets we are not currently accessing. We see biosecurity as very important, but we are letting the strategic review determine that, and that budget will move.

Mr M.P. MURRAY: I am glad to hear the minister say that biosecurity is very important, because most Western Australians understand that our green, clean image needs to be kept intact. I am concerned about the Kalgoorlie stock inspectors area—we were talking about livestock—because the cartage groups go to 1 000-plus different areas in the top end of our state, yet we have only one person managing that area. Are there any plans to increase biosecurity in that area?

Mr D.C. NALDER: I can say that at this point in time that all elements are being looked at to ensure that we manage the movement of stock and other things in the most efficient and effective manner possible. I keep reinforcing that the government puts biosecurity as a key objective of what the department will be doing moving forward, as well as supporting the industry to grow. We need to better define exactly what that means and how we allocate resourcing. Part of the \$50 million that has been allocated in the third and fourth year is to support us as we redefine the department and where the priority needs to be to ensure that, first, we protect it and, second, we help it to grow. That is still to be worked through. That \$25 million allocated to the third and fourth year has not been allocated to specific initiatives at this point in time. That work is currently underway in the department and we will provide greater clarity on that, I hope, before the end of the year.

Mr T.K. WALDRON: On page 694 under “Significant Issues Impacting the Agency”, the sixth dot point refers to the \$350 million Seizing the Opportunity initiative. Obviously, a big part of that is research and development. I wonder whether the minister could update me on the establishment or progress of the beef, grains and sheep research centres, particularly, the sheep research centre based out of Katanning. How is that going and what stage is it at?

Mr D.C. NALDER: I pass that over to Peter Metcalfe, who will provide a more detailed response than I can.

[12.30 pm]

Mr P. Metcalfe: That is well underway. We have a steering committee established to develop that, and refurbishment of the offices will be completed probably by 30 June. Then, the infrastructure around that research centre will be developed following completion of the offices. The staff are all on board and the implementation of the technology into that facility will commence early in the new financial year.

Mr T.K. WALDRON: Is that the Katanning one?

Mr P. Metcalfe: That is the Katanning one, yes.

Mr T.K. WALDRON: And the other two?

Mr P. Metcalfe: At the Northern Beef Futures we have got six staff in a separate office in Broome focused on developing the beef industry in the north, and that has been very well received by industry. We are working in close collaboration with the Kimberley Cattlemen’s Association there. We have a series of grants being run and we have very active engagement from industry on that; that is well underway, increasing productivity and also opening up new markets. With the markets we have 10 organisations we are working with in China specifically with an expectation of narrowing that down to probably two or three integrated supply chains going forward demanding an extra 200 000 to 400 000 head of cattle a year. Getting back to sheep, we have done quite a bit of work with V and V Walsh, as the member is probably aware, to get accreditation.

The CHAIRMAN: Could you wind it up.

Mr P. Metcalfe: Could I speed it up? Sure. They are the sheep and beef ones. What was the third thing?

Mr T.K. WALDRON: The third thing was the grains research.

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Mr D.C. NALDER: Can I pass that to the acting director?

The CHAIRMAN: Sorry, I did not actually hear the member ask anything about grains when he asked his original question.

Mr T.K. WALDRON: I asked about three things, the grains, the sheep —

Mr D.C. NALDER: They were beef, lamb and grain.

The CHAIRMAN: I did not hear the member, but I will take his word for it. Grains is a pretty big area and it is a government question, so I do not want too much time taken up with that. That is the point I am trying to make.

Mr T.K. WALDRON: I want just a brief answer.

Mr D.C. NALDER: I will go to the acting director general to keep it a high-level answer.

Mr M. Webb: Grains is our largest industry and we are currently working through the Grains Research and Development Corporation and grains industry growers around what would be the most appropriate model to deliver activities going forward in the space of research and development.

Ms S.F. McGURK: I refer to productivity improvement and innovation on page 697 of budget paper No 2. That is one of the service areas that involves supporting businesses in their efforts to optimise the technical side of their enterprise by increasing the volume and cost effectiveness of their products. My question is particularly in relation to organic and biodynamic growers who were advised by the previous minister that the Department of Agriculture and Food WA spends over \$10 million per annum on non-genetically modified related activities. They were told that the work is directly relevant to organic and biodynamic growers—for example, work focused on the management of weeds and diseases. The installation and operation of weather stations is also relevant to organic and biodynamic growers. What work that the department does is particular to assisting organic and biodynamic growers; and, could the minister detail where the figure of \$10 million spent per annum on non-GM related activities comes from?

Mr D.C. NALDER: I will refer to Peter Metcalfe.

Mr P. Metcalfe: I am happy to provide a breakdown on that later on, but perhaps I will take the opportunity to touch on the initiatives of the royalties for regions food industry innovation project, which is a \$4.5 million project focused around organic and biodynamic producers to develop products. That will be located in Manjimup. We are in the process of advertising to fill the positions there, and we are identifying opportunities to expand the growth and production of organic and biodynamic products going forward. This will include working to increase the supply chain capacity for those and also creating a development plan that will engage the producers involved in those areas to bring that together. We will then help them to work together to look at cost sharing arrangements to bring that forward into the market. There will be a centre at Manjimup focused on that and another specialist centre will be established at Albany going forward. I think that will provide a very good focal point to bring all that great work together. The technical work that the department does across the \$10 million investment will have an opportunity to be focused on generating additional premiums and benefits as a result of the work on those products. I am happy to provide the member with a breakdown out of session around the costings of the \$10 million for organics and biodynamic.

Ms S.F. McGURK: Yes, I would like to take that as supplementary information.

The CHAIRMAN: Could you please state, Mr Metcalfe, the information you will be providing.

Mr D.C. NALDER: We are providing the breakdown of initiatives for organic and biodynamic crops and what programs and initiatives we are running. We will show the breakdown of those.

[Supplementary Information No B17.]

Ms S.F. McGURK: The claim that was made by the previous minister was that \$10 million was spent on non-GM related activities by the Department of Agriculture and Food WA, but the initiative that we just heard about is in the planning stages, so it is not actually quite up and running yet. The information that would be useful is to know exactly what initiatives are in place, and have been in place, that the current growers have been benefiting from, particularly organic and biodynamic growers.

Mr D.C. NALDER: So how the \$10 million in the previous year was utilised?

Ms S.F. McGURK: That is right.

Mr D.C. NALDER: Is Mr Metcalfe able to answer that?

Mr P. Metcalfe: I am happy to provide the details on the breakdown of that to the member. The reason for that is that it goes across things like liming, integrated weed management, farming systems development, pasture

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species—the whole lot. I cannot give the numbers for that, but we can provide them as part of the supplementary information.

Mr D.C. NALDER: We will provide as supplementary information how the \$10 million was utilised in the past 12 months on organic and biodynamic projects.

[Supplementary Information No B18.]

Mr C.J. TALLENTIRE: I refer to page 697 of budget paper No 2 and the second service heading “Productivity Improvement and Innovation”. Under that heading is the following statement —

... businesses are being impacted by rapid technical changes, increasing climate variability ...

What is the department’s estimate of the impact of climate change on our agricultural sector?

Mr D.C. NALDER: I do not have the information at hand, so will I will have to take that question on notice. What we can say is that it is widely known that over the last 20 to 30 years we have seen a drying climate in the wheat growing area. I have experienced it firsthand. We are trying to develop better modelling to understand those impacts on productivity moving forward, but we will have to take that as a question on notice or as supplementary information.

The CHAIRMAN: Can we define the question we are looking for an answer to, please?

Mr C.J. TALLENTIRE: Yes, it is about the impact of climate change on our agricultural sector with that being segmented—the impact on various grains, various livestock industries and various horticultural industries. If it is given to me on notice, I think that it could be detailed by sector like that.

Mr D.C. NALDER: If we do that on notice, it will be better. Is the member more interested in that going forward?

Mr C.J. TALLENTIRE: The agency has been working on this for at least 10 years, so I would imagine there are some good figures there.

Mr D.C. NALDER: I will have to see what information I have got. It is my fifth or sixth week as minister and I have not seen that yet, but I am happy to take that on notice.

[Supplementary Information No B19.]

[12.40 pm]

Mr C.J. TALLENTIRE: Are we clear about the question? It is the economic cost of climate change on the agriculture sector segmented down through grains, livestock and horticulture.

Mr D.C. NALDER: It would be modelling, I would think, more than anything. If we look back, all sorts of other variables come into play, but I am happy to share our modelling and anything that exists within the department.

The CHAIRMAN: In our schedule is the Rural Business Development Corporation. Are members able to tell me how much time they want to spend on the Rural Business Development Corporation, if any?

Mr M.P. MURRAY: I want to spend 10 minutes.

The CHAIRMAN: Therefore, we have 10 more minutes on this area.

Mr M.P. MURRAY: I refer to the line item “Regional Infrastructure and Headworks Fund” on page 701 and my question is about the relocation of the Boyanup saleyards. As the minister is probably well aware, even in his short five or six weeks of being minister, I have lobbied very hard for that group because the saleyards are right in the middle of town and we have seen extensive redevelopment of the saleyards at Katanning and Muchea, yet the south west has missed out. Does the minister have any plans—or any financial plans, I should probably say in the first instance—to assist the agricultural meat growers in that area in getting new saleyards?

Mr D.C. NALDER: That issue has been raised with me recently, so I am aware of it. I have not seen them yet, but I am hoping to get down there and have a look at some point.

Mr M.P. MURRAY: Will the minister be taking a chequebook?

Mr D.C. NALDER: I cannot say that at this point. There is not funding at the moment. I am aware of the issue. I need to see it firsthand. I will be looking at what is involved. I will check to see whether Peter Metcalfe has a bit more on that, and I will hand it over to Mr Metcalfe.

Mr P. Metcalfe: This came off the back of the saleyard strategy and followed on from there. An amount of \$2.2 million was set aside to encourage privatisation of the saleyards. However, when we went through that

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process, the owners of Boyanup saleyards were not interested and have implemented improvements without the need for any government funding. The yards are being run efficiently and effectively and they have secured a lease on that going forward, so “no action required” is the information that we have been provided.

Mr M.P. MURRAY: When that \$2.2 million was stolen from that community and relocated to the member for Eyre’s area for a truck wash, why was it not replaced to allow planning into the future?

The CHAIRMAN: Member, I do not know whether you can use that term.

Mr D.C. NALDER: I think it is inappropriate to say it was stolen.

Mr M.P. MURRAY: It was relocated.

Mr D.C. NALDER: The money was set aside. The private owners or occupiers of that saleyard complex have improved it without requiring or seeking any of our assistance, so the funds were utilised elsewhere. I will share that the issue has been raised with me by someone separate from the member for Collie–Preston in recent times and I am willing to see the saleyard firsthand. The advice we are getting is that it is operating efficiently and effectively. I am hearing otherwise as well, so I want to see the saleyard firsthand.

Dr G.G. JACOBS: I refer to the line item “Doppler Radar Project” on page 694, which has \$1.706 million allocated in the 2016–17 budget estimate. With this very important predictive grain growing and agricultural technology, there have already been nodes and towers provided in WA and the member for Wagin tells me that it is soon to go to Newdegate. When can we expect some Doppler radar nodes and towers in the very important and productive grain growing region of Esperance?

Mr D.C. NALDER: I am very conscious of the importance of not only the Doppler radar but also the ability for everybody to access that communication effectively. It was really good to see indications of further funding for those black spots or dead spots in communication. In response to the specific question the member has asked, I will hand over to Mr Metcalfe.

Mr P. Metcalfe: The three Doppler radar stations that were funded in the royalties for regions projects are on track and will be completed by March 2017 at South Doodlakine, Watheroo and Newdegate. The minister has written to the commonwealth on at least two occasions requesting upgrades to the existing network to bring them all online so that they are all to the same standard. We are mindful, of course, that Doppler radars are dependent on the mobile tower network across the state. We have been working with the Department of Regional Development on the agricultural infrastructure audit and that has been completed. The network and the Doppler radar turn up on that as priority 1 and 2. Further cost–benefit analyses have been requested and an implementation plan is to be developed around the Telstra mobile towers going forward. We have let the tender for that and that is with the consultants, and we are working that up to provide that back to DRD going forward to encourage them to release some of the \$70 million that has been allocated for agriculture infrastructure under that royalties for regions project.

Mr D.C. NALDER: Chair, can I add a bit to that. Is that okay?

The CHAIRMAN: I would rather you did not, thanks.

Dr G.G. JACOBS: Why not? It is an important question.

The CHAIRMAN: Because I want to move on to other questions and I remind you that estimates is pretty much opposition time.

Mr C.J. TALLENTIRE: I refer to page 696 and the first service area, “Market Development, Investment and Market Access”. Since the minister has been the Minister for Agriculture and Food, dairies have cancelled contracts with dairy farmers. I want to know what the minister has done and what money he has put into the budget to develop markets for those dairy farmers so that there will be a market for their milk produce.

Mr D.C. NALDER: There are a number of challenges and issues across the whole agriculture sector and we take them all very seriously. I am very conscious that potentially as much as 15 million litres of milk will be available on the marketplace before the end of this year. Only this morning I was discussing this very issue with a local member who has been dealing with the industry and trying to ascertain how we can support that. To me, it is not simply a matter of funding a marketing exercise. We need to look at a couple of things. One is the whole operation of the milk market. A number of organisations from overseas are seeking access to our produce and I am very keen to see whether we can open that up to get this allocation—I believe it is 14 million litres at the moment but it is likely to be 15 million litres by the end of the year—to see whether we can help them find a market for that. We see it as a problem and we want to assist however we can to find a speedy resolution.

Mr C.J. TALLENTIRE: Will the minister provide any financial assistance at all to those dairy farmers who are finding that they no longer have somebody who is prepared to come and take their milk?

Mr Mick Murray; Mr Dean Nalder; Mr John McGrath; Mr Chris Tallentire; Chairman; Dr Graham Jacobs; Mr Terry Waldron; Ms Simone McGurk

Mr D.C. NALDER: It is not a matter of simply saying we will provide financial assistance. The government's role is not to step in as a banker in every crisis. The industry must take responsibility for some things. At the same time, we have a role to support and advocate for the industry. I see the way milk is sold for the price it is sold as a problem; it is used as a loss leader in supermarket stores. It is challenging primary producers in the return they can get. Some of the primary producers were receiving higher prices than others, and some of those short-term contracts have now been cancelled. Some suppliers need to understand the risk involved if they are going to play and use contracts. At the same time, I am concerned about the volume of milk that will be available in the marketplace and I want to ensure that we provide whatever support we can to ensure that it gets to a market, wherever that market may be. It is relatively fresh on my radar at this point but I think it would be foolhardy to say that we will jump in and provide financial assistance. We need to work with industry to help it get through the current situation.

[12.50 pm]

Mr C.J. TALLENTIRE: Is the minister aware that this is the first time in the state's history that dairies have refused to go and collect milk from dairy farmers?

Mr D.C. NALDER: I am aware of the challenge that is there. I believe that the government has a role to play in supporting the industry but I do not believe it is to just to write out a cheque. We need to work closely with the industry to ascertain how we can best support it. As I said, government does not have the finances available to step in and write out a cheque every time a crisis enters a particular market. At the same time, we need to look at practices and processes right through the supply chain. If there is inappropriate behaviour in any parts of it, where it can, the government needs to intervene. We endeavour to work with industry to find the best possible solution. I cannot provide a guarantee on that, but we endeavour to work with industry as quickly as we can. A lot of people are crying out for the quality of milk that we can produce and I am keen to ensure that we can get it to a marketplace.

Mr C.J. TALLENTIRE: How much of this budget goes towards getting those people their milk? If the minister is saying that people out there want to buy this high-quality milk, what is he doing to make sure that that transaction happens?

Mr D.C. NALDER: Everything that we do does not necessarily mean an additional dedicated, specific line item of a budget. A large number of organisations are talking with the state government at this point in time, looking at supply chains and distribution of our produce into different countries. The milk issue raises a specific concern at this point or potentially even an opportunity for some of those markets to be able to access this milk. We need to explore that and see what is available. We have work in front of us but that does not necessarily require a specific line item in the budget.

The appropriation was recommended.