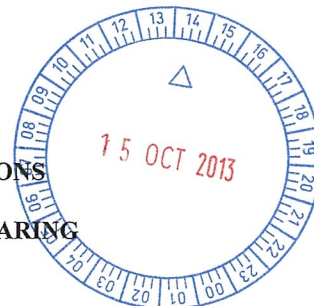


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STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ADDITIONAL QUESTIONS FOR THE 2013/14 BUDGET ESTIMATES HEARING

Friday 27 September 2013

Department of Agriculture and Food

Question No 1: Hon Adele Farina MLC asked -

I refer to Budget Paper No 2 Volume 2 at page 723 'Spending Changes', line item, 'Natural Resource Management Projects', and ask -

- a) *Funds for Natural Resource Management Projects have been increased. What projects will be conducted this financial year?*

Answer: Line item 12, Natural Resource Management Projects refers to three projects funded by the State NRM Program that are managed by DAFWA.

- Whole farm nutrient mapping: This project aims to improve nutrient management on over 200 farms in priority catchments in the South West to address water quality risk and farm profitability. These catchments include the Swan-Canning, Leschenault, Vasse-Wonnerup, Peel-Harvey; and Scott River systems. The project will also train industry to use the tools previously developed to ensure that in the future industry can guide and implement improved fertiliser use in the future.
- Aboriginal engagement in natural resource management: This project tests the Aboriginal NRM Engagement Framework developed in the first phase by establishing and supporting pilot groups focussing on the Noongar native title settlement area. It will enable Aboriginal people to connect with Country through education and training, employment and enterprise development through the Framework.
- Forming Recognised Biosecurity Groups in agricultural areas: This project aims to support interested parties establish Recognised Biosecurity Groups in agricultural areas to complement those in pastoral areas. An important component of this project is to provide a secure source of matching funds for the first two years of operation.

- b) *What projects will be conducted in the South West region (electoral area)?*

Answer: All three projects will impact parts of the South West electoral area.

- c) *Will these projects address key concerns of water repellence, soil acidity and dryland salinity as identified in the report card on sustainable natural resource use in agriculture?*

Answer: The Aboriginal engagement in NRM project aims to build capacity in Aboriginal people so they can help address water repellence, soil acidity and dryland salinity issues as well as other NRM issues in future. The Whole farm nutrient mapping and Forming Recognised Biosecurity Groups projects do not directly address water repellence, soil acidity and dryland salinity issues.

Question No 2: Hon Adele Farina MLC asked

I refer to Budget Paper No 2 Volume 2 at page 723 'Spending Changes', line item 'Royalties for Regions – Regional Natural Resource Management', and ask -

a) What are the total funds available for Regional Natural Resource Management this financial year?

Answer: \$3,799,000.

b) What projects will be conducted this financial year?

Answer: The 3 Royalties for Regions funded projects are:

- **Water Efficiency:** The objective of this project is to build capacity through training to facilitate improvements in water use efficiency. This project extends from Carnarvon in the north of the State to South West in its work with the irrigated agricultural industries.
- **Storm Water Reuse:** The objective of this project is to improve the capture, storage and distribution of stormwater runoff in identified Wheatbelt towns to reduce the pressure on reticulated supplies and meet shortfalls in the demand for non-potable water.
- **Carbon Farming:** The project's objective is to identify and promote opportunities and associated risks into an information package that includes accounting tools for delivery to land managers in agricultural and pastoral areas. The awareness program is being delivered in partnership with regional Natural resource management (NRM) groups.

c) What projects will be conducted in the South West region (electoral area)?

Answer: The Water Efficiency and Carbon Farming projects will impact parts of the South West electoral area.

d) What projects will be conducted in the South West region (electoral area)?

Answer: Up to 25%.

Question No 3: Hon Adele Farina MLC asked -

I refer to Budget Paper No 2 Volume 2 at page 723 'Spending Changes', line item 'Royalties for Regions – Water Opportunities', and ask-

a) What are the total funds available for Water Opportunities this financial year?

Answer: \$2,848,000.

b) What projects will be conducted this financial year?

Answer: The Water Opportunities project seeks to define the most appropriate water and land resource development options and strategies to support additional irrigated agriculture within two areas; Ord Stage 3 (Cockatoo Sands) and selected areas in the La Grange sub region, West Kimberley.

c) *What projects will be conducted in the South West region (electoral area)?*

Answer: Nil.

d) *What percentage of available funds will be spent in the South West region (electoral area)?*

Answer: There will be no expenditure in this region in 2013/14.

Question No 4: Hon Adele Farina MLC asked -

I refer to Budget Paper No 2 Volume 2 at page 724 'Significant Issues Impacting the Agency', and ask –

a) *The first dot point speaks of a growing demand for quality foods while the third dot point speaks of assisting businesses willing to exit the sector. Surely these are at odds with each other. How will the Department support Western Australian farmers to benefit from the growing demand for quality foods?*

Answer: The two statements are not at odds because, while the growing global demand for food offers great opportunity, some businesses will not be able to make the business adjustments needed to seize it. DAFWA's efforts are focused strongly on helping all those in the agrifood sector benefit from this new opportunity, as evidenced by their outcome statement of "a profitable, innovative and sustainable agrifood sector that benefits Western Australia."

The department's on-going activities in this area will be enhanced by the Government's 'Seizing the Opportunity' initiative, which will provide around \$300 million through DAFWA and other departments to implement a range of programs aimed at building industry capability and securing new markets.

b) *Many dairy farmers are struggling with vast amounts of milk being imported into WA. Are dairy farmers an example of businesses willing to exit the sector that should be assisted by the Department?*

Answer: No. The WA Government recognises the current price squeeze on the dairy industry, which is occurring nationally, but global demand for dairy products is growing strongly and future prospects for the WA dairy industry based on capturing export markets in Asia are bright. Competition among processors for milk supply is strong and the dairy supply chain is evolving without direct government intervention.

c) *If those dairy, conversely, wished to stay in the sector, what support would be available to them?*

Answer: The WA Government is actively supporting expansion of the State's dairy industry. The Department of Agriculture and Food is working with industry on identifying opportunities for increased exports to high value markets; conducting targeted R&D to increase productivity and innovation at the farm level; providing data and information to industry and potential investors; analysing how the State's dairy herd size can be rapidly increased; and investigating suitable locations for increased dairy production and processing.

Question No 5: Hon Adele Farina MLC asked -

I refer to Budget Paper No 2 Volume 2 at page 731 'Incomes Statement', line item 'footnote b', and ask -

- a) Over the past two years, the department has shed 81 FTE staff, 62 of those last financial year. Are further staff reductions expected?*

Answer: Yes. DAFWA will continue to base its staffing levels on the basis of its financial resources rather than FTE ceilings. With government as a whole needing to carefully manage expenditure, DAFWA will need to make some further reduction in staffing levels to ensure it does not exceed its salary cap.

- b) Have services offered by the department been reduced as a result of the loss of staff?*

Answer: Yes. DAFWA, taking into account the level of resources available from the consolidated fund and external funding sources, adjusts its range of services according to the evolving needs of industry and community, and the increasing ability of the private sector to provide services that are no longer appropriately the 'business of government'. DAFWA uses this on-going adjustment process to ensure that it is able to provide the range of services needed at any one time, and that each of these services is appropriately resourced.

- c) How will the department adequately meet the challenges of this year with reduced staff?*

Answer: DAFWA's expected reduction in staffing levels in 2013/14 will be achieved primarily through the whole-of-government voluntary severance program. DAFWA is applying the continual adjustment process outlined above to identify individual activities that are no longer required by industry or the community, and winding up those activities as individual officers leave the department. As above, this ensures DAFWA retains appropriate staffing levels in all those service areas that contribute to industry and/or the community.

Question No 6: Hon Adele Farina MLC asked -

I refer to Budget Paper Volume 2 at page 723 'Appropriations, Expenses and Cash Assets', line item 'Total Appropriations', and ask -

- a) Prior to the election the Government committed to establishing three specialised food centres, one of which will be located in Manjimup. When will the Manjimup specialised food centre be operational?*

Answer: DAFWA is currently preparing an application for funding from Royalties for Regions to be submitted in December 2013.

- b) What benefits will the Manjimup specialised food centre offer the regional community?*

Answer: This food centre would specialise in food processing to value add to the many boutique high value products that are cultivated in the South West. These include truffles, green tea, specialised fruit and vegetables.

c) *What services will the Manjimup specialised food centre offer?*

Answer: The services that may be offered include:

- Improve productivity across all points of the food production chain;
- Improve workforce skills, including business management, through collaboration between businesses;
- Improve market responsiveness, knowledge and penetration; and
- Encourage innovation in developing new products, processes and business models.

Question No 7: Hon Adele Farina MLC asked -

a) *Prior to the election the Government committed to providing \$20 million to provide grants to biosecurity groups to keep WA free from pests and disease. How much of this money will be available to the South West regions (electoral area)?*

Answer: The allocation of this money is still being determined.

b) *What biosecurity projects will be conducted in the South West region (electoral area) this financial year?*

Answer: The Department of Agriculture and Food is working with industry and community groups to identify potential projects. In the South West region, the Department delivers biosecurity projects that address livestock, plants and invasive species. These activities will continue through 2013-14.

c) *What programmes is the Department run to combat noxious weeds in the South West region (electoral area) this financial year?*

Answer: The Department is continuing to work with interested community members with the aim of developing coordinated community groups to eradicate or manage priority weeds in the South West electoral region. Widespread and established weeds are a landscape issue and intrinsically difficult and expensive to manage. The declared pest work undertaken by community groups will be supported with a regulatory framework (*Biosecurity and Agricultural Management Act 2007*) through government. This management practice is considered to be a balanced and effective approach as practical management requires landholders to work together to coordinate their control efforts.

The Department also supports existing priority programs like the blackberry buffer zone, gorse and boneseed eradication (all of these weeds are Weeds of National Significance). Apart from these national priorities, DAFWA continues to work with land holders to ensure best practises in weed management are adopted. Targets for surveillance and eradication of other weeds in the area include a range of weeds species such as aquatic weeds, ragwort and berkhaya thistle.

Question No 8: Hon Robin Chapple MLC asked, in regard to Page 723 -

a) *Is any funding for 'Regional natural resource management' allocated to water management?*

Answer: Yes. Two projects – Water Efficiency and Storm Water Reuse.

b) If so, how much?

Answer: Around \$2.2 million.

Question No 9: Hon Robin Chapple MLC asked, in regard to Page 728 -

a) Are any of the FTE cuts projected for 2013-14 from biosecurity workers?

Answer: The Department of Agriculture and Food delivers three services to support the achievement of broad government goals.

- Business and Supply Chain Development
- Transformational Development
- Resource Risk Management

The department delivers these services via projects and the number of FTEs shown against each service does not necessarily reflect a headcount nor does it specifically indicate the breakdown of individual staff member's allocations.

While the current voluntary severance process is still underway – and hence the extent of adjustment is still to be determined – the following reductions are expected:

- Invasive Species Science Program – 1 FTE reduction enabled by reduced demand for technical support
- Biosecurity operational support – 2 FTE reduction enabled by changing work demands

The overall impact of the voluntary severance program is outlined in the supplementary information sought by Hon Ken Travers (Question taken on notice (C4)).

b) If not, where are they from?

Answer: The department's workforce planning needs are assessed having consideration to its changing business needs and priorities. A number of low priority activities and functions have been wound up and staff reallocated to other projects within the department.

c) If so, has this impacted upon the ability to carry out biosecurity inspections and enforce regulations?

Answer: The area of regulation is not considered to be a low priority activity or function. The department will continue to maintain and develop the relationship it has with both other government agencies, industry and community representatives etc. These partnerships will continue to be used by the department to obtain information that may be used to inform decisions about future business needs.

Question No 10: Hon Robin Chapple MLC asked, in regard to Page 728 -

a) Why were there nearly sixty less FTE employees than budgeted for in 2012/13?

Answer: All budget FTE figures provided in the budget papers are linked to the FTE 'Estimate' that appears under the Income Statement table (page 731 of the 2013/14 budget papers). This

figure necessarily represents the department's FTE ceiling rather than a true 'estimate'. As such, the budgeted 2012/13 FTE figure referred to on page 728 is somewhat overstated. In addition, the 2012/13 Estimated Actual was lower than budgeted for due to program deferrals or cut backs in relation to Land and Water Management, European House Borer and Biosecurity projects. Furthermore, revenue expected from third-party grants and subsidies have not materialised, thus resulting in a reduction in expenditure for this service.

b) Where any of these unfilled positions related to biosecurity?

Answer: At any point of time the department has a number of staff on extended leave; and positions that are vacant or are in the process of being advertised and filled via an approved recruitment and selection process. Since July 2012, the department has advertised a number of biosecurity positions at various locations across the State. These include quarantine inspectors (7), veterinary officers (4) and biosecurity officers (2). The department has also advertised and filled technical positions that work in the field or laboratories, policy officers and management positions.

In all situations reduced staff numbers have been managed to minimise impact on front line services and where practical maintain a regional presence.

c) If so, has this impacted upon the ability to carry out biosecurity inspections and enforce regulations?

Answer: Yes. However, as a part of its workforce planning, the department takes steps to minimise the impact on front line services such as biosecurity inspections and enforcement of regulations. In May 2013, the *Biosecurity and Agriculture Management Act 2007* came into effect. This Act modernises the law and improves protection against potentially devastating pests and diseases. 215 staff members are appointed as inspectors under the Act. The department also works with Recognised Biosecurity Groups and Community Groups to promote awareness and support training and development opportunities.

Question No 11: Hon Robin Chapple MLC asked, in regard to Page 729 -

a) Was the "new crops for climate environment facilities" able to achieve some or all of its goals before funding ceased in 2013/14?

Answer: Yes.

b) If so, what goals were achieved and are there any programs which will continue similar work?

Answer: The aim of the New Genes for New Environments initiative was to establish new facilities to evaluate GM crop traits of potential value to Western Australia in a safe and secure environment.

There have been two genetically modified crop trials at the New Genes for New Environments facilities, and the Department of Agriculture and Food, Western Australia (DAFWA) anticipates there will be more GM crop trials at NGNE in 2014. The Office of the Gene Technology Regulator (OGTR) has inspected NGNE three times and, after each inspection, advised DAFWA that all GM crop trial work is compliant with the OGTR's regulatory requirements.

After the initial funding for NGNE ceases in June 2014, DAFWA intends to maintain the NGNE facilities for the trialling of appropriate new GM crop material on a cost recovery basis.