

**STANDING COMMITTEE ON ESTIMATES AND  
FINANCIAL OPERATIONS**

**2015–16 BUDGET ESTIMATES HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
FRIDAY, 26 JUNE 2015**

**DEPARTMENT OF AGRICULTURE AND FOOD**

**Members**

**Hon Ken Travers (Chair)  
Hon Peter Katsambanis (Deputy Chair)  
Hon Martin Aldridge  
Hon Alanna Clohesy  
Hon Rick Mazza**

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**Hearing commenced at 9.30 am**

**Hon KEN BASTON**

**Minister for Agriculture and Food, examined:**

**Mr ROBERT DELANE**

**Director General, examined:**

**Mr KEVIN CHENNELL**

**Executive Director, Biosecurity and Regulation, examined:**

**Mr PETER METCALFE**

**Executive Director, Livestock Industries, examined:**

**Ms MANDY TAYLOR**

**Director, Finance and Procurement, examined:**

**Mr JIM EFTOS**

**Executive Director, Business Support, examined:**

**Mr MARK SWEETINGHAM**

**Executive Director, Grains Industry, examined:**

**Mr JOHN RUPRECHT**

**Executive Director, Irrigated Agriculture, examined:**

**Ms CAROLYN GIBBON**

**Manager, Budgets, examined:**

**Mr VERNON FERDINANDS**

**Principal Policy Adviser, examined:**

**The CHAIR:** On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

**The Witnesses:** Yes.

**The CHAIR:** Thank you. Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Government agencies and departments have an important role and duty in assisting the Parliament to scrutinise the budget papers on behalf of the people of Western Australia and the committee values your assistance with this.

[Witnesses introduced.]

**The CHAIR:** Does anyone wish to make an opening statement?

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**Hon KEN BASTON:** Yes, Mr Chairman, I would like to make an opening statement.

**The CHAIR:** All right. I will come back to the minister. It is probably easier if I ask if there is anyone who does not want to ask a question, and I will put everyone on the list. Minister, over to you.

**Hon KEN BASTON:** Thank you. I just want to make it clear that this government certainly remains committed to growing Western Australia's agriculture and food sector. The Department of Agriculture and Food will provide services with a total budget for 2015–16 of some \$213 million, which of course will help the sector continue to grow and increase in contributions to the state's economy. Like other state government agencies, DAFWA is facing budget and resource reductions. To manage this, DAFWA will continue to prioritise its programs, projects and services to best meet industry needs with available funding. There is no doubt that this government is delivering important benefits to the agriculture and food sector. For example, as a number of multimillion-dollar agricultural projects totalling \$75 million flagged ahead of the 2013 election will hit full stride in 2015–16, DAFWA will continue its delivery of its key state royalties for regions funded projects: Northern Beef Futures, Boosting Biosecurity Defences, Boosting Grains Research and Development, eConnected Grainbelt and the Sheep Industry Business Innovation. These projects will be transformational and provide a legacy beyond the end that will allow industry to continue to build on the opportunities and potentials so created. Of course, many members are aware that our farmers are among the most skilled in the world and this government is committed to ensuring they get the strategy and the targeted support they need to help the sector become a cornerstone very much for the state's economy, bearing in mind that 80 per cent of it is export. Thank you.

**The CHAIR:** I give the call to Hon Rick Mazza.

**Hon RICK MAZZA:** Thank you, Chair. I refer to the third dot point on page 546 of the *Budget Statements*, which states that the department is leading 11 of the 15 Seizing the Opportunity initiatives. In relation to the Doppler radar system, is the department considering putting in additional funding over and above the \$23 million allocated from royalties for regions?

**Hon KEN BASTON:** Thank you, member, for that question. I would like to refer that to Peter Metcalfe, the officer who is handling that.

**Mr Metcalfe:** Yes, the department will put in additional automatic weather stations to infill around the Doppler radar stations. At this stage we anticipate another 30 going into that space over the next 12 months.

**Hon RICK MAZZA:** Weather stations?

**Mr Metcalfe:** Yes, automatic weather stations.

**Hon RICK MAZZA:** I actually asked whether the department was going to put more money into Doppler radar, not weather stations.

**Mr Metcalfe:** In the R for R project, \$500 000 is allocated to the development of apps and data feeds. The weather stations around the periphery of the Doppler radar stations help with the infill and ensure that it is ground truth, so the combination of the two improve the accuracy of the Doppler radars and give a more comprehensive understanding of what is going on with the weather across the state.

**Hon RICK MAZZA:** I take it that DAFWA was the lead agency for the Doppler radar installations?

**Mr Metcalfe:** Yes.

**Hon RICK MAZZA:** In what locations it is planning to put those?

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**Mr Metcalfe:** It will be Wubin, Merredin and Lake Grace at this stage; they are indicative. BOM will determine the locations in terms of the most effective sites for the operation of it, and also where we can secure the tenure of the land going forward.

**Hon RICK MAZZA:** Apart from Lake Grace, there have been no specific locations at this point?

**Mr Metcalfe:** There have been no specific locations at all. There has been some speculation, but all three sites are indicative.

**Hon RICK MAZZA:** What is the installation process? What will be the process for determining where they should go?

**Mr Metcalfe:** BOM is responsible for the construction of the radars. Our responsibility is to work with them to identify the most appropriate sites. The sites will be based on access to power and road access and also based around minimum interference going forward and to ensure that there is the most effective coverage across the wheatbelt.

**Hon RICK MAZZA:** How many stations are planned initially?

**Mr Metcalfe:** At this stage there are three in the R for R projects. We are hoping that BOM will upgrade the Albany and Esperance sites going forward—Esperance in particular—but at this point there are three.

**Hon RICK MAZZA:** How much additional funding is DAFWA planning to add to that?

**Mr Metcalfe:** It will be somewhere in the vicinity of \$200 000.

**The CHAIR:** If the member has finished on that point —

**Hon RICK MAZZA:** I have, thank you.

**The CHAIR:** — I am pretty confident Hon Nigel Hallett might have some follow-up questions on this matter.

**Hon NIGEL HALLETT:** Yes, thanks, Mr Chair. Those responses intrigue me a little. The department seems to have resisted taking up the Doppler argument over the recent couple of years, as Western Australia is the only state without it. I have to ask the question: Bob Wright in Melbourne has mapped where they need to go in Western Australia and he has given a costing. Your department has that information; you seem to have ignored it. I would like to know at the cost—are we looking at dual polarisation or a triple polarisation? Why has it taken so long for the department to recognise the value of this, when it is estimated by the Americans and the Canadians to be in excess of a billion dollars a year in benefits? Why are we persisting with weather apps when they are outdated? Or is it a bit like the department?

[9.40 am]

**Hon KEN BASTON:** I thank the honourable member for that lengthy question. I think, yes, it has taken time, and of course it is a large amount of funding. It is not part of Seizing the Opportunity Agriculture; it is royalties for regions funding but it is separate from that and that whole process takes some time. The director general would like to add some comments for me.

**Mr Delane:** I will ask Peter Metcalfe to respond to the last technical question, but I think the house needs to be aware that the department has been supporting the minister—two ministers now—to secure federal government support for radars—Doppler radars—for about five years. The house will be well aware that weather forecasting radars and the like is a Bureau of Meteorology responsibility and to our knowledge this state funding, through the royalties for regions program, a substantial amount—\$23 million—is a first for boosting the network which is, to date, funded by, and the operating responsibility of, the federal government agency. There has been absolutely no resistance from the Department of Agriculture and Food for this. The member will be aware that there has been no allocation for this. The department has had no allocation of funds for radars, and many people have been seeking to have the federal government fund Doppler radars in

Western Australia. That has been a protracted process; it has taken a lot of persistence from the member who asked the question, and we have worked it up, and a business case has recently gone to the government and was quickly supported to put in place three radars.

This is a precedent which is causing some challenges for the Bureau of Meteorology and so Mr Metcalfe and others have had to work through quite some detail in terms of who takes responsibility for the radars, including such matters as insurance and operating costs and the like. The precedent issue here is quite significant. Mr Metcalfe might address the last question.

**Mr Metcalfe:** The radars are up to a standard to be compliant with BOM, to meet the current networks and the location. They are very clear on identifying the appropriate location for those going forward so that they are fully effective and compliant with their requirements.

**Hon NIGEL HALLETT:** As of November last year, the department had not been in contact with the Melbourne-based company, and he has built 60 of the 64 in Australia. I ask the question: why has the department not been in touch with Mr Bob Wright if you have been so active in it? In 2013, I raised it in the Parliament, and you have resisted since.

**Mr Delane:** Just to remind the house, the Department of Agriculture and Food is not the Bureau of Meteorology. Our responsibility has been working with the national agency that has the credibility, technical capacity and the responsibility for the provision of weather forecasting, including radar information, to Australian industry and community. It was never going to be the case that the Department of Agriculture and Food or any other Western Australian agency was going to install, operate and provide information from Doppler radars to industry and community in Western Australia. We have always worked in close partnership with the Bureau of Meteorology. Mr Metcalfe might wish to add to that, in terms of some of the detail. The selection of the type of radar, the specifications for it, and the availability of appropriate technology and contractors was also going to be, and is going to be, a matter for the Bureau of Meteorology, not the Department of Agriculture and Food.

**Hon NIGEL HALLETT:** Why are you continuing to fund weather stations if it is nothing to do with you?

**Hon KEN BASTON:** Could I just have that question again, sorry?

**The CHAIR:** I think the question was: why are you continuing to fund weather stations if it has nothing to do with you?

**Hon NIGEL HALLETT:** If the weather has nothing to do with the department?

**The CHAIR:** One of the things I was going to suggest members—if some of the other members want to move down here—the acoustics when people are sitting down are not the greatest. Whilst there is probably some advantage in keeping everyone apart, it might be easier if some of the members could move closer so that I think that might make it easier for people to hear. Sorry, but I think it is a long way. My apologies to the control room if they have now got to refocus where everyone is sitting, and Hansard, but I just think that is going to be easier for everyone if we do it. I will try to give some guidance as to where people are sitting.

**Mr Delane:** Again, to fully inform the house, Mr Metcalfe might want to supplement my comment. The Department of Agriculture in its various guises for over 20 years—25 years at least—has been running automatic weather stations for our own purposes and to inform local producers and industry. The early weather stations were not of Bureau of Meteorology standard. Of course, there has been a very rapid development of this technology. The Western Australian government has funded very substantially Australia's best network of weather stations to inform grower decision-making, and it has been a longstanding approach of the Western Australian government that a key role was to improve the decision-making information and, where possible, decision-making tools and skills for producers in Western Australia, particularly grain growers. With some departmental funding from consolidated funds, but with a significant boost from royalties for regions, we have

installed a comprehensive network of weather stations which are to Bureau of Meteorology standard, and if they are not, then they will not pick up the data. That information is available routinely now from our site, but feeds into Bureau of Meteorology and other users of that information. Mr Metcalfe might want to comment further on the details.

**Mr Metcalfe:** No further comment, that is fine.

**Hon NIGEL HALLETT:** Just adding to that, you amazed me in your explanations that surely you have seen the benefit from overseas crop mitigation programs that are proven to work. Once again, you have pushed back on those. You cannot offer yield products when you have not got Doppler radar. Western Australia has been the only state without it for years, and we are the only western country without it. How can you justify the reluctance to have this in place urgently?

**Mr Delane:** Comments appear to be those that may be directed towards a federal agency—the Bureau of Meteorology or federal Department of Agriculture. In relation to weather forecasting and the sort of provision of information necessary to underpin crop insurance schemes of various types, there is no resistance from my department. Our role is to inform industry and inform the government. The member, I think, is aware the Western Australian government made a decision a number of years ago, I think in 2010, that it did not support unilaterally multi-peril crop insurance. I think the member will be aware that there has been significant discussion around support for some form of crop insurance schemes as part of the federal government white paper. There has been some recent commentary on that, and many people around Australia wait enthusiastically for the release of the white paper and hopefully some inclusion of support from the federal government for that. Mr Metcalfe might have further information, but my intelligence is that there are in fact very few areas of the world—possibly only one in Canada—where a provincial government supports a crop insurance scheme unilaterally separate from a national scheme.

[9.50 am]

There has been absolutely no resistance. My department, and a lot of work led by Mr Metcalfe, has done a lot of work in support of insurance companies. As I say, we lead the nation in terms of provision of automatic weather stations. A number of those that are supported by what is called yield profit sites and soil moisture information. We lead the nation now in support of a case to the Western Australian government and its funding of three Doppler radars. This is the only place in Australia where a state government is doing that, to my knowledge. The presence of radars of whatever kind in other jurisdictions funded by the federal government through the Bureau of Meteorology is a matter for them, not a matter for us. So I think the evidence is that my department has been very supportive of both industry and government in advancing the case of improved weather-based decision-making for agricultural producers, culminating with the significant decision of \$23 million to, in some people's eyes, take on a responsibility that should rest with the federal government, to fund Doppler radars, which will deliver a very high return. The economic analysis that we have had done indicates a commercial-level return from that information. Chair, Mr Metcalfe might supplement my comments.

**Mr Metcalfe:** I get the comment around the Doppler radar stations existing in other states. In other states, it is my understanding that their position is to protect assets and livelihoods against usually fairly dense populations. It is my understanding that this is the first network that has been put in place to actually go across a cropping area comprehensively to provide the basis for an insurance-type product going forward. So that is in the other states of Australia. In other parts of the world, our competitors, the UK, has a network that has actually threefold overlay, and in the US it is a fairly extensive network as well. But in the other states of Australia, that is not the case.

**The CHAIR:** Did you have further questions on this issue, Hon Nigel Hallett?

**Hon NIGEL HALLETT:** I could go all day on this.

**The CHAIR:** I will go to Hon Paul Brown, on this issue as well.

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**Hon PAUL BROWN:** The \$23 million of royalties for regions funding into the towers, that essentially will go towards what? Is that just the construction of the towers, or is that the purchase of the land, construction of roadways, power? Can you indicate to me that the \$23 million for the construction, what it is actually going to? Is it just the construction of the towers; the purchase of land? Also, as part of that, what will be, and where will the funding come from for, the ongoing operational costs? Whose responsibility will that be, given that, effectively, the state have built the radars. Whose responsibility will that be and whose operational costs will be borne out by that?

**Mr Metcalfe:** The agreement we have with BOM is for them to construct it. So we will select the sites with them. The land tenure issues, the state will resolve. From then on, they are responsible for the construction and operation of the Doppler radars and the ongoing maintenance and operational costs for the next 15 years. There is a contract in place to support that.

**Hon PAUL BROWN:** So, once again, does the \$23 million include the purchase of the land and construction of roadways and other associated costs, or just the construction of the radar towers themselves?

**Mr Metcalfe:** It does not include the purchase of the land. That is our issue to resolve. But it does include the roadways, power and construction costs, and annual operating costs and maintenance in the out years over the 15 years. The Doppler radar, at the end of the 15 years—once they are constructed, in fact—belong to the state and remain an asset of the state.

**Hon PAUL BROWN:** The additional \$200 000 that the DG highlighted before that was going to be put in by DAFWA, what is that going towards over and above the \$23 million?

**Mr Metcalfe:** It will go towards resolving the land tenure issues and it will also go towards developing additional weather information off that, so development of apps and those sorts of things that will come off the Doppler feeds, and any infill for the automatic weather stations in terms of location and putting those up.

**Hon PAUL BROWN:** The radars themselves, will they remain in the ownership of the state, or will they be handed to the federal agency?

**Mr Metcalfe:** They remain in the ownership of the state. Sorry, once they are constructed and finalised and they are handed across, then they come across to the state, yes.

**Hon PAUL BROWN:** Thank you.

**Hon BRIAN ELLIS:** Just a quick one. I do not think the question was answered that Hon Nigel Hallett asked about: are we getting dual or triple polarisation radar?

**Mr Metcalfe:** It is compliant with the Doppler requirements. My understanding is it is dual but I am happy to be corrected on that.

**Hon NIGEL HALLETT:** Because there are about three separate levels.

**Mr Metcalfe:** Yes; I understand.

**The CHAIR:** There is one thing that I might just clarify from the chair. I was not too sure on what you said earlier, but will all of the wheat-growing and grain-growing areas of Western Australia now have coverage with the three new Doppler radars or will there still be areas that are not covered?

**Hon KEN BASTON:** I can answer that. There will still be areas that are not covered. They give a radius of 200 kilometres, so if you place them in the proximity of Wubin and Merredin and Lake Grace and draw your circumference around that, that gives probably one of the best coverages. Obviously, it will need to be, as Mr Metcalfe said, intricately worked out where we put them as to having power and all the rest of it, but that gives all that wheatbelt that cover. So the only areas that are not covered by it are Geraldton, Esperance and probably Albany down the bottom there. In the broad wheat-growing area and grain-growing area, they are covered.

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**The CHAIR:** Was that because we did not request them for the other areas or because the commonwealth would not, through the Bureau of Meteorology, come to the party to provide them in those areas?

**Hon KEN BASTON:** Basically, as I understand it, we request them for those three areas and that came out after we had that report done that those radars, over a 20-year period, would give a dollar investment return for an \$8.68—I think, from memory—return over 20 years.

**The CHAIR:** I can understand, other than for storms, why the Albany area might not, but I would have thought in Esperance and Geraldton you would still get good returns from them in those locations.

**Hon KEN BASTON:** If you do, as this says, a 200-kilometre radius, then they just miss out. I believe they can be upgraded—the Geraldton radar that is in existence and also the Esperance one.

**The CHAIR:** All right. I think I have inspired Hon Nigel Hallett to have one more question, then I will move on.

**Hon KEN BASTON:** Mr Metcalfe might just want to comment on what I just said.

**Mr Metcalfe:** The 200-kilometre radius rings: the infill that I mentioned earlier under the automatic weather stations to make sure that we put them on the peripheries so that it improves the weather data, and then we can smooth the data across the wheatbelt and infill. The other part of it was to actually put more pressure on to BOM to actually upgrade—Esperance in particular is not an outstanding weather station. They recognise it is run-down and it can be upgraded, and there is an opportunity for Albany to be upgraded as well. The Geraldton one is an interesting one in that it is sort of the wrong side of the Moresby Range and so it does not actually penetrate into the eastern wheatbelt. That will prove to be a challenge going forward.

**Hon NIGEL HALLETT:** Minister, I am a little bit nervous from how you have explained the radars. It appears to me that you could be looking at the very base model, not the second grade up, if you are only talking 200 kilometres. I would encourage you to speak to Bob Wright in Melbourne. He has mapped it very extensively, and as I said earlier, he has built 60 of the 64. That does give you the capability of going to triple polarisation, which most of Europe has. I think it would be a grave mistake to go to the base model. As I said, his mapping is done. I cannot understand why we are not moving quickly on this so it is in place for 2016. The funding is there in royalties for regions. As we know, that budget has not been spent, and I cannot see any justifiable reason that you are not putting your foot on the throttle and getting this happening quickly.

[10.00 am]

**Hon KEN BASTON:** I would like Peter to comment on that time frame because I do not think that has actually been asked about or commented on.

**Mr Metcalfe:** Every haste has been taken in terms of signing the agreement with BOM and getting the paperwork sorted out with DRD. The funds are being transferred across today to make sure that we can get on with it. Insurance arrangements are all in place, and that all takes a little time and is absolutely necessary. We are just about to have the first Doppler up and running in the next 12 months, and then after that the other two come on stream within 18 months. We want to bring the first one on initially to get the data sets coming through and making sure that we can get the software programs and everything else lined up so that when the other two come on, there is no delay in the feeds off those. That is why it is a bit staggered. We think we will learn quite a bit from the first one, and then the other two should come up nicely going forward over the following six months.

**Hon NIGEL HALLETT:** So, if a company such as Climate Corporation wants to come on board, and they have been waiting for a couple of years now, what provision have you put in place—how



you are going to do your business model—to enable a company like that to then be able to offer their products?

**Mr Metcalfe:** We have made sure that there is not an exclusive arrangement in the contract with the BOM. We are able to provide the feed to others, and we can provide that on a commercial basis if we desire.

**Hon NIGEL HALLETT:** Could you give an indication of what that fee is yet or not?

**Mr Metcalfe:** No, not at this stage. We have not worked our way through that yet.

**Hon RICK MAZZA:** Minister, it has been widely reported that DAFWA has suffered some pretty savage budget cuts. I am just wondering what services within the department are going to be cut.

**Hon KEN BASTON:** I thank the honourable member for the question. The budget services that will be reduced—I will hand over to the director general to comment.

**Mr Delane:** I am not sure which page the member is referring to but, in general terms, I will take it to be page 545 and the bottom mine —

**Hon RICK MAZZA:** And page 546 too.

**The CHAIR:** I think the question relates to your whole budget in terms of what are the cuts across it.

**Hon RICK MAZZA:** Yes, what services are going to be reduced.

**Mr Delane:** We do not use the word “cuts” and I do not think we ever have. Perhaps in brief context, this is not a new thing. The department has been going through significant change winding right back to 1995, but certainly quite significant changes to the composition of our budget since about 2000. Whilst for quite some time the state funding component total remained roughly the same, the things that were expected to be done with that have changed significantly. Our budget and staff reduction now is relatively long running, and we have been reducing staff now for—certainly since 2008–09, there have been quite significant reductions in staff. We have stopped a lot of things over that period. Perhaps to bring it into the current and future year, I will go to each of the executive directors who are responsible for the particular areas of our business. But to give the members some indication, our total staff reductions have been dominated by severance programs going back to 2010. There have been almost 350 staff leave under those programs from a whole range of areas right across the state. We have sought to reduce costs and staffing and, therefore, services more in the metropolitan area than the country, but we remain with a similar staff balance between the country and the city.

**Hon RICK MAZZA:** Can I just interrupt you there and just ask you about that? On page 546 in your spending changes, you have self-funded redundancies, which were just under \$4 million, and then targeted voluntary separations of just under \$4 million for 2014–15, but there is nothing in the out years. Would that suggest that you are not looking at any more redundancies in the next few years?

**Mr Delane:** That is not the case, although we have no program locked in. To fully inform the house, we ran our biggest severance program in 2010. Early in 2010–11, 143 severances were part of one program. In late calendar year 2013, we ran a program that totalled 71 FTEs or positions. At the very start of the 2015 calendar year, so in the current financial year, we ran a program under the government’s whole-of-sector targeted severance scheme for 100 staff positions, and we have augmented that by, I think, the low 20s—22 or 24—severances on top of that. We have been very open with staff and very open with industry, and we will brief them further, that we have an operational target for the 2015 calendar year of 200. The way our finances need to be managed going forward, as I expect other agencies are doing, is that future severances need to be self-funded. So we are running severances now to be able to prepare for future budget years, given that the average cost of a severance for an agency with an age structure and professional profile like ours is

about a year's salary. Severances that we are running now are, in a significant part, preparing for our budget outlook running through 2015–16 into 2016–17. Sorry it is a long answer, member, but we do not specifically plan severance programs beyond 2015–16, but we do not rule them out either. We have a comprehensive program of organisational tightening of cost reduction in all major line items in our operational budget, but, in the main, of course, our largest cost is in salaries, so we are looking to tighten our organisation right across the board. If we need to use severance programs, which is not our preferred method for a lot of reasons, to be able to meet our financial targets, then we will.

**Hon RICK MAZZA:** How many FTEs did you have, say, three years ago compared with how many FTEs you have now?

**Mr Delane:** In 2009–10, our average FTEs, noting that the FTE count is an average of each pay for the year, was 1 403. In 2010–11, it was 1 233; in 2011–12, it was 1 208; in 2012–13, it was 1 165; in 2013–14, it was 1 129; and in 2014–15, it was 1 083. Our current FTE figure—I can only give an estimate—is something just less than 950.

**Hon RICK MAZZA:** So about 450 FTEs have gone in the last three years.

[10.10 am]

**Mr Delane:** Yes. Just to wind back, members, 2007–08 was 1 545, and 2008–09 was 1 518. So over that period since 2007–08 to today, we are down about 600 FTEs. That is across a wide range of funding. At that time, 2007–08, there were significant NRM funding programs, including commonwealth programs, and a whole range of other things that were funded by sources other than the state. So it is not just a state consolidated fund issue.

**Hon RICK MAZZA:** So a lot of services would have suffered through the reduced staffing.

**Mr Delane:** Yes. Very clearly, when you have 500 fewer FTEs, a reduction over less than 10 years, there are a lot of things that we used to do that we do not do any more.

**Hon RICK MAZZA:** Yes, I appreciate that. In the spending changes on page 546, there is a line item for biosecurity and regulation, where there is a reduction of some \$500 000 each year in the forward years. What has suffered there and what alternatives are being put in place for things like cotton bush or wild dogs and those other types of biosecurity?

**Hon KEN BASTON:** I will just start on the cotton bush et cetera. Of course, the RBGs are getting formed down there—the biosecurity groups—where the funding that they raise is matched by the state dollar for dollar. That is important. I will say at the beginning that things like cotton bush are the responsibility of the landholder, and always have been, and so are vermin. Nothing has changed in that. But it is pulling that together that is important—to actually get those groups to work in a direction to achieve the goals. I will get my DG to comment on the rest of it.

**Mr Delane:** Thanks, minister. Chair, our approach on biosecurity includes a core responsibility of a state agency like ours. There is some reorganisation that we have needed to do in the department, but we have managed to protect our biosecurity areas by reductions in that area of approximately 50 per cent—I think slightly under 50 per cent of the reductions that have occurred across the board in DAFWA. It is a priority for us, but it is extremely difficult for things to be an absolute priority, and we have had to make some changes in biosecurity.

As the minister points out, pests such as cotton bush have legally been the responsibility of landholders for a very long time. In fact, this house passed the Agriculture and Related Resources Protection Act in 1976, which very clearly articulates that the responsibility is with the landholder or land manager. There was an attempt to have the house amend that legislation in 1978, which would have extended the cost-sharing arrangements—the matched-rate arrangements that exist in the pastoral areas—to the south west land division. In 1976 and 1978, the house decided that that would not apply, so landholders in the south west land division have not had available the pastoral

rate and matching mechanism that exists in the rangelands. Hence, they have sort of been on their own, unless there was a local mechanism developed. And some groups around the state have used natural resource management or Landcare funding to be able to deal with some issues. We have been able to help in a very limited sense through some declared species groups, although our assistance there has been over the last decade more confined to particular hotspots for wild dogs or feral pigs or some of those issues.

The passage of the Biosecurity and Agricultural Management Act in 2007 and subsequent regulations enables the formation of recognised biosecurity groups, which is to extend statewide basically the mechanism that has existed since 1976 in the rangelands through regional zone control authorities and regional advisory committees. That mechanism is only just now being taken up in the south west land division. So there is some progress, well supported by our staff, to help groups form into recognised biosecurity groups to be able to self-fund through state revenue raising and for the state, through the decision of the Minister for Agriculture and Food, to match that funding. In the meantime, we continue to work with much less staffing than used to exist in the Agriculture Protection Board days, as everyone would recognise. Our staff are supporting local communities, shire councils, catchment groups and the like to have the community promotion and education role fulfilled by them and us playing the only effective role that we can now, which is the compliance function—if you like, the policing function. And we have done that very successfully in the south west. Several times over the last year we, using contractors, playing the policing role, have sent in contractors at the cost of the landholders to achieve some compliance. That is really the only way that it can happen short of the recognised biosecurity funding arrangements, which are now legally possible and being advanced in a number of areas of the south west.

**Hon RICK MAZZA:** What I got from all of that is that basically it has been handballed back to community groups to try to deal with the situation. You mentioned about your role as a policing role. How many prosecutions have there been under the BAM act in the last three years?

**Hon KEN BASTON:** Mr Chennell will answer.

**Mr Chennell:** I might just focus on one particular area—we will look at cotton bush—that has been mentioned.

**Hon RICK MAZZA:** Yes.

**Mr Chennell:** The department had a very active process recently in the Peel, Harvey and Leschenault catchment areas. We worked with the local groups on 32 properties across eight shires. There were 80 property inspections and seven pest control notices were issued, and several properties did require remedial action, and paid for that remedial action. That is one example of a particularly active approach to compliance, but the basis of it was the community engagement process, and the community itself identified the properties that needed rectification.

**Hon RICK MAZZA:** Did I hear correctly that the cotton bush problem has been reduced by 50 per cent? Is that something that the DG said earlier?

**Mr Chennell:** I think the DG mentioned a 50 per cent reduction in BNR compared with other directorates. I do not think he mentioned —

**Hon RICK MAZZA:** Can you just clarify that for me, DG?

**Mr Delane:** For the record, I was speaking generally about the reduction in resources and indicated that we have been able to hold the reduction in biosecurity resources to about 50 per cent of the reduction in the department more generally.

**Hon RICK MAZZA:** Okay. The second part of my question was about wild dogs, and the minister was going to say something about what programs were in place for wild dogs.

**Hon KEN BASTON:** Yes. I thank the member. There was an extra, I think, \$8 put on under R for R funding. I think they have got another year to run. But also, of course, the state barrier fence was

brought up to speed with 840 kilometres of lap wire. That is, of course, stopping the dogs from coming into agricultural areas. Of course, there is funding in the budget to start the fence continuing on to Esperance. The Yilgarn gap has been done; that is completed. So the fencing is moving forward. We are also doing a dog strategy, which will report by the end of this year. That has just had its first meeting. That dog strategy will look at how we handle dogs right across the state, what funding we need and what direction we are going to take.

I will also say that when it comes to the recognition of the wild dog issue in Western Australia, it is an issue that is right across Australia. At a meeting with the federal minister and other ministers recently in Sydney, there was a concern about right across Australia. I think that in the time that I have known about dogs, this is probably the most concerted effort I have seen that looks like it is going to happen, and we will keep pushing it, but we also then need to move into the rangelands as well to, I believe, eventually look at fencing pockets off so that they can bring that land back to productivity.

[10.20 am]

**Hon DARREN WEST:** I refer the minister to page 150 of the 2015-16 *Economic and Fiscal Outlook* and to the reduction in expenditure by \$66 million over the forward estimates. I have a series of questions about what has been cut, but we have had some of those so I ask the minister—what is left?

**Hon KEN BASTON:** I will hand that to my director general.

**Mr Delane:** I missed the page number. I take it you are referring to the overall budget papers for the state.

**Hon DARREN WEST:** It is page 150 of budget paper No 3.

**The CHAIR:** For the benefit of everyone in the chamber, whereas the estimates hearings in the lower house are about passing the budget papers, we are about examining the budget and the finances of the state. It is not a requirement for members to state a particular page of the budget; they need only relate their question to the financial affairs of the state and, obviously, today, to the Department of Agriculture and Food. We are very different from the other place in that regard.

**Mr Delane:** Thank you, Chair. I appreciate that in the interests of giving the house and the people the most detailed and accurate information, it is sometimes handy to know where we are looking. Clearly, we can deal only with the forward estimates. As every member the house would know, it is open to the government of the day to make amendments to budget allocations at any time, particularly at the midyear review and in annual budgets, so the numbers may change. We, of course, are planning forward within the forward estimates the best information that we have today. We do expect the need to further reduce department staffing over the coming years. We are very focused on the next two financial years given that we now have a set of pretty tight rules and processes in place for the state's budget management to department, so we can now plan forward based on workforce renewal measures, procurement savings, efficiency dividends et cetera, and with the fantastic work being done by our finance area, we now have pretty good measures. As a result, we are planning towards needing to reduce the department's staffing in the order of 700 FTEs over the next few years. To answer the more specific question of what is left, our approach to priorities is pretty simple. Equal top priorities are our statutory obligations but, of course, most of our resourcing in biosecurity, for example, goes way beyond our statutory obligations. The Biosecurity and Agriculture Management Act gives us most of the powers we utilise in interstate quarantine checkpoints, but it is a policy decision as to whether or not governments have checkpoints. What you might call our core responsibilities is a top priority for us and is a very substantial part of our budget and nearly all of Mr Chennell's area, for example; and government priorities, particularly the royalties for regions projects, because as members would be aware, each of those projects is a specific cabinet decision so implementation of those is a top

priority. After that is our contractual obligations. We have a lot of work particularly in R&D. Contracts with R&D corporations is also a very high priority, as is the essential admin support for those. After those, it is by definition discretionary. We work through a very detailed process to identify lower and higher priority areas. There is less of an R&D and industry development function, which is a natural course of events. Members will have observed and have others observed to them that we do less of that. I hope we can protect our biosecurity operations. I think we are down to about the minimum level that we can maintain there.

**Hon DARREN WEST:** We hope you can too.

**The CHAIR:** What do you mean by we “hope we can protect”? I would have thought that you either have the budget to provide biosecurity or you do not—which is it?

**Mr Delane:** There is no specific allocation. We report to Parliament on the allocation and resources, but Parliament does not appropriate a particular budget for a biosecurity agency.

**The CHAIR:** Sadly, we have single line appropriations in Western Australia, which is why we have an estimates hearing.

**Mr Delane:** Exactly.

**The CHAIR:** I get worried when I hear a director general say that he hopes that the department can protect something as important as biosecurity—either you have the funding to protect it or you do not.

**Mr Delane:** Sorry, Chair, check the *Hansard*, but every aspect of biosecurity. I mean we have protected biosecurity very strongly to date, but we do not retain every FTE; every person who worked in biosecurity 10 years ago has not been retained, but we have protected it compared with our overall reductions. That is a priority for us. Minister Baston has given me a direction to initiate an expert panel review of the department, which we will kick off in the next few months. It will look at what is really the core DAFWA, if you like, and it will be a zero-based function and resourcing approach. We will draw on expert people to assist us and to make recommendations to the minister and the government as to what a future department must be, needs to be and should be.

**The CHAIR:** In terms of your service summary, I assume your resource risk management covers biosecurity. Is biosecurity covered anywhere else?

**Mr Delane:** Chair, most of it, nearly all of it, will be in there. There will be a little bit of market and trade related work, but the vast majority of it is in that output.

**The CHAIR:** Is there anything else in that resource risk management apart from biosecurity?

**Mr Delane:** There is some natural resource management, some land and water planning and resource assessment soil conservation commissioner, but the majority of it—Mr Chennell may know the percentage—would be biosecurity.

**The CHAIR:** Looking at your estimates going forward, in 2014–15 you had \$95 million and it declines over the forward estimates to \$65 million. That is one of the big hits in your agency and you just said that you hope to protect biosecurity. How will you protect biosecurity when your budget has been cut by one-third and how many of the FTE cuts that you talked about earlier will occur in the biosecurity area?

**Mr Delane:** Thanks, Chair. These are forward estimates; they are exactly that.

**The CHAIR:** But that is what ratings agencies base their assessment of Western Australia on. If you are trying to suggest that you are going to get more money over the next couple of years, I suspect the rating agencies would be interested to know that.

**Mr Delane:** We hope; we always hope, Chair.

**The CHAIR:** I hope too.

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**Mr Delane:** In effect, the breakdown between three expense areas is an extrapolation. We have not gone through a detailed zero-based establishment and, as I just indicated, the minister has directed me to oversee an expert review that could change significantly the makeup of the three expense areas in the forward estimates, potentially beginning in 2016–17 depending on what the review comes up with. At this stage, I would say that the breakup of the expense area is clearly for 2015–16.

**The CHAIR:** With all due respect, what you are saying to us is that you have presented a set of budget papers to Parliament but that we as members of Parliament should not take any regard of those because you are hoping that all these other things will happen that mean that you do not have to implement what you have presented to us. What I want to know is what you are going to do to implement what you have presented to us rather than any wishful thinking.

[10.30 am]

**Mr Delane:** Thanks, Chair. Perhaps I will have another go. These are forward estimates and I have just indicated that the minister has directed me to complete an expert review of the department going forward, and for that work to be completed by the end of the 2015 calendar year. I am not going to pre-empt what an expert panel will work with me to determine, but I do expect that they will focus very strongly on what the core responsibilities of the government are, and will be ensuring that we have suitable biosecurity land management statutory expertise as part of that expert panel. I am not going to pre-empt what that expert panel is going to recommend to the minister; I am indicating to the house that, given the current forecast funding trends, they might expect a significantly different breakup of the expense areas in the far right out years. That is all I am indicating to you, Chair.

**Hon ALANNA CLOHESY:** Can I ask some questions that hopefully might yield some certainty? How much is expected from the sale of the South Perth head office of DAFWA?

**Mr Delane:** I am sorry, I cannot give you an answer on that. We have recommended to the minister and the government that the whole site be sold. That process then hands over to the Minister for Lands and the Department of Lands, which manages that process. I do not think we have had any work done on an estimate of the value of that land for some years, and the work we had done previously was for the residual value of that land when we still intended, or had approval, to redevelop DAFWA on the Kent Street side of that block. The recommendation now adopted by the government is that the entire site be sold; I think that adds about another six or seven hectares to the total area, so we are talking about a materially increased number and hopefully an increased per-hectare value, given that there is now a larger, very impressive site available to potential buyers and developers. The short answer is that it is in the hands of the Department of Lands, the Valuer-General and the market of the day.

**Hon ALANNA CLOHESY:** So the potential sale of that is not reflected in the budget figures?

**Mr Delane:** No.

**Hon ALANNA CLOHESY:** Okay.

**The CHAIR:** It might not be in DAFWA's, but I assume it is reflected in the \$65 million this year and the \$135 million the government expects to get from land sales because it is one of the 20 sites in the original list; at least two-thirds of it—the 14 hectares as opposed to the 21 hectares—will already be included in that \$135 million going forward. That is already written into the budget, I would have thought. You have then got to go with your begging bowl to Treasury to get the money to rebuild a new facility, which would probably be more than the cost of the land anyway, would it not?

**Hon KEN BASTON:** I will just comment first. Looking at DAFWA's headquarters, originally what we had planned, and it has gone out for some 18 years I might add, in the budget, in the forward estimates, there is some \$236 million if my memory serves me right, and —

**The CHAIR:** It is only a memory now, minister!

**Hon KEN BASTON:** Yes, only a memory now! In this budget there is \$250 000 that has been allocated to actually develop a business case for new accommodation, and re-evaluate it in the sense that some of research can be moved out to regional areas such as Northam. Then research and labs et cetera we could connect to one of the major universities—either Curtin, Murdoch or UWA. There is land available there and one of the things we would be looking at is a purpose-built building for Ag that the university would own and lease back on a long-term lease to us. I think that is a strategic move that that \$250 000 will be put to, to come back with that answer. I would just like to —

**The CHAIR:** I am sure there are already reports with all of those options in there in the department that have been produced over the last 18 years, minister; I cannot imagine that you would have to spend much at all. All those options have been previously reported on, considered and gone through the wringer. It is a bit of a merry-go-round at the moment.

**Hon KEN BASTON:** Well, I have only had two years of the merry-go-round, Mr Chairman —

**The CHAIR:** So you have not seen the full view yet?

**Hon KEN BASTON:** I have not seen the full view yet, but I have put my views in my comments in the paper about the existing building.

**The CHAIR:** I am going back to Hon Alanna Clohesy, but just to be clear: there is no money for any of those options that you have just outlined in the budget papers, other than the business case to look at it?

**Hon KEN BASTON:** Yes, the \$250 000.

**Hon ALANNA CLOHESY:** Has the potential move to the Landgate office in Midland been superseded by the business case, or is that going to go ahead anyway, and how much will it cost?

**Mr Delane:** If I may clarify a matter raised previously, the department has a clear role with the minister of determining land that should be surplus to requirements and recommended for sale. We have responsibility for clearance of those sites. It then goes into the Lands process, and I have no intelligence at all as to where the revenue from the sale of DAFWA assets is factored into the lands portfolio.

**Hon ALANNA CLOHESY:** Which is now in budget paper No 3?

**Mr Delane:** If members wanted more detail of exactly how many assets we have at various stages of our part of the process, then Jim Eftos can provide that information. There are a couple of other things that have changed. The market for what used to be called public–private partnerships, if you like, the university-type model, for example, that has changed a lot since we were actually going to go to Murdoch at one point. There have been some very substantial changes in the approaches taken by universities and approaches taken by companies, so, if you like, a leasing option as opposed to a build-and-own and operate option, that environment is now quite different. As the Chair has pointed out, we have examined many options for the redevelopment of DAFWA over the last 18 years or so, including South Perth, including spreading to three university sites, and including a significant part of DAFWA going to Floreat–Shenton Park at one point. At one point there was debate about whether we should go to the country in total, and I think that is now off the agenda. Midland has been assessed a number of times over that period; Armadale–Southern River has been assessed. We even assessed rebuilding just across the road in a disused limestone quarry as a way of freeing up land and creating an appropriate environment. There have been plenty of options assessed; there has been no decision, certainly communicated to me, as to whether of the numerous leasing options that now exist across the city have been considered for the administration functions of the department. The most costly part of the department’s facilities is its necessarily high-class laboratories for biosecurity diagnostics and other work. To use the Landgate building as an

example, there are no suitable laboratory and related facilities at the Landgate site, so it could only be an administration site for us. It has never been our recommendation to government that the laboratory facilities and the office facilities be substantially separated. The reason we have most of our laboratory facilities is biosecurity protection of the state's industries and environment and the like, and our experience is that biosecurity specialists in laboratories, policy and regulatory people work very closely with them and the continuum all the ways to the director general is an important part of that preparedness and response.

[10.40 am]

**Hon ALANNA CLOHESY:** So, it is safe to say that the department's view is that it does not want to split the functions over several sites, or two sites even, and that there is some consideration being given to moving the administrative functions to Landgate, but that is not your decision and it is currently being considered by other parts of government, which I assume are Building and Works. Is that a safe summary?

**Mr Delane:** Chair, I think that is pretty close. To be clear, it has not been our recommendation to date to separate the two, but, as I say, a lot of things have changed and clearly there are other factors than the department's ideal model that need to be considered here. As the minister has articulated, there is a quarter of a million dollars set aside for redevelopment work. Chair, you made comment that a lot of work has been done. Yes, there has been, but we are significantly smaller than when a lot of that work was done. We have moved significant functions to the regions, and we have a major development in train which would boost our staffing at Northam quite significantly and reduce our staffing at South Perth; in fact, the budget papers cover material capital expenditure at Northam and other sites to enable that sort of development. So there are a lot of changes here, both in our external world and in the way we are operating which I think require that work to be done.

**Hon ALANNA CLOHESY:** Sorry, can I just go back on that? So, no decision has been made about what is going to Northam yet, but there is some amount reflected in the budget of a move to Northam for some parts of the department. Is that what you just said?

**Mr Delane:** There is no decision for, if you like, a complete capital development at Northam. We established—I will confer with my executive colleagues—three years ago a regional relocation program, where over time we would move particular operational functions, if you like—the things that use trucks, tractors, spray rigs and field plots, those sorts of functions that we would move over time—and our target established was the end of 2016 for a progression of that. Northam has been a key site, particularly for grains R&D for that. We have boosted our efforts there, and from our internal capital allocation we have started expending resources at Northam to boost fuel plot capacity and glasshouse capacity et cetera. The royalties for regions boosting grains R&D project, \$20 million over four years, which Dr Sweetingham can speak to at length if necessary, does include some capital funding to again boost those sorts of fuel facilities. For members who know our South Perth site, we still have significant fuel plots. It is our intention, whatever happens over whatever time frame at South Perth, that all future fuel plot work will be done at sites such as Northam. We are underpinning that with small capital allocations which are covered by this budget.

**Hon ALANNA CLOHESY:** When is the business case that will hopefully make this a lot clearer expected to be completed?

**Mr Eftos:** Thank you very much for the opportunity to add to the answer that the DG gave. The expectation is towards the end of this year for the business case to be finalised, and that will then provide some guidance as to what the most cost-effective solution is.

**Hon ALANNA CLOHESY:** Is cost effectiveness the only criteria by which the business case will consider this matter?

**Mr Delane:** I think members will know the standard process of government for capital development projects. These are usually led by the Department of Treasury's strategic projects area.



**Hon ALANNA CLOHESY:** So that is a yes, then!

**Mr Delane:** The Department of Treasury and also Finance and the host agency, DAFWA, work together very closely on that, and we are just initiating processes for that. It will take about that length of time. It is our ambition to have it before the government before the midyear review, but we have to see how that timetable works out. Cost effectiveness, clearly, is always a serious consideration in the current environment.

**Hon ALANNA CLOHESY:** That is all that I have on that particular issue.

**The CHAIR:** A range of members want to ask questions on this issue, but I have one. You talked about splitting the functions in the research laboratories. When do we get to the point where it becomes a desperate situation because your research facilities are so old and antiquated—and I assume you are not doing any maintenance or replacement on them—when do we get to the point when we have to have the new facilities built? It must be pretty close now. Particularly with modern biosecurity techniques and fewer staff, I assume you would need to be using the most modern equipment in them.

**Mr Delane:** Perhaps I might start by paying tribute to the outstanding work that is done by our staff under less than ideal conditions. The public record shows a sequence and ministers and others who have commented on that. We are very focused on making sure that whilst they are not pretty and often not very functional in terms of efficiency, our laboratories and related buildings are safe. That remains a key focus for us. I think members would be amazed at the fantastic work that our people do in those laboratories, including with some very sophisticated equipment. In fact, the sophisticated equipment has been one of our saviours, because if we were using, if you like, 20-year-old techniques for some of our biosecurity sample analysis et cetera, our laboratories would not be functional. But with the modern techniques, including molecular diagnostic techniques and use of sophisticated equipment, we are able to, if you like, stop using benches and sinks and fume cupboards and use some modern technology in those buildings. At what point? Today they remain functional. We will clearly, if there is an occupational health and safety concern, need to close those laboratories or move parts of laboratories to others. At this stage our people continue to do the most fantastic job for Western Australian industry and community from those buildings. Clearly, we hope for a rapid development of new facilities or access to new laboratory facilities as a result of the current capital planning process.

**Hon NIGEL HALLETT:** My question goes back to what led on from Hon Darren West's question. What structure are you going to have left by the time you finish your cuts? You are going to have a staff of 600 to 700. From what you have said—obviously, you believe in what you are saying—it will be focused on biodiversity. Why do we need a department of agriculture if that is what it is going to be focused on? Why could it not come under the federal arm and cut completely the department where it is at now? What you have got is a department with no direction. Your staff have lost morale and you have got no funding, and we have not heard a whimper on changing this. Agriculture is meant to be the next boom industry, and here you are slashing and burning.

**Hon KEN BASTON:** First, before I hand to the director general, I will say that obviously biosecurity is extremely important, but the reason that the director general mentioned a report a while ago having a look at the agriculture department—that is certainly my directive. I want to know what is the floor; what is the base. I hear what you are saying, because I think that is extremely important—what the state of Western Australia needs for agriculture development, bearing in mind that it is such an important and upcoming export industry for Western Australia. I think that is important.

**Mr Delane:** Member, you used some emotive words that we do not use around our organisation. We are very focused on delivering high-priority functions for Western Australia with the resources allocated to us. We do not allocate the resources or the priorities or the legislation that we operate with. Our job is to make the very best of that. I did indicate to the house that we are currently

forecasting a staffing level of the order of 700 FTEs, and that will still leave us as a mid-ranking agency in Western Australia. Currently, we have over 900 FTEs and over 1 000 staff. That is a significant organisation. It is still today the largest organisation in the agricultural sector. We do the most fantastic diversity and quality of work right across the state. Clearly, we have morale challenges; it is a very uncertain time for our staff, but they very proudly get on with their work and we think the sector ought be pretty proud of what they do to assist them.

The house might not be aware that we are not alone in this. Jurisdictions right around Australia—in fact, around the world—are making quite significant reductions in what used to be departments of agriculture. In other jurisdictions, they are largely absorbed into some form of midi or mega department but my intelligence from colleagues and other information is that the resource reductions, and therefore the staff reductions, in Agriculture and Food, the scope of my department, are of similar magnitude in the majority of other jurisdictions of Australia. There are variations to that. Some have done it earlier, some have done it later and some are larger and smaller than that, but that is the reality.

[10.50 am]

**Hon NIGEL HALLETT:** Could you just tell us how you see the new business structure? That was the question. I do not want to hear all the other waffle. Just tell us how you see the next business structure of your department.

**Mr Delane:** Sorry, Chair; I thought I had answered that question for the member. The minister asked me to conduct a detailed review of a core DAFWA which will have as one of its first priorities its statutory responsibilities—biosecurity and land management and other responsibilities that are assigned to it by the government of the day. It will have as its responsibilities government priorities. I think the trend is clear that governments, including in this jurisdiction, are specifically allocating funds, such as the royalties for regions program, so they are term-bound programs, an approach which has existed in other jurisdictions, including the Australian government, for many years. The core DAFWA structure—if you like, its functions—will be the core biosecurity and resource management functions you would expect to see in a department like Agriculture and Food plus whatever priorities the government of the day allocates to it.

**Hon NIGEL HALLETT:** Can you give that crisis meeting you have called this afternoon a clear indication of where agriculture is going? We are in uncharted waters and it is a disgrace the waters we are in.

**Mr Delane:** Perhaps I can respond to that. “Crisis” is not a word that we have used in the Department of Agriculture and Food. I think you are showing a media statement written by someone else. An invitation has gone out this afternoon to an industry budget briefing and discussion. We will be working very closely with industry, as we have always done, to ensure that our funding and delivery partners and our client representatives are fully informed of where we are at. Clearly, a number of them are not. Clearly, they are being given information that is not accurate. We will be giving them a very detailed briefing this afternoon. They and a couple of members of Parliament from one of Parliament’s committees will be attending that briefing. We will give them a very clear indication of where we are at today, what the next decisions are that we need to make within the settings provided to us and how we think that can play out. We will be talking to them and each of the executive directors will be talking to their cohort of partners and client reps separately about what opportunities we see for the forthcoming years. It is not our role to determine the future budget of the Department of Agriculture and Food or, in fact, whether there is a Department of Agriculture and Food. It is our role to optimise the efficiency and effectiveness of the resources allocated to us and to work very closely with our client base and our partners in doing that. We are very comfortable with our record in that and this afternoon is an indication of that.

**The CHAIR:** We are going to keep moving on.

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**Hon BRIAN ELLIS:** My question has partly been answered. I have a general question of concern considering some of the answers this morning. In my over 40 years of involvement in the agriculture industry, I think this is the most exciting time that we are entering into.

**The CHAIR:** Member, I want to bring it to a close so we can have a break. If you want to make statements, I will let you do so after the break but can you ask a question.

**Hon BRIAN ELLIS:** I will not make a statement. I am following on. I read about such crisis meetings and I look at the key effectiveness indicators on page 547, which are very low, which indicates a dissatisfaction with the agency. In light of the some of the answers you have given to Hon Nigel Hallett just then, I am wondering, is there a crisis and what does it involve? Is it around just research and development and how are you going to manage that? Does the director general have a vision for the agency into the next, say, 20 or 30 years? Where are we heading with the agency?

**Mr Delane:** Perhaps I will try to answer the member's question and he can tell me whether I have done that or not. Our vision for the department clearly is within the context of the government's vision for the department. We developed our strategic plan known as Agrifood 2025+, which we recommended to Minister Baston for endorsement. It is a strategic plan that we are working to, whatever level of resources that we have available to us. Our strategic plan envisages a doubling of the value of the agriculture and food sector by 2025 plus. That is a big call. But this is not a vision dreamt up. We did a lot of work with industry during 2013 and 2014 and we believe that the industry reps that we were dealing with, this is a shared aspiration. The minister has used words around laying the foundations for that to occur. Generally, our statements are more around enabling industry to grow. We do grow agriculture; we work with others to enable them and to support that. Our vision is that the Western Australian agriculture and food sector can double by 2025 or soon after that; that is why we have the plus. We have a contractor doing some work at the moment which we believe shores up that initial aspiration. The question of whether the department of agriculture needs to be its current size, twice its current size, half its current size for that to develop is quite a separate question. There are some areas where perhaps some significant change in the way the sector works and the way we work with the sector can bring that about. I think the minister has already indicated that there is significant new government funding for the new royalties for regions programs here and there are a significant number of other projects which are still in the assessment approval process, which can lead to transformational changes to achieve that doubling. That is our approach. If you listen to the executive team, you will hear words like "transformation" and "legacy". We are about focusing on whatever resource we have, how we can help a sector and lift the state.

**The CHAIR:** I am going to have to cut it off. I need to break now. We will have a five or 10-minute break and come back after. I note that you wanted to follow up on this issue, Hon Paul Brown.

### **Proceedings suspended from 10.58 to 11.12 am**

[Hon Alanna Clohesy took the chair.]

**The ACTING CHAIR:** We now have a quorum. We have limited time left, and this is always a hearing in which there is a great deal of interest expressed by members, so if I could ask members, in the interests of fairness, to keep your questions short, and the minister and the department to keep your answers equally succinct, we can get through a lot more. I will ask Hon Paul Brown to ask a short one.

**Hon PAUL BROWN:** Following on from what the Chair was previously discussing with you before about sale of assets and relocation, I notice on page 551 in the *Budget Statements* that the GrainsWest infrastructure spend across the forward estimates is roughly \$6.6 million. That is obviously at the Northam centre, I would imagine, and given that you are looking at, I think, slowly

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moving assets to regional locations, I imagine one of them is Northam. Given that we are investing in grains research, and we probably have a greater grains research effort through royalties for regions than most other states, has the minister entered into discussions with the federal minister, Barnaby Joyce? Recently he has highlighted the need to move GRDC out of Canberra. We have had some discussions but, at ministerial level, have you looked at potentially getting some of that here, potentially in Northam, to value-add with the GrainsWest initiative and the royalties for regions funding that we are putting into it; and, if you are not, why are you not?

**Hon KEN BASTON:** I have met with the federal minister. It was over the meeting that was going to be with agriculture ministers, but all the ministers had a dinner with him. It was certainly raised with him in the discussion and, of course, as you are probably aware, his original idea was to move it out of Canberra down to Wagga in New South Wales.

**Hon PAUL BROWN:** I think Wagga was one location, but there was a range of locations, and they are all on the east coast.

**Hon KEN TRAVERS:** My experience of ministers is that he will move it somewhere close to New England.

**Hon KEN BASTON:** It is not for me to comment on that.

Bearing in mind that 40 per cent of the GRDC's funding probably comes from Western Australia, I did suggest to him that perhaps—it seemed to be consensus that it was important to keep a shopfront still in Canberra, however you could have regional areas where the GRDC could be; that is, as you mentioned, Northam was certainly the place that I discussed with him. My DG might want to comment on that.

**Mr Delane:** There certainly has been representation from the ministerial level, as the minister has indicated. Clearly, we are in a very close partnership with GRDC. We are their second-largest partner, and we have a lot of interaction with them. The GRDC board has actually been in Western Australia this week. We briefed them on Monday about our proposal for Northam, and whilst a lot of government decisions need to be made to bring that to bear, in very brief terms, our proposal is to establish Northam as a major grains innovation centre. The royalties for regions project for a \$20 million boost in grains research and development is the foundation for that. Our current proposal is to establish a not-for-profit company which could employ in excess of 150 staff, funded by the state, GRDC and other partners. It would be one of the nation's most innovative and progressive grains research and development organisations, with agility and commercial focus that will bring substantial benefits, in this case, to grain growers. It is a very exciting development. Grains research and development is the biggest part of our operations outside of biosecurity, and if the committee wishes, Dr Sweetingham can provide further details on what that initiative will mean.

**Hon PAUL BROWN:** What is the \$6.6 million that is in this year's budget and the forward estimates for GrainsWest going towards? What infrastructure and programs is that actually going towards?

**Hon KEN BASTON:** I will ask Dr Sweetingham to comment on that.

**Mr Sweetingham:** My figures are \$6.9 million over the estimates out to 2017–18.

**Hon PAUL BROWN:** I will not argue with that; I am happy to take another \$300 000.

**Hon KEN TRAVERS:** I would say \$6.865 million, to be precise.

**Mr Sweetingham:** That is the one.

You are right, it largely is going to be spent at Northam, but there is a small amount that is allocated to our Geraldton and Esperance facilities as well. What is that infrastructure? It is largely an expansion and refurbishment of laboratories, glasshouses, irrigated field plots that the director

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general mentioned earlier, and also some specialist facilities for examining root systems in different soils, called a rhizotron. These are exciting new developments as part of that boosting grains research and development initiative. While I am speaking about that initiative, there is \$5.2 million allocated to new flagship projects. Those flagship projects are frost-proofing the farm business, more grain from less rain, lifting the yield ceiling, and a regional agronomy systems development program. The other exciting element that the DG alluded to was that we could use a vehicle such as the proposed GrainsWest not-for-profit company structure to attract more private sector co-investment into grains. We already do very well from our core funding from GRDC, but we have ambitions of being able to attract investment from other elements in the private sector, whether they are local Western Australian companies, national grains research and development companies or multinational companies like John Deere, Bayer or the Climate Corporation that was mentioned earlier today. As a kick-off to help that, out of the royalties for regions funding, we have got \$3 million in science partnership funds that are a way to entice some of those people in the private sector to just come on board and get a taste of working more closely with us in the Northam facility. We also have money, \$2.6 million, that we are putting towards attracting new, young scientists who will be regionally based, again largely in Northam, but we hope to place some in Merredin, Geraldton and Esperance as well.

[11.20 am]

It is probably also worth recognising, as the director general mentioned, that we briefed the Grains Research and Development Corporation board on Monday. It is probably worth the house being aware that DAFWA was the second largest recipient of GRDC funds through Australia, second only to CSIRO. DAFWA and GRDC in partnership currently co-fund about 60 R&D projects worth \$33 million in the 2014–15 year. The ongoing support that we have from GRDC in this space is very important. GRDC have made it very clear to us that if we stick with the focus of regionalising our infrastructure and our people to places like Northam and maintain that network through the wheatbelt, they are very keen to continue to fund us well into the future. They do not see this as an area where the universities or CSIRO can provide the sort of research infrastructure that we can. They also do not think the private sector is in a position to undertake the sort of projects that we do that are in that sort of three to eight years investment of time and effort before you get a commercial result. The private sector are also very good in grains R&D at developing new products that they can get a return on their investment from. The focus of the GrainsWest business will be on developing systems solutions specifically for Western Australian grain belt farming systems and have them regionally tuned to the specific needs of the midwest, the eastern wheatbelt and the south coast and the like.

**The ACTING CHAIR:** I will now go to Hon Martin Pritchard.

**Hon MARTIN PRITCHARD:** Thank you. I just require some fairly concise answers to these points. I refer to budget paper No 2, page 547, and the line item for business and supply chain development. How much has been allocated to the Buy Best Eat West campaign in the 2015–16 financial year?

**Hon KEN BASTON:** I will ask Mr Metcalfe to comment on that.

**Mr Metcalfe:** The allocation is \$150 000.

**Hon MARTIN PRITCHARD:** Thank you. How will that be used?

**Mr Metcalfe:** It will be used to profile Western Australian produce. An example of that is tomorrow with the Farmer Jack's promotion around WA produce, particularly out of the Gascoyne, and then promoting that with the chefs and developing a value proposition going forward around the brand and the Buy Local aspects.

**Hon MARTIN PRITCHARD:** Can I ask how much was spent in the 2014–15 financial year?

**Mr Metcalfe:** You can. I am happy to take that on notice. I am not absolutely sure about that.

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**Hon MARTIN PRITCHARD:** I am happy to take that on notice.

[*Supplementary Information No A1.*]

**The ACTING CHAIR:** I am going to take a new list, if I can get an indication from members of who wants to speak. Hon Darren West.

**Hon DARREN WEST:** Thank you. I have some fairly short and concise questions that we can run through quickly, I hope, relating to budget paper No 2, page 546, spending changes, with reference to the allocations from royalties for regions. The first item in that list is boosting biosecurity defences. I have a few more specific questions about biosecurity. The first one is: what specific projects will be funded from this allocation of \$6.498 million?

**Hon KEN BASTON:** I will ask Mr Chennell to comment on that.

**Mr Chennell:** In 2015–16, there is \$5.5 million allocated for this project. There are about 10 or 11 subprojects. The first is the development of a WA biosecurity strategy, which will take in the whole-of-the-state issues. That has been out for public consultation recently and will be completed soon. We have a program of new technology related to grain industry surveillance. Likewise in the grape industry, we have a surveillance program which will run through in the coming financial year. There is a program for rapid detection of emergency animal diseases—that is quite successful at the moment—where we are subsidising the pathology costs and testing costs for animals to encourage farmers to report and thereby get earlier detection of suspect disease. We have an agricultural wheat surveillance program. We have a major program in capacity to respond to and recover from an emergency event. We are training approximately 120 DAFWA staff and we intend to have a major exercise in May 2016, incorporating a national rapid response team, to deal with a simulated exercise of foot and mouth disease in Bunbury. We have a compliance with new legislation program—the BAM act that the DG mentioned came in in 2007—and we are working with industry in terms of how best to use that. There is a research and development fund. The minister will be announcing the successful recipient in Kalgoorlie on Monday. There is a range of RD&E being funded through that program, particularly innovative programs, new technology, and particularly focused on surveillance and so on.

We have a regional biosecurity response program which is particularly focused on supporting RBGs, or recognised biosecurity groups, to become active and enabled and then go into levy collection and so on through the minister. We have deployed new staff regionally to support regional groups achieve that. We are intending to eradicate fruit fly from Carnarvon. Again, that project is underway. We will be regulating the fruit fly up there and then using new technology, including irradiating fruit flies and releasing them, to see if we can eradicate fruit fly, and that is quite exciting. We have a range of wild dog control measures, including appointing new staff, and, as the minister mentioned, the development of a statewide action plan on wild dogs, and then there are some funds allocated for project management and communications of the whole program. So it is quite an extensive suite.

**Hon DARREN WEST:** Have these specific projects been approved or will the minister need to apply to royalties for regions to fund these projects?

**Mr Chennell:** This was approved by cabinet previously in 2014. The whole program is \$20 million. It is also added to by in-kind contribution from DAFWA and other agencies, and I think there was about \$1 million from HAL that was included. So the total value is something like \$25 million. It is already approved.

**Hon DARREN WEST:** Will you need to prepare business cases for these projects?

**Mr Chennell:** No. The original submission had a very extensive business case, as is the due process. So, no, all these projects will now rapidly be implemented.

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**Hon DARREN WEST:** Thank you. The second line item is boosting grains research and development. What specific programs will be funded from this allocation of \$4.066 million?

**Hon KEN BASTON:** Dr Sweetingham.

**Mr Sweetingham:** For the Boosting Grains R&D, R for R case, the allocation—this is across the full four years of the project—is the \$6.87 million for infrastructure that we have already mentioned. For the research projects, the frost-proofing the farm business is \$1.04 million; the more grain from less rain project is \$1.63 million; the lifting the yield ceiling program, which is trying to reduce the impact of diseases and pests in high rainfall areas, is \$1.32 million; and the regional agronomy systems is \$1.13 million. That is a total of \$14 million in those projects. In each of those projects, that money is also used to leverage additional money from the Grains Research and Development Corporation, which is really important. There is the \$3 million in the science partnerships and there are some administration costs there, but also noting for the proposed establishment of the GrainsWest not-for-profit company, there is an estimate of about \$620 000 to go through the legal process of creating that company.

[11.30 am]

**Hon DARREN WEST:** Have the specific projects been approved or will the minister need to apply to royalties for regions for funding?

**Mr Sweetingham:** The answer to that is exactly the same as the other one. They are all approved and these projects are all now starting to hit the ground.

**Hon DARREN WEST:** Will you need to provide business cases for these projects?

**Mr Sweetingham:** It is all contained within the existing business case, although when we get additional leverage money out of the Grains Research and Development Corporation, we have a different contractual arrangement with them.

**Hon DARREN WEST:** I also just wanted to have a couple of related questions—not quite the same, but closely related—about the crop updates program that is run by GIWA. Has the funding for this been cut?

**Mr Sweetingham:** We have entered into long discussions with GIWA. GIWA had a contract to run crop updates on behalf of DAFWA and the Grains Research and Development Corporation. GIWA received the majority of the funding to run that event, which is a really important event that attracts nearly 500 people from the grains industry annually in February. Most of that money came from the GRDC. The GRDC, through their own national processes, have decided they need to invest the amount of money that they do in delivering that event, but they are putting it out to tender to see if there is anybody else other than GIWA who would be interested in running that event. DAFWA has always partnered in that event, not in terms of putting cash into running the event, but in a significant amount of in-kind of our staff in preparing materials and co-chairing sessions and providing support for display booths and the like. GRDC approached us and said they were in a position now to take full responsibility for running that event, and we think that shows a maturity in the grains industry that an event that started off very small, that the department developed 20 years ago at the University of Western Australia and has nurtured for that period of time, is now an appropriate and mature event that does not really require DAFWA to be hands on in running anymore. We are very hopeful that GIWA will be the successful tenderer for that event again, although that will be in the hands of the Grains Research and Development Corporation.

**Hon DARREN WEST:** I will respectfully disagree with you on that. I think the format was better how it was than how it proposes. However, how much was the contribution that DAFWA was making?

**Mr Sweetingham:** I would have to take that on notice because I do not have those figures in front of me. It is a calculation of an in-kind contribution. I could take that on notice.

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[*Supplementary Information No A2.*]

**Hon KEN TRAVERS:** When I asked you earlier about the cuts to biosecurity, I asked about the number of FTEs. You have talked about reducing the department from the current 900 to 700. How many of those cuts in staff numbers will be in the biosecurity area?

**Hon KEN BASTON:** I refer to the director general.

**Mr Delane:** I need to take that on notice, but I indicate that, at best, that will be an estimate. There are still a lot of factors to work through here, including achievability. We have got a lot happening in the department, and to give a complete and accurate answer will be difficult in several out years because of a range of factors—not just state funding—including the external funding, the achievability under severance and other staffing programs et cetera. I am sure the member appreciates that. We will provide on notice, Chair, our estimate of what staff reductions might be under the scenario that the department staffing may reduce to approximately 700, and the answer will be couched in those terms based on forward estimates.

[*Supplementary Information No A3.*]

**Hon KEN TRAVERS:** Based on your service summary, the resource risk management is around 40 per cent of your operations.

**Mr Delane:** Yes.

**Hon KEN TRAVERS:** So if you are cutting by 200, it would be reasonable to assume it is somewhere around the 80 mark.

**Mr Delane:** You could take a pro rata number because of the nature of that function. Our current approach would have that less than pro rata because of the nature of the functions in that area.

**Hon KEN TRAVERS:** Again, all we can go on is what you have presented to the Parliament in terms of your proposed budget. Over the life of the forward estimates, it is showing that the resource risk management sits around 40 per cent of your task. It slightly improves but it still sits around 40 per cent of your task. So if you are cutting 200 staff—unless you are planning to get more money out of the industry, because that seems to be the only option that will be available. The only way you can keep the staff would be to get more money from industry. Is that part of the solution?

**Mr Delane:** Perhaps I will restate again that the sorts of drivers for the question that the member asks are the sorts of drivers that led Minister Baston to direct that we complete a detailed expert review of what a future, if you like, 700 FTE—type DAFWA will look like, which will be, at that level, more dominated by its core responsibilities of biosecurity, essential land and water resource management as it relates to agriculture et cetera.

**Hon KEN TRAVERS:** But will that review look at getting more money from industry? Under the BAM act—I know the minister is well aware of that; he sat on the committee of this house that passed it—one of the options is to set up regional biosecurity groups and ask the industry to contribute towards biosecurity. Is that review going to look at trying to expand the number of biosecurity groups and therefore get outside funding to assist you? Is that part of the review or not?

**Hon KEN BASTON:** I will just comment and then I will get my DG to comment. I want to look at the whole of the ag department and what it will look like in the future and what we actually need, because somewhere along the line there is a point where you need to have a core that is going to be able to operate for agriculture to be productive in the future and move with modern trends et cetera. My direction very much is focused on that broad concept of how we are going to see that agriculture department in the future.

**Hon KEN TRAVERS:** So it is not looking at the regional biosecurity groups as part of it?

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**Hon KEN BASTON:** Absolutely. Bearing in mind, interestingly enough, agriculture as a whole is really spread in the state. We have got irrigated agriculture, we have got dewatering of mines, we have got the Ord, we are looking at Le Grange, and we are looking at outer Derby. If we stop and say, “Hang on a minute; we are actually —

**Hon KEN TRAVERS:** So your task is getting bigger as your budget gets smaller.

**Hon KEN BASTON:** Exactly, and that is why I want a review to have a look at this.

**Hon KEN TRAVERS:** Who is conducting that review?

**Mr Delane:** Just if I may first clarify for the member, recognised biosecurity groups are not about drawing revenue for the department. Recognised biosecurity groups are about supporting and the government supporting groups of landholders and producers to carry out their responsibilities. As occurs in the rangelands, the state matches the contributions that they make. The department administers that fund. It is not a revenue-generating activity for the department. We are still —

[11.40 am]

**Hon KEN TRAVERS:** They could contract to you to provide services, though, could they not?

**Mr Delane:** They could contract to us to provide services, yes.

The terms of reference and the details of the expert panel participation are still being finalised. I have not yet made a recommendation to the minister, in consultation with central government agencies, as to what the make-up of that panel and the process of that revenue will be. I do not expect we will finalise that until sometime in August.

**Hon KEN TRAVERS:** As a number of agencies have done, are you looking to bring in some major accounting firms around town to be part of that review or are you looking at it purely being a few? I am not sure what you would define as “experts”—is it an internal review; is it an external review? Does it involve commercial expertise from accounting firms? I think they call themselves business management consultants these days. Who are we looking at?

**Mr Delane:** My answer is couched in terms of what I will be recommending to the minister. We will not be doing an accounting or management consultant review. I certainly will not be recommending that. The sort of department we are today, and certainly what we expect to be going forward, requires the sorts of expertise of former director generals and senior public servants who are expert in biosecurity, in natural resource management, in regulatory programs and in the management of R&D. I would expect to be recommending to the minister a panel that has significant capability in that area. I expect to recommend some industry participation, someone with a broad overview of what Agriculture and Food looks like and how a department like that could operate.

**Hon KEN TRAVERS:** How many people are you looking at then? That is a long list. How many people are you expecting to have on your expert review panel?

**Mr Delane:** There are some very capable people around that can cover a number of those areas. My current thinking is to recommend to the minister an expert panel of five or six people.

**Hon KEN TRAVERS:** What is the estimated cost of that review, or are we expecting them to do it as volunteers out of the goodness of their heart?

**Mr Delane:** I have not had a budget figure for that. We do not expect the cash cost, if you like, of participation of members. We do not expect volunteers now for this sort of work, so we will be meeting their costs. Most of the work for it will be done internally so that is why it is referred to as an expert panel. The best people to work out what a biosecurity section—whether it is invasive species, plant biosecurity, interstate quarantine, livestock biosecurity or diagnostic labs—must look like, should look like and we recommend they look like, are the people in Dr Chennell’s area. The expert panel will overview, review and cross-check on —

**Hon KEN TRAVERS:** In fact in some agencies the expert panel is the executive team of the agency. How much in the budget is allocated for the task of the expert panel?

**Mr Delane:** In the context of the budget papers, there is no allocation. The minister has only recently directed that that review be done after the budget was framed. Its direct cost will be relatively small. I could give you an estimate in a supplementary question, but until the minister signs off on the recommended review, that answer will not be definitive.

[*Supplementary Information No A4.*]

**Hon KEN TRAVERS:** The budget was handed down and I assume you were advised of the state of it. The minister would have been aware of it back at the budget cut-off date when it was signed off by cabinet. That is at least two months, but we are still no further forward in developing either who the expert panel is or even the cost of it. If you are bringing five or six people, who are not currently in the agency, to oversee that, I imagine it will be at least \$100 000, if not \$200 000. I cannot imagine you are going to do it in less than three months. Is that an unfair estimate? You say “not much”, but are we talking about a couple of hundred thousand?

**Mr Delane:** My first point is that whilst it is influenced by the budget, this is not directly linked to the budget process. Therefore, the timetable of the budget and its finalisation—operationalisation is not relevant to the development of recommendations for the expert panel or the minister’s decision on it. To provide an estimate, off the top of my head I would pencil in a figure of about \$100 000, but if the committee wants a more accurate estimate —

**The ACTING CHAIR:** We have already got, as supplementary A4, the budget for the review.

**Hon KEN TRAVERS:** If regional biosecurity groups are a part of the solution moving forward in terms of managing biosecurity, what is the allocation to actually establish regional biosecurity groups and get the intellectual capital established in Western Australia to run and operate those biosecurity groups? I have had this conversation with the minister in the past: the players in the industry I think are happy to participate and we do not have that level of expertise to get them up and running. What is the budget allocation to get regional biosecurity groups up and running?

**Mr Delane:** I will comment and then refer to Dr Chennell for the current allocation. Recognised biosecurity groups, as I think the member knows, is not a new concept. We have been consulting in detail on recognised biosecurity groups in the development of the Biosecurity and Agriculture Management Act, which was passed by this house in 2007, and there has been significant work done.

**Hon KEN TRAVERS:** How many have we established already?

**Mr Delane:** The only ones that were directly transitioned into that were the former rangelands groups —

**Hon KEN TRAVERS:** Since the BAM act, you have got the transitional rangelands group—how many have been established since that date?

**Mr Delane:** There are to date no RBGs signed off, recognising —

**Hon KEN BASTON:** Eastern wheatbelt.

**Mr Delane:** Eastern wheatbelt—one signed off.

Perhaps I will restate, Chair, and then hand to Dr Chennell, with your blessing. This is a mechanism established by the Biosecurity and Agriculture Management Act. The department’s role is to inform and assist those community groups—economic community groups and landholder community groups—who choose to come together to collectively fund and seek matching state funding.

**Hon KEN TRAVERS:** This is probably more a policy question for the minister: you do not see that you and your department have a role to be out there actively seeking to get these groups established where they are needed?

**Mr Delane:** Perhaps I can cover the operational stuff. I think I have already said several times, and I will say again, my department has been actively promoting recognised biosecurity groups since before the passage of the Biosecurity and Agriculture Management Act 2007 and we have been doing it every year since. There is a specific program and staff allocated to this process currently. Dr Chennell will refer to those numbers and activities.

**Mr Chennell:** Just quickly on the current established pastoral area RBGs: they raised \$1.2 million in rates. That was matched by government. About 62 per cent of their funds go towards wild dog control, so it is a very effective use. In terms of allocation of resources to support RBG formation and working with them on the process that is required to communicate and then canvass local stakeholders to form an RBG and to work with the minister on an appropriate rate: in 2014–15, we allocated approximately \$500 000 to that work; in 2015–16, we estimate we will be allocating about \$1.186 million to that support of RBG formation and progression. As I mentioned earlier in the question related to the biosecurity defences—royalties for regions project, there is approximately \$1 million over the life of that project to assist in this very area.

**The ACTING CHAIR:** One last question and then we need to move on.

[11.50 am]

**Hon KEN TRAVERS:** Has the minister had any concerns raised with him that the industries are not prepared to sign up to regional biosecurity groups until there are changes to the act in terms of ensuring that the regional biosecurity group controls the money and that it cannot be absorbed into the department? Is that a concern and if it is, what are we doing about changing that?

**Hon KEN BASTON:** There have been concerns about that. They were basically about where the funding sits, and under the act it actually states that the director general and the minister may move it into general usage—I suppose you could call it that—and we are looking just to change that. I am not sure how advanced that is, but Kevin might be able to tell me. To allay their fears, there has only been case that has come to me of that.

**Hon KEN TRAVERS:** You are committed to changing the act to guarantee that it does not happen?

**Hon KEN BASTON:** It is a case that I do not think would ever, ever happen. It is interesting that this bill was in 2007, the BAM act, and did not have the regulations. When I was sitting in committee a long time ago, those regulations were promised to us and they never came to us. The regulations only came in for the BAM act in May 2013, so although it is a very complex act, it really has not had those regulations.

**Hon KEN TRAVERS:** You have got to ask the question why it took seven years to develop the regulations.

**Hon NIGEL HALLETT:** I am just changing direction slightly. I am going to talk about the Indonesian trade office. We notice that the government has just appointed a new trade commissioner, which is very good news. We notice how active the Victorian trade commission is there, with 14 staff. The one question I am going to ask is: is Western Australia going to pay someone from the department in Indonesia, because that is one of our biggest trading partners? Agriculture is not a difficult game. It is about production, a buyer and profit. I think what we have heard this morning is that we have tied the whole thing up in a lot of red tape. I suppose the next question is: is the director general going to visit Indonesia or when is his next trip overseas promoting agriculture?

**Hon KEN BASTON:** I share your concerns that the Indonesian trade office is extremely important. Indonesia is our biggest buyer of grain and it is our biggest receiver of cattle from the north as well. On 2 January 2015, the Premier announced he would adopt a new trade office model up there. I believe a new regional director, Mr Chris Barnes, has been appointed by Department of State

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Development, and I think that is very positive as recognition. I refer the last part of your question to my DG.

**Mr Delane:** The Department of Agriculture and Food funds offices in a number of overseas locations. We have for some time funded staff in Jakarta and we will continue to do that. We are changing our modus operandi and we will be funding a locally contracted staff member who will work under the supervision of the regional director, Chris Barnes. There is similar model to what we operate in China. My department funds two officers in the Shanghai office of the Western Australian trade and investment office and we will soon fund an initiative we call “WA to HK”, a Hong Kong–focused initiative that will also be managed through the Shanghai-based trade office to boost the opportunities for WA businesses for fine food and wine into the Hong Kong market. We also fund, as of November last year, a locally employed officer in the Dubai trade office who has a particular focus on the Saudi Arabian market and premium fresh food into the Middle East. That is a clear direction that we have set, strongly supported by Minister Baston and Minister Redman. Subject to the government’s consideration of a royalties for regions project called “Asian market success”, we would intend to boost the locally employed staffing in key markets and for highly focused activity.

I have visited Indonesia twice in my term, in 2011 and 2013. I have no specific plans yet to visit Indonesia, but I expect I will do so subject to the minister. I will be travelling on a midnight flight tonight to China, again in support of Western Australian–based companies developing markets and trade in China. I will be in China for a week in support of a number of initiatives in northern and central China.

**Hon PAUL BROWN:** On page 546, there are two dot points down the bottom relating to long-term prospects to Western Australian agriculture and food. I will not go over them; they are there for everyone to read. In light of some of the conversation and debate we have had in this house over the last year or so about the environmentally sensitive areas legislation, can the minister and perhaps the DG provide us with information about the impact that those ESAs will have on our high-value farmland certainly in the Agricultural Region and the south west corner? Currently, the inability under the act to clear regrowth and graze livestock in those areas covered by the ESA requirements—some 92 000 parcels of land across the Agricultural Region and south west corner—would make that high-value farmland non-usable in a lot of cases, given that the DER has not done any work on the ground to identify those parcels of land. Also, has the agriculture department been asked for any input into the DER’s draft grazing regulations in regards to a lot of the ESA land?

**Mr Delane:** I am not aware that we have been asked at all for official input to that. At an officer level we may have staff who are on working groups with DER on grazing regulations. We routinely have staff who are contributing to planning, both land-use planning and environmental planning, work and regulation, of other agencies, and senior managers would not necessarily be aware of that. But, as I say, I am not aware of any official input. We do have quite substantial input to related issues—major Peel–Harvey catchments and other catchments currently—which is relevant and will inform the work of other agencies, but at this stage I am not aware of any formal involvement.

**Hon PAUL BROWN:** Have you got anyone in the department who actually is aware of the coverage that the ESAs have over the Agricultural Region basically from Jurien Bay in the north all the way down to Walpole out to Esperance—some 92 000 parcels of land that are covered by ESA legislation, which basically restricts them to no clearing, no grazing where there is native vegetation or wetlands? On the map that has been available, most of the south west corner of this state is covered by ESA. I would say that that is a grave risk to the profitability and the expansion of any agricultural industry, given that we are, as we keep saying, in the dining boom and in expansion of the industry.

**Mr Delane:** We will have staff in our land and water use policy areas who will be aware of this work. The member is very well informed, but we have certainly had no representation to us. I am

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not aware that we have had any representation to us by industry on this matter, and certainly it will be something we will be having a closer look at—certainly numbers the members quotes are news to me.

[12 noon]

**Hon PAUL BROWN:** Can the DG or the department provide us with some information around some of the 92 000-plus parcels of land; and, if you can, identify those areas that are going to be impacted by the DER's continued support of the environmentally sensitive areas act?

[*Supplementary Information No A5.*]

**Hon DARREN WEST:** I have some more questions, if I could return to biosecurity briefly, that I have just had sent through. They refer to the legislation and the powers of prescribing an area as per the Biosecurity and Agriculture Management Act. I might just briefly ask them and see whether you can answer them for me now, because they are about resourcing of the area of biosecurity. Under what authority do you as minister prescribe an area as per the Biosecurity and Agriculture Management (Declared Pest Account) Regulations 2014? Why is there no correlation between a specific area of a recognised biosecurity group and the area prescribed under the regulations?

**Mr Delane:** Sorry, Chair, I can only just hear, and it sounds quite technical so we will take it as a supplementary and provide a detailed response.

**Hon DARREN WEST:** Yes, there is a bit of information that comes with it that I am happy to pass on.

[*Supplementary Information No A6.*]

**The ACTING CHAIR:** Is everyone clear what the question was? It will have been taken in detail by Hansard.

**Hon DARREN WEST:** Also on biosecurity, I am referring to page 546 and “Significant Issues Impacting the Agency” and the fifth dot point on —

**The ACTING CHAIR:** Sorry, member, could I just get you to speak a little bit more directly into the microphone, and I know I am rushing everyone, but if you could just slow down the question.

**Hon DARREN WEST:** It is very rare I am accused of not being loud enough!

I refer to page 546, under the heading “Significant Issues Impacting the Agency” and the fifth dot point reads —

... focus on building the combined ability of governments, industry and the broader community to recognise, prioritise and deal with biosecurity and natural resource risks.

How much has been set aside to implement any issues that may be raised in the state biosecurity strategy currently in draft form? If nothing, how will the strategy proceed?

**Mr Chennell:** As I said earlier, the state biosecurity strategy is still in formation and is not approved or completed. So in terms of specific funds to address that strategy or to support that strategy, I cannot answer the question.

**Hon DARREN WEST:** How many regional biosecurity groups have been established to date, where are the groups located, and how much has been transferred to date in this financial year to each of those groups from the declared pest account?

**Mr Chennell:** Currently, we have the Kimberley RBG that in 2015 collected \$335 000 in rates that was matched by government. The Pilbara RBG collected \$185 606 that was matched again by government. The Carnarvon RBG collected \$302 860; the Meekatharra RBG collected \$196 472; and the goldfields collected \$266 784. That was a total of \$1.2 million that was matched by government. As the minister indicated earlier, the eastern wheatbelt RBG has formed, but I understand it is yet to establish a rate and collect rates.

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**Hon DARREN WEST:** Thank you. How much has been allocated, if anything, from DAFWA towards combating cane toads? If DAFWA does provide some funding, which groups have been funded for this to date, and how much to date has been allocated in the last financial year?

**Mr Chennell:** DAFWA is not responsible for cane toad management and no funds have been allocated.

**Hon DARREN WEST:** How much has been spent to date to address the issue of cotton bush?

**Mr Chennell:** I did outline earlier some of the activities in terms of cotton bush. I cannot give a figure, but I did express some of the activity. I can take that on notice.

[*Supplementary Information No A7.*]

**Hon DARREN WEST:** Given that the Standing Council on Primary Industries no longer exists, how many, if any, joint meetings have been held between federal and state ministers responsible for agriculture specifically to discuss biosecurity matters?

**Mr Delane:** Biosecurity matters?

**Hon DARREN WEST:** Biosecurity matters.

**Mr Delane:** When COAG decided, almost two years ago, that agricultural primary industries would no longer be a standing council, it was reverted to what is known as AGMIN—agricultural ministerial forum—that principally deals with agriculture matters but also, as relevant, fisheries and forestry matters. Routinely, a ministerial council, or ministerial forum, meets twice a year, and is supported by the CEO group now called standing AGSOC—the Agriculture Senior Officials’ Committee—which also meets twice a year. The ministerial forum most recently met in Sydney in May, and I think it is pencilled in to meet again in November. Biosecurity is usually a major topic on the ministers’ and CEOs’ agendas.

**Hon DARREN WEST:** I am done on biosecurity, but I have some more questions about the royal show.

**The ACTING CHAIR:** Make this one your last question for this round, and then we will move on.

**Hon DARREN WEST:** I am just curious given some recent media. I refer you to page 552 of budget paper No 2 which shows details of controlled grants and subsidies and the RAS show concession. There is a line item in the budget of \$800 000 under the heading “Show Concessions—Free Entry for Children”. Can I just have it clarified whether that is for the Perth Royal Show or for other shows?

**Hon KEN BASTON:** That is actually for regional shows that was in there. However, that still has to go to a business case, and then back to cabinet for approval. That is the \$800 000 you are talking about?

**Hon DARREN WEST:** Yes, \$800 000; correct.

**Hon KEN BASTON:** That is for regional shows only.

**Hon DARREN WEST:** Can I just have it clarified that there is no funding in the budget for free entry for children to the Perth Royal Show?

**Hon KEN BASTON:** That is correct.

**The ACTING CHAIR:** Are you moving off shows?

**Hon DARREN WEST:** I have a couple more questions on shows.

**The ACTING CHAIR:** Okay.

**Hon DARREN WEST:** Which communities will be affected or benefit from the \$800 000 allocation to attend regional shows?

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**Hon KEN BASTON:** The allocation has to have a business case first and, obviously, it would only be regional areas. That has been the case when the royal show has been funded for \$1.2 million in the past. If I just go back, the royal show, of course, has been funded by \$1.2 million for the last four years. Last year it was actually in the budget for Agriculture; the year before it did not come out of ag's budget, but they were the Year of the Farmer and the Year of the Family Farm. But going back before that, it was actually COAG that came about, and then the royal show decided that because of COAG they had to adjust their time, and that is when the funding came. Going right back before that was done, in 2004, Geoff Gallop actually funded the royal show for one year.

[12.10 pm]

**Hon DARREN WEST:** Will regional ag societies need to apply for funding or will there be a direct allocation to them; and what is the criteria?

**Hon KEN BASTON:** I refer that to the director general.

**Mr Delane:** I expect that any business case brought forward to cabinet for this will include an application process, which is normally how we have done that. The criteria are generally quite broad, so an agriculture-related show or similar event has been able to secure funding. I expect that given the success of previous programs, the criteria will be very similar to previous programs.

**Hon DARREN WEST:** That is the end of show, Chair!

**The ACTING CHAIR:** I have a deep and abiding interest in agriculture shows as a former sponge-making winner and best-addressed-envelope winner.

**Hon NIGEL HALLETT:** Going back to cutting the royal show funding. It has been a very successful promotion over the last few years. The feedback I have had to the office has been of great disappointment that it has been done. I suggest a portion of it would have been acceptable but did you look at cutting the funding to RSPCA, which is purely from the agricultural budget? What return are we getting from that when we are trying to take the country to the city and deliver to the city 400 000 kids that have gone to the show. There is no question that going through the agricultural promotions has been very successful. Did you look at taking part of the RSPCA budget and putting in a part budget to the royal ag society? They both start with "royal" but you seem to have duded the agricultural section and gone with another section.

**Hon KEN TRAVERS:** He is your mate, is he not?

**Hon KEN BASTON:** The very simple answer is, no, but as you are aware, honourable member, we have a committee of inquiry into who you have referred to; therefore, I do not think it is for me to comment to do any parallel with them. On the \$1.2 million we put into the show before, the idea was to give it that extra boost and recognise family farming. I do not believe the Royal Agricultural Society, will suffer that greatly. Last year the number of kids who went actually dropped off, which was a little disappointing.

**Hon NIGEL HALLETT:** It was a very wet week, too.

**Hon KEN BASTON:** There is no reason why, maybe in another budget next year, we would not look at funding that from our budget, hopefully, with things improved.

**Hon KEN TRAVERS:** I am happy for Hon Nigel Hallett to have another one before I do. I enjoyed his question.

**The ACTING CHAIR:** Hon Nigel Hallett, Hon Ken Travers is being very generous; he must like the questions you ask.

**Hon KEN TRAVERS:** I want to hear his next dorothy dixer.

**Hon NIGEL HALLETT:** Going back to R&D, where does the department see its role? Who will fund it over the next five years and in five years' time? We are all aware our production per hectare is not growing at the rate of demand. I was in Indonesia a couple of weeks ago and that was made

very clear to us. We are falling way behind. On a world basis we have gone out of the top 10 to ranking at number 24. Our R&D has slipped behind. Where do you see our picking that up to get back up on the world stage?

**Mr Delane:** At the risk of repeating myself, we routinely make recommendations to government and other funding parties about what we believe are the priorities for the application of any R&D funds and, of course, to seek R&D funds. If we had a lot more R&D funding, clearly we would apply it in the best priority way we can. We have been very actively involved in a national collaborative effort now for nearly 10 years in what is known as the national research development and extension framework, endorsed by ministerial council, I think, first in 2006, where all primary industries' agencies and R&D corporations and, increasingly, universities and the CSIRO, are actively involved in collaborating to optimise the outcome from the national RD&E effort in agriculture and other primary industries. The simple rules around that have been national research, regional development and local extension.

My department has led nationally with the Grain Research and Development Corporation, the grains RD&E strategy, and also with Australian Wool Innovation, the wool strategy. To the limit of the resources allocated to us and that we can partner with GRDC and the like, we see it still as a very high priority. I think Dr Sweetingham's articulation of our GrainsWest proposal clearly indicates that. R&D has always been our biggest contribution to the grains sector. Outside of biosecurity, it is our biggest activity area to date. We are well progressed in the early stages to formally recommend to Minister Baston and the government the establishment of GrainsWest either as a not-for-profit company or potentially as a for-profit company, not to make a profit, but to provide some different flexibility. That company could be more than 150 staff. We also have a proposal being developed at the moment to substantially boost the facilities for GrainsWest and other partners at Northam when we talk about a capital injection of potentially \$30 million or more. I think that illustrates the approach for us where we have resources. In some of the other areas, we have had very limited resources for a very long time. We have not done any R&D, I think, in chickens and eggs, for example, since the early 1990s, so it depends on the industry sector. We agree absolutely with the member of the need for productivity improvement for industries and their businesses to be competitive. We will be talking with industry this afternoon about how we continue to work very closely together to get the right focus of R&D. With quite a few of them, we have a different conversation about who can fund that. I think the issue is: Who can fund it?

**Hon NIGEL HALLETT:** What is your attitude with seeing GM canola being introduced? Where do you see GM wheat in the picture now?

**Mr Delane:** My understanding of the question is where do we see GM crops; GM canola?

**Hon NIGEL HALLETT:** GM wheat.

**Mr Delane:** The policy regulatory decision is clearly one for the Western Australia government. The current legislation is subject to the national approval of GM crops for use within Australia. My Department has always been strongly supportive of the best available science, which indicates that GM technology and crops can provide significant benefits in production, sometimes in the environment, to consumers. So we support the conduct of that sort of work. The new-genes-for-new-environments facilities which are being constructed at Merredin and Katanning are in place specifically to enable other organisations to carry out GM crop work. We do not fund any GM crop work directly but we provide, if you like, a field laboratory for that sort of work to be done at Merredin and Katanning.

**Hon KEN TRAVERS:** Has the department done any estimation of what it would cost to take over the prosecution functions currently undertaken by the RSPCA?

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**Mr Delane:** I think the answer to that is no. The legislation passed in this Parliament currently has it another way, so until a decision is made for that to change, I probably would not do any work to estimate that.

**Hon KEN TRAVERS:** Currently, there is the option that you could upgrade your own investigation and prosecution functions to replace the activities undertaken by the R&D under the existing act, could you not? There is nothing to prevent you from setting up a hotline for cruelty complaints, having a team that goes out and investigates those cruelty complaints, and then takes the necessary actions including prosecution. There is nothing under the current Animal Welfare Act to stop you doing that as an agency, is there?

[12.20 pm]

**Mr Delane:** Chair, I will try to answer the question. I think, member, it would be a resourcing issue. In effect, could we shade out the operations of the RSPCA in this area by being very active ourselves? Given that the law currently provides for RSPCA-employed officers, who are gazetted general inspectors, to initiate prosecutions, then no amount of resourcing necessarily achieves the result that I think the member is implying. But clearly it is open to government to allocate more resources through its department to carry out education and regulatory compliance and prosecution actions in this area. RSPCA-employed inspectors would still be able to initiate prosecutions.

**Hon KEN TRAVERS:** Not if they were not appointed as inspectors under the act. That requires a decision of the government to do that, does it not? If it removed their appointment as inspectors under the act, then just do it in-house, could you not? If the minister has problems with the RSPCA, he could do that now, but you would need to resource your agency to do it.

**Mr Delane:** Chair, I am happy to take it on notice, but I am sure this house will discuss this matter further. As the law currently stands, officers are recommended to me as director general for appointment as general inspectors and are subject to obvious checks. I need to appoint those. So we are not in a controlling seat here, and I am sure the minister has initiated a review of the operations of the legislation and that review is in train and will report to the minister by the end of August. I expect the expert panel will make some recommendations in that regard as it relates to the efficiency and effectiveness of the operation of the act. I am sure there will be other considerations of the issues the member raises.

**Hon KEN TRAVERS:** But as an agency, in terms of the amount of money we provide to the RSPCA and the work that they undertake in terms of investigation and prosecution of incidents of cruelty in this state, to replace that would it run into the millions of dollars compared to the hundreds of thousands of dollars that we currently provide the RSPCA? Are we getting good value for money compared to if you had to do that work in-house?

**Mr Delane:** I am not sure about the value-for-money judgement, but it is a fact that the cost of the current RSPCA compliance operations, their education, field, regulatory activity et cetera is substantially more than \$500 000.

**Hon KEN TRAVERS:** I understand the agency and the minister have had concerns about the operations. How have they been addressed, and are you now satisfied with the way in which they undertake their operations?

**Mr Delane:** Chair, it is a matter of open record, I think, that there have been concerns. I think this is not something that should be unexpected, you know. This is a challenging area and when it is delivered through different organisations particularly challenging. Most of those issues have been addressed immediately and directly with the RSPCA management, and today we have a very good working relationship with RSPCA. As I indicated, the minister has initiated a review of the overall operation of the act, which is principally through Agriculture and Food and the RSPCA, although clearly local government also can and does play some role here. I expect that review to address some of the issues the member raises.

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**Hon KEN TRAVERS:** Just to finish off on the review issue, who has replaced Mr Ball on it?

**Mr Delane:** Dr Ashley Mercy, former director of livestock biosecurity and chief veterinary officer.

**Hon KEN TRAVERS:** My final question —

**The ACTING CHAIR:** On the RSPCA?

**Hon KEN TRAVERS:** No.

**Hon RICK MAZZA:** I have one question.

**The ACTING CHAIR:** I have two RSPCA questions and five minutes. Can you make your question and the answer within one minute each?

**Hon RICK MAZZA:** I have just one quick question. Considering that the department is charged with overseeing the Animal Welfare Act, does DAFWA oversee each prosecution that is preceded by the RSPCA?

**Mr Delane:** Perhaps I will refer the member to the legislation, which needs to be read in detail to see how the appointment and the operation of RSPCA inspectors is able to be conducted and is conducted. We do not have that authority, and so it is open to any RSPCA inspector to initiate a prosecution.

**Hon RICK MAZZA:** To initiate that prosecution, but do you actually oversee the prosecution?

**Mr Delane:** No, we do not.

**The ACTING CHAIR:** Okay, members, we have four minutes left and I will ask Hon Ken Travers to take us out; thank you.

**Hon KEN TRAVERS:** My last question that I want to ask, and you may have to take it on notice, is that since 2008–09, back when you had about 1 565 staff, I think you budgeted to have 1 591— but the year before you had 1 565, so that might have been 2007–08—how many of the jobs have been lost in regional WA? And going forward when you get to 700, how many jobs and in what locations will they have been in terms of outside the metropolitan area?

**Mr Delane:** Chair, I can read the numbers or we can provide them later.

**Hon KEN TRAVERS:** Not the total numbers, just in regional WA.

**Mr Delane:** Perhaps I will just read two numbers for each of the years. In 2007–08 the grand total was 1 545, metropolitan was 1 820. In 2008–09, 1 518 and 825; in 2009–10, 1 403 and 768; in 2010–11, 1 233 and 680; in 2011–12, 1 208 and 685; in 2012–13, 1 165 and 676; in 2013–14, 1 129 and 668; in 2014–15, 1 083 and 642. So, I think today the last calculation I saw is that we currently have about 59 per cent metropolitan staff and 41 per cent in the region. It has been roughly that number, 41 per cent or 42 per cent regional staffing, for some years now. You need to go back quite a long way until when it was approximately around 50–50, but I am not sure that we ever had a position where more than 50 per cent of the department staff were based in the regions.

**Hon KEN TRAVERS:** And the cuts, the reduction, of 200 over the next two years, how many of those do you expect to be in regional WA? You will maintain that 60–40?

**Mr Delane:** The best estimate today would be equal.

**Hon KEN TRAVERS:** Equal?

**Mr Delane:** But we have implemented a number of measures, including where we target voluntary severance programs, regional relocation, the GrainsWest initiative, all of which are aimed at getting our operations as close—where it is farm production-based work and biosecurity workers—to the businesses as possible. If you follow those through, we should see an increase in the percentage of the department staff based in the regions. I doubt we would get to be in the near future more than about 45 per cent based in the regions, 55 per cent in the metro.

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**Hon KEN TRAVERS:** But at the moment those 200 will be 50–50. Can we have supplementary information, though, about what the location of those regional positions that have been abolished are?

**Mr Delane:** Yes, we can.

[*Supplementary Information No A8.*]

**Hon NIGEL HALLETT:** Mine is probably just a closing comment. I found it quite a fascinating morning here. I am certainly disappointed at the outcome or the outlook that the department has got and where you have travelled over the last four years. I think all of us feel we had never seen a better outcome in our lifetime for agriculture than what it has got. We have got demand that is going to outstrip supply, but we have got a department that is more focused over the next two years on further cuts, and we have all questioned in this house: why have a department if it finishes up where we are going? We know the KPIs of the department —

[12.30 pm]

**Hon KEN TRAVERS:** The cabinet has the same view, the way they are cutting it.

**Hon NIGEL HALLETT:** We know the KPIs are very disappointing. Are you the right person to lead agriculture into the entrepreneurial path?

**The ACTING CHAIR:** Member —

**Hon KEN TRAVERS:** Sorry, is he asking the minister?

**The ACTING CHAIR:** I would ask you to direct it to one or the other—either the minister or the director general, and to keep your comments very brief, because we are about to close.

**Hon NIGEL HALLETT:** Obviously, on KPIs, it is directed towards the director general. Do you think you have the entrepreneurial and industry focus to move the growth there, or are more focused—you are harder than my bank manager—on the cuts that you are putting in?

**Mr Delane:** Perhaps, just to help the member, firstly, the director general and the executive team do not put the cuts in. You refer to them as cuts; we do not. Our job is to respond to the resources available to us. That is exactly what we are doing. Over recent years, under Minister Redman and now Minister Baston, the department is responding with a level of agility rarely seen in government departments to both resize and reshape.

**Hon KEN TRAVERS:** That is a lovely description of what is happening to the Liberal Party!

**Mr Delane:** And we have a very strong entrepreneurial focus, if I interpret the member's comment accurately, as it would relate to a government department. I am very confident that with the resources appropriated to us, we are and will continue to do the best we can to help the agricultural sector to move to double its value. I think the executive team shares that confidence that our people are focused on that to the extent that they are resourced to do so.

**The ACTING CHAIR:** Thank you, director general. On that note I will now formally close the hearing. The committee will forward any additional questions it has to you in writing in the next couple of days, together with the transcript of evidence, which includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. On behalf of the committee, thank you for your attendance today and good luck.

**Hearing concluded at 12.32 pm**

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