

Division 16: Primary Industries and Regional Development — Services 4 to 12, Agriculture and Food, \$432 986 000 —

[9.00 pm]

Mr S.J. Price, Chair.

Mr D.A. Templeman, Minister for Local Government representing the Minister for Agriculture and Food.

Mr R. Addis, Director General.

Mr M. Sweetingham, Acting Deputy Director General, Department of Agriculture and Food.

Dr M. Carbon, Acting Executive Director, Biosecurity and Regulation.

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

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

Ms M.J. Taylor, Chief Finance Officer.

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

Mr G. Hamley, Chief of Staff.

[Witnesses introduced.]

The CHAIR: 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 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. Members should give these details in preface to their question. If a division or service is the responsibility of more than one minister, a minister shall only be examined in relation to their portfolio responsibilities.

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, 29 September 2017. 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 through the online questions system.

I give the call to the member for Geraldton.

Mr I.C. BLAYNEY: I refer to page 286 of budget paper No 2 and the heading "Significant Issues Impacting the Agency". The second dot point at page 287 states that "the government is committed to rebuilding the state's agricultural science, research and development capabilities". What additional funding has been provided in this budget for agricultural science and research?

Mr D.A. TEMPLEMAN: I thank the member for Geraldton for his question and his interest in the government's commitment to rebuilding our agricultural science research and development capabilities. The member would be well aware that the department of agriculture, as it was known, was scaled back under the previous government's tenure. However, I would like to ask the director general to perhaps make some initial comment on this matter.

Mr R. Addis: Thank you, minister. The government is committed to rebuilding the state's ag science R&D capabilities, having experienced significant run-downs in previous years. The savings harvested under the former Department of Agriculture and Food declined by more than the public sector average in the previous term of government. This budget includes an allocation of \$10 million for 2017–18 and 2018–19, which is essentially to ensure that the new department is able to address some structural problems that were evident in the budget that came out of last year's midyear review. In particular, the problems related to ongoing budget measures that reduced the central account funding, and a prevalence of royalties for regions-based projects that had accumulated staff and were coming to an end. The commitment of \$10 million for salaries in that time frame will allow the new department to avoid having to reduce staff numbers during the current financial year. In doing so, it will ensure that we can bring the three former departments together into the new Department of Primary Industries and Regional Development, and we can engineer sufficient efficiencies to be able to tackle that structural budget problem, which has been there for some years.

Mr D.A. TEMPLEMAN: I am happy for the acting deputy director general to make further comment.

Mr M. Sweetingham: Thank you, minister. I can assure the member that the new money the director general referred to is available in the budget. I also have some figures in front of me that indicate that in the area of grains

R&D alone, which is the largest research portfolio that we have, the total investment budgeted for in 2017–18 is \$14.2 million from the consolidated account and \$8.8 million from royalties for regions, which will be used to leverage \$17.6 million from external funds, largely from the Grains Research and Development Corporation. We are still in a very healthy spot with that amount of funding for R&D. The new department's intent is to work more closely with the Grains Research and Development Corporation to increase the overall capacity for grains R&D in this state by strengthening our alliances with the university sector. In the following 12 months, we will be working with the GRDC and the universities that do R&D to look at new ways to spend that money and deliver a bigger bang for the government's investment buck.

Ms L. METTAM: I refer to the election commitment for the new livestock precinct to replace the Boyanup saleyards on page 137 of budget paper No 3. Can the minister advise who will be heading up the study, and list all other participants by name and position?

[9.10 pm]

Mr D.A. TEMPLEMAN: I thank the member for Vasse for her question. I understand that Mr Peter Metcalfe may be able to assist in answering that question.

Mr P.L. Metcalfe: The Western Australian Meat Industry Authority is to conduct a review of the alternatives and report back at the end of the year. A budget has been allocated to undertake that work and identify suitable sites and the needs. Deloitte Access Economics has been commissioned to undertake that work, which we anticipate will be finished by the end of the year.

Ms L. METTAM: When did the minister say that the results of the study would be made available, and who will be consulted as part of that study?

Mr P.L. Metcalfe: I assume that industry and the community will be consulted in that process, but I do not have the terms of reference for that contract with me.

Ms L. METTAM: When will we see the outcome of that study?

Mr P.L. Metcalfe: My understanding is that it is due to report back at the end of the year. I assume that the study will be available early in the new year, off the back of that report.

Mr R.S. LOVE: I have a question about works in progress under the asset investment program on page 298 of budget paper No 2. My first question is about the wild dog action plan. I see that the government has allocated money for the wild dog action plan, with an estimated total cost of \$12 million over the forward estimates. My understanding is that the previous government made a commitment of \$19.94 million for that plan, and on the back of that the commonwealth government committed an additional \$3.1 million. Recently, the Deputy Prime Minister issued a press release calling on the Western Australian government to clarify what he claims is a substantial black hole that has been left in the wild dog management plan by the reduction in funding between the announced plan and the budgeted plan. I would like the minister to assure me that the federal funding is not at risk and that the wild dog management plan does not have a \$4 million hole in it.

Mr D.A. TEMPLEMAN: The WA wild dog action plan aims to secure and revitalise the livestock industry. We know that wild dogs have a direct impact on the economic growth and profitability of agriculture and cause huge issues for landholders. The Minister for Agriculture and Food has announced a record \$18.6 million investment into wild dog control over the next four years. On 15 September, the minister held a wild dog forum with a broad range of stakeholders to chart the most effective spend of remaining funds. She has approved \$4.45 million to ensure on-ground actions so that the plan can commence without delay. It will involve the employment of eight additional licensed pest management technicians, or doggers, as they are known; developing competitive cell fence proposals in the rangelands; and a veterinarian sterilisation program. On the federal funding matter, I will ask Dr Mia Carbon, who leads the work in this area, to respond to that element of the member's question.

Dr M. Carbon: The federal contribution to this program is \$2 million, which is going to the contestable cell fencing pilot project. It will be matched by state government funding so that we can roll out cell fences to two or three areas in the rangelands and pilot the success of those cell fencing programs.

Mr R.S. LOVE: What is the government's response to the Deputy Prime Minister, who has asked for clarity about why the announced amount is less than that which was promised and upon which the federal government allocated money to the state government for the wild dog action management plan?

Mr D.A. TEMPLEMAN: As I said, the minister has announced a record investment.

Mr R.S. LOVE: It is not a record investment; it is less than was announced by the previous government, on which the federal government promised some support.

Mr D.A. TEMPLEMAN: My understanding is that it is a record amount for dog control by the state over the next few years. Dr Carbon may wish to alleviate the member's concern.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Tuesday, 19 September 2017]

p180a-185a

Ms Libby Mettam; Mr David Templeman; Mr Shane Love; Mr Ian Blayney

Dr M. Carbon: Certainly. Already, \$4.45 million of that wild dog action plan funding has been put into action and we are looking at prioritising the remaining funds for things like the Esperance extension of the state barrier fence and replacing ageing state barrier fence infrastructure. That money will still be used on the wild dog action plan, but the minister held a forum on 15 September to look at prioritisation of those funds.

Mr D.A. TEMPLEMAN: I am sure that if the member has further concerns he can put a question on notice.

Mr R.S. LOVE: Specifically, has the correspondence from the Deputy Prime Minister been answered?

Mr D.A. TEMPLEMAN: I think the member's question is best answered via a question on notice to the minister. The minister is best placed to answer that question.

Mr I.C. BLAYNEY: I refer to the asset investment program on page 298 of budget paper No 2. Has a business case now been completed for new headquarters in South Perth; and, if so, what are the recommendations of the business case and the expected cost of the new headquarters?

Mr D.A. TEMPLEMAN: I am happy to ask the director general to respond.

Mr R. Addis: Significant work was done on options for the Kensington site under the previous government, and that included the consideration of alternate accommodation arrangements for the former Department of Agriculture and Food. There has not been any significant consideration of that under the new government, so the situation remains as it was under the previous government.

Mr I.C. BLAYNEY: Do the current laboratories at South Perth meet the biosecurity and quarantine standards required by the federal government; and, if not, what funding is required to bring these facilities up to standard?

Mr D.A. TEMPLEMAN: If the member is happy for me to do so, I am happy to take that as a supplementary question that we can provide the member with a supplementary answer to about the request by the member for Geraldton on the biosecurity and quarantine standards in the South Perth laboratories, as per the federal guidelines.

Mr I.C. BLAYNEY: And if they are not up to scratch, what funding is required to bring them up to standard?

[Supplementary Information No B10.]

[9.20 pm]

Mr I.C. BLAYNEY: If there is no funding for new headquarters in this budget, what are the government's plans for new headquarters for the Department of Primary Industries and Regional Development?

Mr D.A. TEMPLEMAN: That question is best framed to the Minister for Regional Development. I am happy for the director general to answer, but if the member requires information specifically about a policy decision by government, it would be best directed to the minister, but the director general may wish to make a brief comment.

Mr R. Addis: As per my previous answer, a significant amount of work has been done on that set of issues under the previous government over a number of years. No clear decision has been made to do anything in that regard, so it sits where it was at the end of the last term of government.

Mr D.A. TEMPLEMAN: The status quo remains as per the member's government's jurisdiction.

Mr R. Addis: It is an issue that we are actively starting to consider as part of the new department but we have not reached a view nor sought direction from the minister.

Mr I.C. BLAYNEY: Will the business case I mentioned at the start of the question, which I understand has been completed, become a public document?

Mr D.A. TEMPLEMAN: I am looking for direction on who might be best placed to answer that question. I am sure somebody may be able to offer some assistance.

Mr R. Addis: I understand some work may be construed as a business case. I am not quite sure of the status of that work. No business case is being considered by the department or by government more broadly at the minute. As I said, it is a matter that we are actively considering and we will bring out the work that was previously done and consider how to incorporate that. But at this stage, I do not foresee that business case being taken forward in its existing form.

Mr R.S. LOVE: I refer to page 298. I would like some information about the regional natural resource management program. What might that program entail and is it a watered down version of an earlier approved program for community grants et cetera for natural resource management groups?

Mr D.A. TEMPLEMAN: Which page is the member referring to—page 298?

Mr R.S. LOVE: It is page 298, the second-last line item under "Works in Progress", the regional natural resource management program. There was previously a resources supporting community involvement program. I am asking whether that is the same program in a watered-down version.

Mr D.A. TEMPLEMAN: The information I have is that the regional natural resource management program relates to the state barrier fence. Is that correct, Dr Carbon? It includes capital expenditure of some \$2 million, funded by royalties for regions for the extension of the state barrier fence. Can you confirm that, Dr Carbon?

Dr M. Carbon: Yes. It is for extension to the existing state barrier fence.

The CHAIR: Member for Moore, a further question?

Mr R.S. LOVE: No; because I think the line item has disappeared. So there is now no commitment whatsoever to community grants through the department for natural resource management?

Mr D.A. TEMPLEMAN: I am seeking clarification from an appropriate officer. On page 286, the natural resource management program is the tenth item in the list. I understand an allocation is shown in the budget for the 2018–19 period.

Mr R.S. LOVE: Is there no allocation until next financial year for that program—there will be no round of grants?

Mr D.A. TEMPLEMAN: That may not be correct.

Ms M.J. Taylor: The details of that program are listed on page 305 under “State Contribution to Natural Resource Management”.

Mr D.A. TEMPLEMAN: That figure is —

Ms M.J. Taylor: It is \$3.7 million.

Mr D.A. TEMPLEMAN: It is just under \$3.7 million. The director general has some further information.

Mr R.S. LOVE: What page is the minister talking about?

Mr D.A. TEMPLEMAN: Page 306. The director general has further information.

Mr R. Addis: There is an allocation of \$6.2 million under the royalties for regions budget.

Mr R.S. LOVE: Is it page 306?

Mr D.A. TEMPLEMAN: It is page 305, where there is an allocation of just under \$ 3.7 million plus an allocation as highlighted by the director general.

Mr R. Addis: It is \$ 6.2 million in the royalties for regions program.

Mr R.S. LOVE: Is it \$3.7 million? I will have to search diligently because I cannot see it on page 305.

Mr D.A. TEMPLEMAN: I am sure that when the member has searched diligently, if he has any queries he will put it on notice to the minister and seek absolute clarity.

Mr R.S. LOVE: It is \$3.682 million. The numbers threw me. It is not \$ 3.7 million; it is \$ 3.682 million. I am sorry about that.

Ms L. METTAM: I refer to page 289 of volume 1 of budget paper No 2, with reference to the service summary. Can the minister confirm that funding for biosecurity will be cut from 2017–18 to 2020–21? Why will funding be cut when the budget papers highlight the importance of biosecurity?

Mr D.A. TEMPLEMAN: Is it item number 8 on that service summary, member?

Ms L. METTAM: Yes.

Mr D.A. TEMPLEMAN: It is biosecurity and product integrity and the member is asking about the reasons for the variations.

Ms L. METTAM: There is a consistent cut in funding from this year.

Mr D.A. TEMPLEMAN: Ms Taylor is able to answer that question.

Ms M.J. Taylor: The reductions in the out years are due to the completion of royalties for regions projects. As they wind up over the forward estimates, the total funding drops.

[9.30 pm]

Ms L. METTAM: What assurance is there that following the completion of this royalties for regions spending, there will be further and consistent investment in biosecurity?

Mr D.A. TEMPLEMAN: I am very happy for Dr Carbon to attempt to answer the member’s question.

Dr M. Carbon: One of the minister’s top five priorities is a world-class biosecurity system for Western Australia. The department is working very closely with the minister on the learnings from recent biosecurity incidents and the understanding of the importance of our surveillance and traceability systems from discussions with our trading

partners. We will use those to ensure that that is fit for purpose into the future and we can continue to meet our industry's needs.

Ms L. METTAM: Does the minister anticipate an increase or a shift to these funds, or does she anticipate a consistent decline?

Mr D.A. TEMPLEMAN: As Dr Carbon has highlighted, the minister has put biosecurity as a key priority for herself personally and for the department. I am sure that the minister will explore opportunities and use the information that has been gleaned from the evaluation of those projects that have concluded and information that is forthcoming to make future budgetary considerations.

The CHAIR: I remind members that we have another division to get through. We are halfway through this session.

Mr R.S. LOVE: This will take longer than the other division.

The CHAIR: That is fine, but we are into the second half of the session and there is still that division to go.

Mr R.S. LOVE: I refer to the line item "State Agriculture Telecommunications Infrastructure Improvement Fund" under "Details of Controlled Grants and Subsidies" on page 301. What will that fund be expended on and how will it be rolled out? Will it involve grants et cetera or will it be given to a service provider in one lump sum?

Mr D.A. TEMPLEMAN: As the member is aware from the budget papers, the state agricultural telecommunications infrastructure improvement fund has a total of approximately \$18.8 million allocated across the forward estimates. We are seeking leverage for this fund with the commonwealth and industry funding under a co-investment model to improve regional digital connectivity. The department is also currently investigating the deployment of fit-for-purpose on-farm digital networks including in the Katanning and Merredin research facilities. Furthermore, the eConnected Grainbelt project has partnered with the Grains Research and Development Corporation, developing wideranging big-data digital agricultural solutions covering machine data collection, a wireless sensor network, open standard data exchange, and farm analytics. They are a few examples of projects, as the member requested. The concept of regional data cooperatives is being progressed through this project to ensure grower-generated and own data can be retained locally and is shared between growers as appropriate for mutual and industry benefit. I hope that assures the member that that particular improvement fund is focused and targeted.

Mr R.S. LOVE: I refer to the line item "Biosecurity and Product Integrity" on page 294. The full-time equivalents are set to rise by 20 persons. Throughout the budget papers overall, I have counted up to 39 persons in other programs. That is set to increase throughout the department. Will all these be full-time positions within the department itself and where will these people be located? In particular, will anybody be located out in the regions; and, if so, at what locations?

Mr D.A. TEMPLEMAN: First of all, I am pleased to hear that the member has highlighted a significant increase in FTEs. That is very important. I am not sure whether the director general has information at this point on the exact location of some of these additional employees, but I will ask him to respond. If not, we can provide information.

Mr R. Addis: I am not sure exactly where those new FTE are to be deployed, but as a general principle, in the design of the Department of Primary Industries and Regional Development we are very conscious of the need to strengthen our capacity on the ground in the regions, which builds on a very strong base of about 730 staff based in the regions out of a total of about 1 760. It has a pretty strong existing region-based footprint. We are certainly looking to strengthen that and not to retreat. Mark, do you have any detail on those particular FTE?

Mr D.A. TEMPLEMAN: I am happy to ask the deputy director general if he can add to this very good news story about more staff in the regions.

Mr M. Sweetingham: I was going to ask Mia Carbon, as the question relates specifically to biosecurity.

Mr D.A. TEMPLEMAN: Dr Carbon, would you be able to provide an answer?

Dr M. Carbon: We will be looking to strengthen some areas of biosecurity, in particular around our plant biosecurity capability and our emergency response capability. Where those staff will be located will be according to the best fit for those positions but will be in line with our policy on putting people regionally where we can.

Mr R.S. LOVE: So there is no actual plan at the moment about where people will be located?

Mr D.A. TEMPLEMAN: No.

Mr R.S. LOVE: Moving specifically to the biosecurity issue, as some members may well know my electorate, which is the farming area north of Perth, in the main, has been hit with a triple whammy of psyllid, bacterial wilt and CGMMV, or cucumber green mottle mosaic virus —

Mr D.A. TEMPLEMAN: Has the member got cotton bush?

Mr R.S. LOVE: — and all sorts of risks in what is an emerging area. Will any additional effort be put into protecting and enhancing the horticultural industry and markets into the future?

Mr D.A. TEMPLEMAN: Member, as Dr Carbon and the director general have indicated, as these FTEs are rolled out, I am sure those sorts of considerations will be at the forefront of their minds in terms of resourcing and allocation. We cannot provide the member with information about exactly where these additional employees will go. I am sure the member will have a press release ready congratulating the government on these additional staff. I look forward to seeing that on his website. The member's advocacy for the Mingenew area has been heard. I understand the issues the member's electorate faces. They are very valid and they are certainly very serious. I will personally highlight to the minister the member's advocacy for some of those staff in his area.

Mr R.S. LOVE: If the minister wants a positive press release, would he indicate that at least a substantial number will be located in communities such as Moora?

Ms L. METTAM: And Busselton!

Mr I.C. BLAYNEY: Minister, this is tricky because we thought that the government made a commitment to spend \$30 million on tier 3 railway lines but we cannot find it in Regional Development and we cannot find it in Transport. Perhaps someone might be able to tell us whether it is in the budget.

[9.40 pm]

Mr D.A. TEMPLEMAN: I understand that that question would be more appropriately directed to the Minister for Transport as it would fit within her jurisdiction. I am not aware of a line item for that in this budget. The director general may be able to add something.

Mr R. Addis: It is certainly not in the agriculture appropriation. I do not believe that there is an appropriation in the royalties for regions program. I concur that it is a question for the Minister for Transport.

Ms L. METTAM: I refer to page 217 of budget paper No 3 and the line item "Help Grain Growers to Better Manage Risk". Can the minister advise why funding for this outcome has been cut? What is the government's plan to assist growers to better manage risk?

Mr R. Addis: We are a little discombobulated with the member's reading of the royalties for regions program. Which item was the member referring to?

Ms L. METTAM: It is in alphabetical order. If the adviser goes down to "H", and "Help Grain Growers to Better Manage Risk", he will see that there is funding for 2017–18 and there appears to be no future funding.

Mr P.L. Metcalfe: It is a royalties for regions-funded project. It finishes on 30 June 2018. That would be the reason that the funding ceases at that point unless an extension is put in place at some stage.

Ms L. METTAM: I missed the last bit.

Mr D.A. TEMPLEMAN: The officer has highlighted that it is a royalties for regions-funded project that had a time limit. The conclusion of that particular project is the end of this coming financial year.

Ms L. METTAM: Can the minister provide a breakdown and a list of how the funding up until 2017–18 has been expended so far?

Mr P.L. Metcalfe: Is the member after the expenditure on the project to date or through the life of the project?

Ms L. METTAM: Through the life of the project.

Mr D.A. TEMPLEMAN: I am happy to provide as supplementary information a breakdown of the royalties for regions-funded program known as "Help Grain Growers to Better Manage Risk" over the life of that program.

[*Supplementary Information No B11.*]

The appropriation was recommended.