

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

The Committee asked:

- 1) We refer to Budget Paper No. 2, p 219, Statement of Cashflows, and ask for a project-level breakdown of Royalties for Regions funded projects for each Fund?

Answer:

Project	2019-20 Budget Estimate \$'000
Country Local Government Fund	4,000
Regional Centres Development Plan - Stage 2	4,000
Regional Community Services Fund	132,216
Regional Workers Incentives Allowance Payments	556
Community Resource Centres	13,000
Western Australian Regional Film Fund	3,000
WA Open for Business	6,630
State Agricultural Telecommunication Infrastructure Fund - Unallocated	7,700
Digital Farm	3,000
Jawun Indigenous Corporate Partnership Program	120
Jawun Partnership Agreement	280
Aboriginal Governance and Leadership Development Program	1
Albany Wave Energy Project	1,083
Riverview Residents - upgrade to over 55's estate	2,000
Regional Aged Accommodation Program - unallocated	6,345
Stage 1 Beddingfeld Park Expansion	200
Bridge St. Affordable Housing Project - Donnybrook	200
Armstrong Village Project - Dunsborough	2,000
Dongara Age Appropriate Accommodation Facility	2,000
Great Southern Housing Initiative	260
Brunswick River Cottages - Brunswick Junction	150
Regional Economic Development Scheme	
Gascoyne	694
Goldfields Esperance	694
Great Southern	695
Kimberley	694
Mid West	695
Peei	694
Pilbara	695

Project	2019-20 Budget Estimate \$'000
South West	694
Wheatbelt	695
Regional Investment Initiative - Unallocated	997
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre (RII) #2	522
Southern Forests Food Council	480
Regional Development Leverage Unit	6,000
Albany Artificial Surf Reef business case	250
Ord Expansion Project	4,000
Gwoonwardu Mia Aboriginal Heritage and Cultural Centre	39
Murujuga Aboriginal Corporation - Living Knowledge Centre and Tourism Precinct	1,004
Wild Dogs Action Plan #1 - Agriculture and Food	2,451
Wild Dogs Action Plan #2 - Agriculture and Food	3,070
Regional Men's Health 3 [New Cab Sub Req'd] - Agriculture and Food	800
Extension of Doppler Radar Coverage	281
Premium Food Centre Manjimup - Agriculture and Food	1,033
Specialist Food Centre Albany	809
Boosting Biosecurity Defences	255
Boosting Biosecurity Defences #2	5,536
Northern Beef Industry Strategy - Agriculture and Food	754
Agricultural Sciences Research and Development Fund	4,425
Boost Grains Research and Development Support - Agriculture and Food	1,500
Boost Grains Research and Development Support #2	2,869
Boost Grains Research and Development Support - Agriculture and Food	1,500
Asian Market Success #2	1,500
Help Grain Growers to Better Manage Risk	1,079
Help Grain Growers to Better Manage Risk - Agriculture and Food	180
Building Western Australian Grains Research and Development Capacity	11,500
Building Western Australian Grains Research and Development Capacity	1,000
Fitzroy River Management Plan	731
Myalup-Wellington Water for Growth	9,000
Southern Forests Irrigation Scheme	782
Great Kimberley Marine Park - Fisheries	281
Shark Mitigation - Smart Drumline Trial	1,620
Oyster Reef habitat restoration - Albany	600
Regional Workers Incentives Allowance Payments - Gascoyne	5
Regional Workers Incentives Allowance Payments - Goldfields Esperance	1
Goldfields Esperance Arts & Culture - Goldfields Esperance	100
Regional Workers Incentives Allowance Payments - Kimberley	1
Regional Workers Incentives Allowance Payments - Mid West	2
Peel- Harvey Estuary - Grant - Peel	500
Peel Harvey Estuary 1 FTE - Peel	117
Mandurah Eastern Foreshore Redevelopment - Peel	5,000

Project	2019-20 Budget Estimate \$'000
Regional Workers Incentives Allowance Payments - Pilbara	6
Curtin Jiji Program	343
Western Desert Land Aboriginal Corporation - Jiji 2 Program	120
Pilbara Development Commission – Evaluation Curtin University Jiji Program	75
Feasibility Study Residential Colleges for Aboriginal Students in Port Hedland and Newman	73
Geraldton Universities Centre – Pilbara Universities Centre	250
Donnybrook Town Centre Revitalisation - South West	1,800
Halifax Business Park - South West	1,500
Collie Futures Fund - South West	250
Minninup Pool - South West	200
Thomas Little Memorial Hall (Our lady of Lourdes) Restoration	250
Regional Infrastructure and Headworks Fund	14,284
Goldfields Esperance Revitalisation Unit	459
Growing Our South Administration	1,716
Carnarvon Flood Mitigation Works - Stage 2	2,828
Coral Bay Seasonal Staff Accommodation	200
DRD Management (Coral Bay Workers Accommodation)	142
North West Aboriginal Housing Initiative - Unallocated	77
Pilbara Aboriginal Town Based Reserves - Unallocated	2,000
PHADI - Transforming Agriculture in the Pilbara	2,664
Regional Natural Resource Management - State Barrier Fence - Agriculture and Food	1,778
Pilot Nursery Aquaculture Development - Geraldton	2,000
South Coast Aquaculture Development Zone - Fisheries	342
Transform Peel - Phase 1 - Peel	78
Regional and State-wide Initiatives	43,922
Operational Funding - DRD	21,633
Operational Funding - Gascoyne	2,135
Operational Funding - Goldfields Esperance	2,153
Operational Funding - Great Southern	1,870
Operational Funding - Kimberley	2,317
Operational Funding - Mid West	1,805
Operational Funding - Peel	1,484
Operational Funding - Pilbara	3,495
Operational Funding - South West	5,097
Operational Funding - Wheatbelt	1,933

d

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

The Committee asked:

2) On non-operational special purpose accounts:

a) How many has your agency established under sections 16(1)(b) to (d) of the *Financial Management Act 2006*;

Answer:

Department of Primary Industries and Regional Development (DPIRD) has 13 Special Purpose Accounts established under sections 16(1)(b) to (d) of the Financial Management Act 2006.

b) In a table include:

- i) the name of each account;
- ii) when it was established;
- iii) each account's purpose;
- iv) balance as at 9 May 2019; and;
- v) the last 12 months activity;

Answer:

See below table.

Name of Account	Established at	Purpose	Balance as at 9/5/2019 ('\$000)	12 Month Activity	
				Receipt ('\$000)	Payment ('\$000)
Agriculture Research Grants Account No. 1 (non-interest bearing)	16/05/1991	The purpose of the fund is to receive and disperse funds from industry and other organisations in support of agricultural research projects	16,715	59,239	(63,129)
Agriculture Research Grants Account No. 2 (interest bearing)	16/05/1991	The purpose of the fund is to receive and disperse funds from industry and other organisations in support of agricultural research projects	4,843	9,219	(8,384)
Commonwealth Agriculture Activity Grants	27/09/1993	The purpose of the fund is to receive and disperse funds to conduct Commonwealth-funded agriculture activities.	2,288	4,997	(6,548)
Plant Research and Development	18/03/2008	The purpose of the fund is to receive and disperse funds to conduct plant research and development in Western Australia	6,507	2,968	(2,009)

Name of Account	Established at	Purpose	Balance as at 9/5/2019 ('\$000)	12 Month Activity	
				Receipt ('\$000)	Payment ('\$000)
Cattle Industry Funded Scheme	21/06/2010	The purpose of the fund is to receive and disperse funds from the cattle industry to enable industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level	5,558	1,046	(1,235)
Declared Pest Account	1/05/2013	The purpose of the fund is to receive and disperse funds collected to carry out measures to control declared pests on and in relation to areas for which the rates were collected	5,824	17,485	(14,292)
Land Conservation Districts Fund	February 2011	The purpose of the fund is to promote soil conservation through research and implementation of soil and conservation measures and practices	174	96	-
Grain, Seeds and Hay Industry Funded Scheme	21/06/2010	The purpose of the fund is to receive and disperse funds from the grain, seeds and hay industry to enable the industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level	11,392	7,658	(5,860)

Name of Account	Established at	Purpose	Balance as at 9/5/2019 ('\$000)	12 Month Activity	
				Receipt ('\$000)	Payment ('\$000)
Sheep and Goats Industry Funded Scheme	21/06/2010	The purpose of the fund is to receive and disperse funds from the sheep and goats industry to enable the industry to self-determine and self-fund appropriate responses to serious pest and disease incursions which predominantly impact on the industry sector and which are not otherwise covered under existing arrangements at the national level	2,062	1,428	(1,380)
Fisheries Research and Development	2/11/1994	The purpose of the Account is to hold funds in accordance with section 238 of the Fisheries Resources Management Act 1994 (FRMA) which may be used and applied by the Minister in such manner and in such proportion as the Minister thinks fit for all or any of the purposes prescribed by section 238(5) of the FRMA 1994 and section 37(3), 41 and 55(4) and (5) of the Pearling Act 1990. All revenue and expenditure relating to commercial fishing, fish and fish habitat protection, pearling and aquaculture services is transacted through this account.	3,912	79,479	(77,083)
Recreational Fishing Account	2/11/1994	The Recreational Fishing Account is established under the FRMA 1994. The purpose of the account is to hold funds in accordance with section 239 of the FRMA 1994 which may be applied by the Minister for all or any of the purposes prescribed by section 239(4) of the FRMA 1994. The main revenue sources include contributions from the Consolidated Account and revenue from recreational fishing licences. The funds support activity relating to recreational fishing.	2,500	8,926	(8,926)

Name of Account	Established at	Purpose	Balance as at 9/5/2019 ('\$000)	12 Month Activity	
				Receipt ('\$000)	Payment ('\$000)
Fisheries Adjustment Schemes Trust Account	5/11/1987	The purpose of this account is to hold funds in accordance with section 5 of the Fisheries Adjustment Scheme Act 1987 which shall be applied by the Minister for the purposes prescribed by section 6 of that Act.	522	5,467	(5,467)
Regional Reform Fund	23/06/2015	The purpose of this account is to hold capital and recurrent funds for expenditure on approved Regional Reform Fund projects as authorised by the Treasurer and the Minister, pursuant to section 9(1) (a), (b) and (c) of the Royalties for Regions Act 2009 to be charged to the Royalties for Regions Fund and credited to the Account	86,235	-	(9,935)

- c) Describe the (1) governance mechanisms and (2) safeguards that are in place to meet the demands of section 16(2) of the *Financial Management Act 2006*;

Answer:

In accordance with section 16(2) of the Financial Management Act 2006, DPIRD maintains records in its Financial Management Information System, that identifies each class of financial items for which funding and expenditure is received or spent related to each of the special purpose accounts. This ensures that funding is expensed in line with the requirements of the special purpose accounts that have been established.

- d) When was your agency last audited by the Office of the Auditor General primarily about special purpose accounts:

- i) If applicable, what were the findings of that audit?

Answer:

No findings were issued related to special purpose accounts, from the Office of the Auditor General's 2017-18 audit of DPIRD.

C

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Colin de Grussa MLC asked:

3) I refer to Budget Paper 2, Volume 1, Division 16, Page 206, line item "New External Funding Agricultural Research and Development Projects" and I ask:

a) What is the process for applying for this funding?

Answer:

Not applicable as the Department of Primary Industries and Regional Development (DPIRD) is the recipient of the funding.

b) Who assesses the grant applications?

Answer:

Not applicable as DPIRD is the recipient of the funding.

c) How are the grant applications acquitted?

Answer:

Not applicable as DPIRD is the recipient of the funding.

d) Who received funding through this programme in 2018-19, and what were their projects?

Answer:

These figures reflect funds that were received by DPIRD for new contracts with external bodies for DPIRD to deliver projects which support the State's agricultural and fisheries industries.

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Colin de Grussa MLC asked:

4) I refer to Budget Paper 2, Volume 1, Division 16, Page 214, line item "Global Provision". \$35 348 000 has been budgeted over the next three years for 'Global Provision' which note (b) explains is for 'funding mainly for election commitments where further planning is required to deliver the proposals and I ask:

a) What projects and programmes are expected to be funded through this funding allocation?

Answer:

Funding provisions were made for the following projects:

- Bunbury Port Planning
- Collie Hospital Upgrade
- Laverton Hospital
- Major Upgrade to Collie TAFE

b) What further planning does each project require?

Answer:

Bunbury Port Planning - Further design work on the Bunbury Port to a sufficient level to provide detailed costings and consideration of the outcomes of the Westport Taskforce.

Collie Hospital Upgrade - A provision was made for this project but held in the Global Provision line item pending the outcome of the Federal Election.

Laverton Hospital - A provision was made for this project but held in the Global Provision line item pending the outcome of the Federal Election.

Major Upgrade to Collie TAFE - The Department of Training and Workforce Development is currently working with an architect to plan an essential upgrade for the existing campus facilities and this planning work is due for completion at the end of June 2019.

cl

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development Hon Colin de Grussa MLC asked:

6) I refer to Budget Paper 2, Volume 1, Division 16, Page 217, line item "Other Fisheries Grants". \$1 402 000 has been allocated to this line item each year for the next two years and I ask:

a) what kind of programmes receive funding through these grants?

Answer:

The following programs receive funding through these grants:

- Oyster Reef habitat restoration (Nature Conservancy) - Albany : Funding of \$0.250M per annum from 2017-18 to 2020-21
- Multi Species Mollusc Hatchery in Albany (Athair Aquaculture Ptd Ltd): Funding of \$0.450M per annum from 2016-17 to 2019-20
- \$0.677M per annum from 2018-19 to 2021-22 with breakdown as per below:
 - o \$0.2M per annum for additional beach enclosure
 - o \$0.2M per annum for additional personal shark repellents rebate
 - o \$0.277M per annum for additional Recreational Fishing Fund
- \$0.2M for grants not related to research but are for fisheries related initiatives

b) How do organisations apply for funding through these grants?

Answer:

Application for grants by organisations can be made through the department, with final decisions being made by the Minister for Fisheries.

The application for a personal shark repellent rebate is made by an individual at the point of sale and the \$200 rebate deducted from the cost of the shark repellent.

c) Which organisations received funding under this grant in 2018-19, and for what projects?

Answer:

See (a)

d) How are recipients required to acquit this funding?

Answer:

Organisations need to acquit funds according to the specific funding agreement. Applicants for the personal shark deterrent rebate must prove at the point of sale that they are a Western Australian resident and declare that they have not previously received a rebate for the specific device. Prior to approving an application, DPIRD cross checks this information against previous applications.

Q.

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Colin de Grussa MLC asked:

- 8) I refer to Budget Paper 2, Volume 1, Division 16, Page 209, line item "Corporate and Business Development Services Provided by the Department to Support Regional Development Commissions" and I ask:
- a) The budgeted figure for 2018-19 was \$45 401 000, but the estimated actual in the budget papers is \$23 599 000. Why is the expended amount almost half of the budgeted amount?

Answer:

The Department introduced a new Outcome Based Management (OBM) framework during the 2018-19 budget process, to better reflect the integration of DPIRD's operations.

The Budget Statements require the Department to report its Total Cost of Services (as detailed in the income statement) against its OBM framework, split across the seven services. The methodology used during the 2019-20 budget process differs to the process previously used, which has had a significant impact on the Total Cost of Services apportioned to each service. The following is the main reasons for the decrease:

- The 2018-19 budget was allocated to service 5 based on the allocation of cost centres to services. This included the allocation of 45% of total Regional Development Commission (RDC) costs to service 5 with the balance to service 3 (including grants and subsidies) as well as the allocation of 1/6th of corporate overheads (\$17.6 million). Service 5 was calculated as 9% of the total cost of service on this basis.
- For the 2019-20 budget papers, officers within the Department reviewed each project and/or cost centre to determine the percentage of that project and/or cost centre relevant to each of the Department's seven services or corporate services. This was applied to the 2017-18 actual results and corporate overheads were attributed to each service on a weighted average basis (an allocation of \$3 million to service 5). This resulted in all grants and subsidies being allocated to service 1, 2 and 3 where previously 45% of these were allocated to service 5.
- The 2018-19 estimated outturn for service 5 was calculated on the basis that in 2017-18, the service 5 was 4% of the total cost of service of DPIRD. The forecast outturn for the RDC Direct expenditure (excluding grants) was then added to service 5 to determine the total cost of service 5.

It should be noted that this approach does not provide the most accurate forecasts, however, the Department does not yet have the systems, resources or data to complete this process in an accurate and timely manner as a result of the Department still in the process of amalgamating three separate finance systems (utilised by the three previous Departments).

a

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Martin Aldridge MLC asked:

- 1) I refer to your media statement of 21 May 2019 titled '\$20 million on the table for regional mobile black spots' and I ask:
- a) Please identify the allocation of funds over the budget year and forward estimates;

Answer:

An allocation of \$20.7 million split evenly over two years from 2019-20 to 2020-21 has been provisioned under Royalties for Regions Administered Items. This funding allocation was held under Administered Items until there was clarity from the Federal Government on the future of the Mobile Blackspot program.

- b) How much of the \$20.7 million in funding for this purpose outlined in this media statement is 'new' money or money not previously allocated in a prior budget and rolled over to 2019/20';

Answer:

The \$20.7 million is all 'new' money.

- c) Of the funds identified in (2) how much of these funds have been allocated since the election of the Labor State Government; and

Answer:

The \$20.7 million is new funding allocated in the 2019-20 State Budget.

- d) How will the State Government identify and submit priority sites for funding under the Regional Telecommunications Project?

Answer:

Through consultation with regional stakeholders and government and industry funding partners.

a

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

1) I refer to the reduction in expenditure entitled 'Government Regional Officer Housing Review' in the Agency Spending Changes Table and I ask:

a) What is the reduction in expenditure due to;

Answer:

Reduction in revenue and associated expenditure for Government Regional Officer Housing (GROH) following a review by the Department of Communities into GROH expenditure and the number of houses required by each agency over the Budget and forward estimates period. This is a whole-of-government program not specifically targeted to DPIRD.

b) Will this result in a reduction in the number of dwellings available for regional staff for the agency:

i) If yes, what is the reduction in the number of dwellings and in what areas; and

Answer:

One house in Exmouth

c) Please provide details on the calculation of the amount of reduction per annum as per the spending table?

Answer:

See tabled paper#.

Q

11/5/22

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

- 2) I refer to the Spending Changes table on BP2 page 205 and I ask:
- a) Please provide a breakdown of the core funding expenditure each year from 2019-20 to 2022-23; and

Answer:

These amounts relate to the increase in expenditure (following a comprehensive Capability Review) to allow DPIRD to continue to deliver its critical services to industry. The expenditure is broken down as follows over the forward estimates:

Core Funding Expenditure	2019-20	2020-21	2021-22	2022-23	Total
Employee Benefits	6,169	25,454	30,424	30,395	92,442
Grants and Subsidies	300	750	3,000	3,200	7,250
Services and Contracts	8,777	9,459	11,691	11,873	41,800
Total	15,246	35,663	45,115	45,468	141,492

- b) Please detail the reduction in Tariffs, Fees and Charges expenditure from 2019-20 to 2022-23?

Answer:

In accordance with Treasurer's Instruction 810, Tariffs, Fees and Charges (TF&Cs) are to be reviewed annually and submitted to Government for its consideration. DPIRD's TF&Cs are split between those managed in the fisheries space (e.g. commercial access fees, commercial licence fees, and recreational licence fees) and those managed in the agriculture space (e.g. biosecurity).

The 2019-20 review of fisheries related TF&Cs determined that no changes to the existing fee structure would be submitted.

The 2019-20 review of the agriculture related TF&Cs sought to revise the setting of 233, introduce 9, maintain 65 and remove 19 TF&Cs. The majority of the changes sought to increase existing and/or new TF&Cs to 100% cost recovery levels, whilst having consideration for various commercial decisions and existing agreements.

The reduction in expenditure as reflected in the Spending Changes table reflects revised demand projections, and the reclassification in the treatment of internal charges. Internal charges between cost centres within the department are not considered to be revenue and have been removed from the TF&Cs calculation.

a

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

3) I refer to Significant Issues point 2 and the Department's Primary Industries Strategy and Aquaculture Plan, and I ask:

a) Can the agency provide more details on this plan; and

Answer:

The Government has committed to the development of a State Aquaculture Strategy through the development of an Aquaculture Plan, which identifies the foundations and priorities to support industry growth.

The aquaculture industry contributes to the WA economy through supporting regional communities by diversifying the economy and creating jobs. Growth in value of aquaculture in WA is expected in marine finfish and shellfish together with the emergence of new species such as coral and seaweed to further diversify the industry.

The Aquaculture Development Plan will address key fundamental elements for industry including:

- Strategic planning, management and coordination including sites and zones for aquaculture;
- Biosecurity and fish health including laboratory services;
- Research and Development to support industry growth priorities;
- Regulatory framework including streamlining of approval processes;
- Infrastructure including necessary nursery and hatchery facilities; and
- Economic development to support investment.

The Primary Industries Strategy will detail how DPIRD will across Government and with industry stakeholders to support the agriculture and fisheries sectors. The Strategy will contribute to the Government's Jobs and Economic Development agenda, which identifies primary industries as having the potential to increase economic growth and jobs through value adding, export growth to premium markets and high skilled employment.

The Strategy will focus on how the Government will:

- Maintain the State's reputation for strong biosecurity, animal welfare, food safety, and efficient and sustainable use of natural resources;
- Increase market access by working with industry partners to address domestic and global market requirements;
- Collaborate with industry partners and research, development and innovation bodies to increase productivity and competitiveness; and
- Ensure access to critical infrastructure to boost efficiency throughout agriculture and fisheries supply chains.

b) What consultation is the agency undergoing in relation to this?

Answer:

In finalising the Aquaculture Plan consultation will be undertaken with Regional Development Commissions, key industry stakeholders through the Aquaculture Council of Western Australia, and relevant organisations including other State Government agencies.

Consultation on the Primary Industries Strategy has been undertaken with key Government agencies, with future consultation to include Regional Development Commissions, peak agriculture and fisheries industry associations, and industry leaders.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

- 4) I refer to point 6 of the Significant Issues section in BP2, page 207 and I ask:
- (a) What support has the Department provided to primary industries in response to issues stemming from climate change in 2017-18 and 2018-19;

Answer:

The Department is assisting with a number of strategic initiatives to deal with climate change across the broad range of primary industries sectors. This includes assisting with the development of the Government's new co-ordinated climate change policy for Western Australia.

The Department is also contributing to the development of a nationally coordinated approach to adaptation to climate change and managing emissions in the agriculture sector through an initiative supported through the Agriculture Ministers' Forum (AGMIN). This project is undertaking a stocktake of the current work being undertaken by jurisdictions on adaptation and managing emissions in agriculture; the identification of risks and opportunities of climate change in agriculture from which proposed actions and a work program to support a coordinated national approach will be developed.

Within the aquatic area, dealing with the effects of climate change has required management arrangements for many fisheries to be adjusted over the past decade. Furthermore, the challenge of climate change has required increased monitoring of environmental conditions and the establishment of fisheries management arrangements flexible enough to respond to climate variability and changes in stock abundance. Climate change has therefore become an explicit consideration in the interpretation of stock assessments completed for each of our resources and the development or review associated harvest strategies.

- (b) What was the cost of this support

Answer:

The activities undertaken directly by the Department to assist the primary industries sectors deal with climate impacts are now embedded within most research and resource management programs rather than as separately identifiable activities. Consequently, given the diverse nature of the activities now undertaken, it is not possible to provide an accurate figure.

- (c) Given the Department acknowledges that climate change and climate variability continues to be a significant challenge for natural resource management and primary industry production, what is the agency doing to mitigate and adapt to its impacts (including programs and projects undertaken in partnership with others):

Answer:

In partnership with other Western Australian researchers, primary producers and related industries, the Department takes a lead in developing production systems that enable climate change adaptation and mitigation. Across the spread of agriculture sectors, the Department has been assisting industry facilitate regional incremental and transitional adaptations to

climate change such as increasing the water-use efficiency of our rain-fed crops and pastures through improved genetics and agronomic practices. The Department is now also assisting in emissions mitigation by providing carbon farming information and facilitating the development of new bioenergy enterprises.

DPIRD's new farming systems innovation group is establishing long term field trials to evaluate the sustainability of different dryland cropping rotations and agronomic practices, including treatments that utilise regenerative agriculture principles. DPIRD is also providing in-kind support to the WA's Regional NRM Groups to develop a Commonwealth SMART Farm application, which if successful will provide improved information for consumers on the triple-bottom line (sustainability) aspects of the food they are purchasing at the point.

DPIRD is also looking to develop further consumer information about the sustainable production systems that are being used to produce their food e.g. were recognised Regenerative Agriculture techniques used to produce ingredients in this food?

The Department will continue to work on the development of coherent policy and strategy approaches to address climate change issues across its portfolios.

i) How much of the expenditure in the 2019-20 budget for DPIRD relates to this?

Answer:

The precise expenditure on these activities is yet to be determined.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development Hon Diane Evers MLC asked:

5) I refer to the Statement of Cashflows on page 219 of BP2 and I ask:

- (a) What are 'Other proceeds' under Cashflows from Financing Activities;

Answer:

The proceeds under Cashflows from Financing Activities relates to the Fisheries Adjustment Schemes (FAS), and the repayment of WATC loans. The Minister for Fisheries borrows funding to pay compensation for the surrender of licences and the borrowed amount is recouped as licence fees, paid by the remaining licence holders. These proceeds represent the recoup for the remaining licence holders to repay the WATC borrowings. Repayments are made to the WATC as FAS fees in accordance with legislated repayment schedules.

- (b) The 2018-19 Estimated Actual RfR Underspend provision is \$44.1 million:

- i) Why is the department forecasting an increase of underspend of \$89.1 million in 2019-20 Budget year;

Answer:

It's not an increase but is consistent with the underspend provision allocation from previous years.

At the beginning of each year, when setting the budget, we are aware that there will be an underspend somewhere in the budget. It is not known which individual projects will underspend. Therefore a global underspend provision is used to allow for the expected underspends. It's effectively a balancing item. As expenditure reports are received from agencies throughout the year, individual project budgets are adjusted up or down to a more accurate expenditure forecast. Therefore the underspend provision can be adjusted downwards also, as there is less uncertainty about where the underspends will occur. That is why the 2018-19 "estimated actual" was able to be adjusted down from \$73,210,000 to \$44,123,000.

- ii) How is the forecast underspend calculated; and

Answer:

An underspend provision of 9.6% was used when calculating the 2019-20 budget.

- iii) What was the Actual underspend in 2017-18 as the table indicates there was none; and

Answer:

An underspend provision is not needed once the financial year has been complete. The underspend provision is only an estimate of potential global underspends. At year end, each individual project underspends is reported by agencies. The total 2017-18 underspend against the revised 2018-19 Budget Paper budget was \$121.3 million.

- (c) Please provide details of the Royalties for Regions project savings in 2018-19 Budget and why the Estimated Actual is Nil?

Answer:

This item relates to funds returned from various local governments for projects which came in under budget as a result of either:

- A negotiation between the Minister and funding recipients where agreement has been secured to return a portion of the funding to the State;
- Agreed changes in project scope resulting in project savings; or
- Savings achieved on completed projects.

While the savings were originally to be processed through DPIRD's administered entity, they were ultimately processed through its controlled entity (hence the reduction from the 2018-19 Budget to the 2018-19 Estimated Actual).

Q

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

- 6) I refer to point 9 of the Significant issues in BP2 on page 207, and I ask:
- (a) The auditor general noted in its findings in 2017 that 'shrinking agency resources and shifting priorities affected DPIRD's ability to provide the services sought by the PLB, DPLH and lessees':
 - i) Does the agency now have additional resources to provide the services and improvements as suggested in the report? If yes, how many additional resources and for what purposes?

Answer:

The Minister for Regional Development; Agriculture and Food and the Minister for Lands are progressing the Government's pastoral lands reform agenda, which aims to facilitate improvements in the ecological sustainable management of pastoral land and provide opportunities for economic growth. Pastoral lands reform is investigating a number of potential reform measures for risk, opportunity and resource requirements.

a

LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

7) I refer to the Income Statement in BP2 on page 216 and I ask:

- (a) Why has the number of full-time equivalents for the 2019-20 year dropped from 1,639 (Estimated Actual) to 1,592 Budgeted;

Answer:

This drop of 47 FTE is reflective of the savings that have been made in FTE as the Department rolls out its new integrated DPIRD structure.

- (b) What are the estimated full-time equivalents for the 2020-21, 21-22 and 2022-23 years;

Answer:

2020-21 – 1,584

2021-22 – 1,584

2022-23 – 1,575

- (c) Please provide a breakdown of the 'Other Expenses' category across all years; and

Answer:

	2017-18 Actual	2018-19 Budget	2018-19 Estimated Actual	2019-20 Budget Estimate	2020-21 Forward Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other expenses.....							
575900007 - Administration Expenses.....	6,799	4,919	4,919	4,621	4,507	4,507	4,509
575900006 - Advertising & Promotion Expenses.....	1,471	989	1,649	1,023	940	940	943
575900013 - All Other Expenses.....	5,159	4,346	4,415	7,663	6,274	6,453	6,564
576500001 - Asset Revaluation Decrement	27,338	-	-	-	-	-	-
575900023 - Audit Fees.....	709	1,431	1,431	1,442	1,413	1,412	1,421
576800001 - Bad Debts Written Off.....	63	-	-	-	-	-	-
575670001 - Doubtful Debts - Expense.....	85	-	-	-	-	-	-
575400002 - Equipment Repairs & Maintenance - Expense.....	1,986	3,637	3,637	3,591	3,496	3,496	3,497
576500001 - Fisheries adjustment scheme buy-backs.....	38	500	500	500	500	500	500
575100002 - Loss on disposal of fixed assets (all other fixed assets).....	89	227	227	-	-	-	-
575800001 - Net Assets Transferred Out - Expense.....	17,923	-	3,344	-	-	-	-
575400001 - Operating Lease - Motor Vehicles - Expense.....	2,837	2,389	2,389	-	-	-	-
575900031 - Other insurance premiums expense.....	6	-	-	-	-	-	-
575900030 - Riskcover insurance premiums expense.....	1,355	-	-	-	-	-	-
576500101 - Service Delivery Agreement - Expense.....	-	302	302	379	514	75	75

- (d) Please advise why Other revenue was particularly high (\$39.5m in 2017-18) and what the reduction from the 2018-19 year to the 2019-20 year and beyond relates to?

Answer:

The 2017-18 year was particularly high as it reflected the return of unspent Royalties for Regions funds from the local government sector and the Broome port dredging fund – which is not a regular occurrence and therefore, other revenue decreases to normal levels from 2018-19 and across the outyears. The interest received across the outyears reduces as the related loan receivable decreases.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

8) I refer to the Asset Investment Plan on page 214 BP2 and I ask:

(a) The line item 'Global Provision' has the note that it is for funding for election commitments where further planning is required to deliver proposals:

i) For 2019-20, 2020-21 and 2021-22 please provide a breakdown of the spending including the projects, amounts per project; and

Answer:

Funding provisions were made for the following projects:

- Bunbury Port Planning
- Collie Hospital Upgrade
- Laverton Hospital
- Major Upgrade to Collie TAFE

ii) Is this the total amount required for each project or will further funding be required to implement projects?

Answer:

The funding provisions are an estimation of the total project cost based on the best information currently available.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

9) I refer to the Details of Controlled Grants and Subsidies table on page 217 of BP2, and I ask:

- (a) What are 'Fisheries Research Grant Allocations' and why does this cease in 2022;

Answer:

Fisheries Research Grant Allocations refers to grants provided under the Recreational Fisheries Initiatives Fund (RFIF). These grants enable initiatives, projects and research that are aligned with recreational fishing community priorities and to enhance recreational fishing. The RFIF is administered by DPIRD on behalf of the Minister. Recfishwest has a role in providing recommendations to the Minister about the funding priorities for the allocation of RFIF. The 2022-23 year will be populated in a future budget process.

- (b) What are the 'Grants to Fishers with Disabilities Association Inc' in relation to and why is there no expenditure beyond 2020-21 for this line item;

Answer:

This grant is provided to The Fishers with Disabilities Association Inc, which provides fishing opportunities for Western Australians living with disabilities. It delivers recreational fishing programs and activities to children and adults living with disabilities. The 2022-23 year will be populated in a future budget process.

- (c) What are 'Other Fisheries Grants' for and why is there no expenditure beyond 2021-22 for this line item;

Answer:

The following programs receive funding through these grants:

- Oyster Reef habitat restoration - Albany : Funding of \$0.250M per annum from 2017-18 to 2020-21
- Multi Species Mollusc Hatchery in Albany : Funding of \$0.450M per annum from 2016-17 to 2019-20
- \$0.677M per annum from 2018-19 to 2021-22 with breakdown as per below:
 - o \$0.2M per annum for additional beach enclosure
 - o \$0.2M per annum for additional personal shark repellents rebate
 - o \$0.277M per annum for additional Recreational Fishing Fund
- \$0.2M for grants not related to research but are for fisheries related initiatives

There is no expenditure beyond 2021-22 as these projects only have finite funding at this stage.

- (d) What is the Regional Grants Scheme in relation to and why is there no expenditure beyond 2020-21 for this line item;

Answer:

The Regional Grants Scheme (RGS) was a Royalties for Regions contestable program aimed at improving economic and community infrastructure and services in regional Western Australia.

The RGS has been discontinued and the final round was run in 2016-17. The declining budget reflects the outstanding funding commitments from 2016-17 approved projects. A new grants program with a sharper economic development focus is currently being implemented. The Regional Economic Development Grants (RED Grants) program commenced in 2018-19 and has an allocation of \$22.6 million across the forward estimates.

- (e) What is the Regional Investment Initiative and why is there no expenditure beyond 2020-21 for this line item; and

Answer:

The Regional Investment Initiative was a short term initiative that reinvested Royalties for Regions funds returned from Local Government post the 2017-18 State Budget. Returned funds have been reinvested in a number of Government priority projects. Final expenditure for this initiative is expected in 2020-21.

- (f) I note the Regional Telecommunications project is expected to be completed in 2019 and grant expenditure ceases in 2019-20.:

- i) Will the Department evaluate the program? If so, when; and

Answer:

Yes, when all base stations have been completed.

- ii) Has any consideration been given to continue the program? If no, why not?

Answer:

Yes. An allocation of \$20.7 million split evenly over two years from 2019/20 to 2020/21 has been provisioned under Royalties for Regions Administered Items. This funding was announced on 21 May 2019.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

10) I refer to the Statement of Financial Position and I ask:

- (a) What are the Assets held for sale in 2018-19 budget and why is the Estimated Actual now Nil;

Answer:

The assets held for sale are the departments South Perth/Kensington site. The reduction in assets held for sale from the 2018-19 Budget to the 2018-19 Estimated Actual of \$59.7 million reflects the fact that the site is no longer expected to be sold within the next 12 months and has been reclassified as property, plant and equipment.

- (a) What is the reason for the increase in Property, plant and equipment from \$290.5m in 2018-19 Estimated Actual to \$351.6m 2019-20 budget;

Answer:

As per question (a), this increase reflects the reclassification of the South Perth / Kensington site from Assets Held for Sale back to Property Plant and Equipment as the sales is expected to be further than 12 months away.

- (b) Please provide a breakdown of the 'Other' Non Current Assets and why it has reduced from \$30.1m in 2018-19 Actual to \$19.9m in 2019-20 budget; and

Answer:

Other Non-Current Assets	2017-18	2018-19	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Budget	Estimated Actual	Budget Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
170000001 - Interest in Jointly Controlled Entity - Non-Current	12 621	11 668	12 621	12 621	12 621	12 621	12 621
121300004 - Other Investments - Non-Current	14272	10 235	8 597	3 498	3 000	3 000	2 500
130150001 - Other Non-Financial Assets - Non-Current	-	15 470	-	-	-	-	-
130112001 - Prepayments - Non-Current	9 824	4 961	8 898	3 788	2 282	2 282	2 282
	36 717	42 335	30 117	19 907	17 903	17 903	17 403

The reduction in Other Investments – Non-Current occurs as the loan becomes due to be paid the classification changes from Non-Current to Current.

The reduction in Prepayments – Non Current occurs as a lease for accommodation in Coral bay comes to completion in 2019-20 and prepayments for the Doppler radar move from non-current to current.

- (a) Please advise details on why Borrowings and Leases in both current and non-current liabilities have increased significantly in 2019-20?

Answer:

Borrowings and leases (current)

The increase in borrowings and leases from the 2018-19 Estimated Actual to the 2019-20 Budget of \$8.7 million reflects the recognition of the current portion of lease liabilities on

adoption of the new leasing accounting standard (AASB 16) for government office accommodation, government regional officers housing, State Fleet and operating leases.

Borrowings and leases (non-current)

The increase in borrowings and leases from the 2018-19 Estimated Actual to the 2019-20 Budget of \$33.1 million reflects the recognition of the non-current portion of lease liabilities on adoption of the new leasing accounting standard (AASB 16) for government office accommodation, government regional officers housing, State Fleet and operating leases.



LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

QUESTION PRIOR TO HEARING

Department of Primary Industries and Regional Development

Hon Diane Evers MLC asked:

- 11) Does the expenditure on Grains Research and Development on page 214 of BP2 include funds for research into regenerative agriculture:
- (a) If yes, how much;

Answer:

This expenditure is for capital (infrastructure and equipment) to support grains research and development (R&D). The department does not distinguish regenerative agriculture as a specific budget line number. Grains R&D focuses on sustainable and profitable farming systems. A research activity has commenced to evaluate and validate the principles and practices of a range of farming practices in our grainbelt. The department is also expanding horticultural research in organic production systems, and case studies are being developed on regenerative agriculture farm businesses.



