Division 16: Primary Industries and Regional Development — Services 6 and 7, Agriculture and Food, $138 536 000 —

Ms S.E. Winton, Chair.

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

Mr R. Addis, Director General.

Mr N. Grazia, Deputy Director General, Industry and Economic Development.

Ms H. Brayford, Deputy Director General, Sustainability and Biosecurity.

Mr M. Sweetingham, Managing Director, Research, Development and Innovation.

Ms M. Taylor, Chief Financial Officer.

Ms K. Clift, Executive Director, Biosecurity.

Dr B. Mullan, Director, Livestock Research and Development.

Mr G. Hamley, Chief of Staff, Minister for Local Government.

Mr C. Thurley, Chief of Staff, Minister for Agriculture and Food.

[Witnesses introduced.]

The CHAIR: I give the call to the member for Geraldton.

Mr I.C. BLAYNEY: Thank you, Madam Chair. Minister, I refer to page 210 of budget paper No 2, volume 1. Under the heading "Regional Industry and Community Development Investment Facilitation" is the line item "Employees (Full-Time Equivalents)". Are there any plans to further cut FTEs? Can the minister advise the number of staff across the three agencies, and how many graduates does the department intend to take on in 2020–21?

Mr D.A. TEMPLEMAN: I thank the member for the question. The member is referring to the total cost of service, net cost of service and employees for service 1. The Department of Primary Industries and Regional Development continues to develop its financial modelling for the attribution of costs, income and FTEs to services. The allocation of costs, income and FTEs by service for the 2018–19 budget was done at a high level, following machinery-of-government changes and limited integration of core systems and reporting tools. The allocation of costs, income and FTEs by service for the 2019–20 budget is on a project basis when possible, and this has resulted in a large discrepancy between this budget and the previous budget, and for all other financial years. It is acknowledged that this approach does not provide the most accurate forecast. However, the department does not yet have the systems, resources or data to complete this process in an accurate and timely manner. As a result, the department is still in the process of amalgamating three separate finance systems. Those systems were utilised by the three previous departments.

Mr I.C. BLAYNEY: Coming back to the question, can the minister give us the number of staff who are in agriculture, fisheries, and the Department of Primary Industries and Regional Development but are not committed to either agriculture or fisheries—the balance, if you like—and who must be running the larger department?

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

Mr R. Addis: Thanks, minister. It is the case that the new department is generally integrated, so there is no longer a fisheries part, an agriculture part and a regional development part. I suppose traces of the three former agencies are spread throughout the new structure. The current total FTE is approximately 1 640. The previous budget trajectory had us on a path towards about 1 300 FTE, so I think that is the long understood budget challenge that the department has faced. Through this budget result, the stable FTE base will be in the order of 1 580 to 1 590.

Mr I.C. BLAYNEY: We cannot really get a figure of the number of staff dedicated to particular areas, but does the department intend to take in any graduates in either 2020 or 2021?

Mr R. Addis: It is a very good question. We have a number of graduates—I do not have that number to hand—but we are in the midst of redesigning the organisation and moving to a new structure in which there is a reasonably strong focus on grads, particularly in the science space. We are seeking to rebuild some skills and capabilities in that area, but I do not have the specific numbers to hand. I am looking at Dr Mark Sweetingham over there; he does not have that figure either. I am sorry, but I cannot answer that offhand.

Mr I.C. BLAYNEY: I would assume, if there is no budget for it and no plans in place to do it, the department will not be taking on any graduates in 2020, and it will be questionable in 2021, I would have thought.

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

Mr R. Addis: The issue is not that there is no budget for it; there is a reasonable budget. For the first time in quite a number of years, we have a stable and reliable budget base to work from. The question relates to the restructure that we are in the middle of. We have not finished the redesign, which will include a number of graduate intake positions. We have not finished that work, so that is the reason I cannot give the member a clear number.

[5.10 pm]

Mr R.S. LOVE: I refer to the Treasurer's budget speech when he announced that the budget has an additional $131.5 million in expenditure for agriculture. How much of this funding comes from consolidated revenue and how much has been provided by the royalties for regions program?

Mr D.A. TEMPLEMAN: I thank the member for the question. I think he is referring to page 205 of budget paper No 2. He did not specify it. The $131.5 million in new expenditure is clearly the government's proposal to make sure that we support the agricultural industry and businesses. We also understand the importance of protecting that industry's biosecurity. The government is very focused on helping agribusinesses access critical export markets. I think it is very apparent that the Minister for Agriculture and Food and the McGowan government have arrested the funding decline under the previous government's regime. David Stoate, chair of the Kimberley Pilbara Cattlemen's Association, said in reference to Minister MacTiernan that she has stopped the bleeding. We have provided an extra $131.5 million for the Department of Primary Industries and Regional Development and this, of course, will return to that department, and demonstrates our strong support for the industry, particularly as it was gutted and decimated by the previous government. I will ask the director general to give a bit more background on that funding.

Mr R. Addis: The budget trajectory that the department was on until this budget had us heading from an FTE base of 1 750 towards roughly 1 300. This installs a flat, stable and fairly normalised budget base for the department at about 1 580 FTE. The $131 million of new expenditure committed for the department consists of $58.7 million in new consolidated appropriation; new RforR allocation of $19.6 million, from memory; plus a mix of other externally generated funds and levies and fees.

Mr R.S. LOVE: It is from externally generated fees.

Mr R. Addis: Yes. The department generates a range of external revenues through levies and charges, fees and partnership funding for research and development and the like.

Mr R.S. LOVE: Does that then mean that of the actual $131 million boost, there is $78 million of actual government money in there, of which only $58 million is from the consolidated account?

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

Mr R. Addis: Fee and levy revenue is government money, so I am not sure whether we can categorise that as anything other than government money. It is due and payable for very legitimate reasons. That is right.

Mr R.S. LOVE: How are fees and levies new money? Surely, the fees and levies have been levied in the past?

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

Mr R. Addis: It is growth in those revenues.

Mr D.A. TEMPLEMAN: In answering the question, I think we need to look at the endorsement of key stakeholders. According to my notes, WAFarmers CEO, Trevor Whittington, highlighted —

> "This is the first time in over a decade we've seen some serious new money going directly into the department".

In reference to the McGowan government and particularly in reference to Hon Alannah MacTiernan, the minister, he said —

> "They reversed them and they've put additional money in over and above, so it is a credit to the Minister, Alannah MacTiernan, and the Treasurer".

This is a significant injection after years of decline under the former government's regime, and I think the member should welcome it.

Mr R.S. LOVE: I am trying to get to the bottom of how much of the money invested in there is government money, how much is money from other sources and how much is from royalties for regions, which is usually funding for a program on a fairly short-term basis. To say that there is $131 million of government investment in there seems a little bit of a long bow to draw if only $58 million of consolidated funding is going in there along with royalties for regions money and some money from external sources. I am still unsure about what that money is.

Mr D.A. TEMPLEMAN: As the Treasurer highlighted in his second reading speech, I recall, this is a significant boost to the agricultural sector of Western Australia. This $131 million reverses the trend of severely declining funding under the former government's regime, and we stand by the $131 million.

Mr R.S. LOVE: What is the total expenditure for agriculture in 2019–20, including royalties for regions funding?

Mr D.A. TEMPLEMAN: I am advised that the defined figure is part of the broad departmental appropriation. That appropriation shows a $131 million boost within the agriculture area, and that has been widely supported and applauded by the sector as a commitment by this government to the importance of the industry. I will ask the director general to make further comments.

Mr R. Addis: I think the key point of the budget result is that the department legitimately gets off that continuing decline towards 1 300 full-time equivalent positions as a resource base and establishes a flat, reliable and largely certain resource base at 1 580. That means that we can start to rebuild and reposition with some confidence and get on with the task of delivering on both primary industries and regional development tasks.

Mr R.S. LOVE: Is the $130-odd million over and above the replacement of the $40 million in budget cuts made by the government in the previous budgets from the royalties for regions expenditures in agriculture?

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

Mr R. Addis: I am not familiar with the $40 million.

Mr R.S. LOVE: My understanding is that the previous government had allocated $40 million to agriculture and Seizing the Opportunity that was not expended by the current government. Is that $131 million on top of the replacement of the $40 million or is it $90 million on top of the $40 million that would have been there?

Mr D.A. TEMPLEMAN: The member would need to refer to a line item in the budget papers for his claim about the $40 million. He has not indicated where he is referring to in the budget papers for that particular figure.

Mr R.S. LOVE: I will let it go for now.

Dr D.J. HONEY: I am intrigued by this topic. This was not one of my original questions. When the minister refers to a boost in savings, this is the Labor government's third budget.

The CHAIR: Do you have a line item, member?

Dr D.J. HONEY: It is the "Service Summary" table on page 209 of budget paper No 2, volume 1. When the minister is referring to that, he is referring to a boost from four budgets ago. Is that correct? He keeps referring to the previous government, but it seems to me that, this being the government's third budget, talk about a boost surely has to refer to a boost against the government's own budget. I am intrigued by the continued reference to a budget four budgets ago. It seems to be meaningless, given that, if I go more than two years forward on these tables, I find significant expenditures missing from this budget, and I am told it is not reasonable to forecast those ahead.

[5.20 pm]

Mr D.A. TEMPLEMAN: The director general, in his earlier response, highlighted the trend under the previous government.

Dr D.J. HONEY: But this is the present government's third budget.

The CHAIR: Sorry, member for Cottesloe, let the minister finish. This is not question time; it is quite a bit different.

Mr D.A. TEMPLEMAN: I had not finished my answer. I am sure that the director general can add to this, but earlier questioning highlighted the trending decline—as an example, in full-time equivalents declining to a projected 1 300. The base level has been halted by this government, and will be set at around 1 580, clearly showing that this government has arrested what the previous government was budgeting to deliver. In the budget papers, and in the budget speech by the Treasurer, a boost of $131.5 million has been highlighted. That is real money, and demonstrates our commitment, as the McGowan government, to the agricultural sector, and its importance to the economy and export markets. I will ask the director general to add to that.

Mr R. Addis: As the minister has outlined, we were heading towards 1 300 FTEs, which would have seen us spend the next three years in a continuing state of decline. This commitment puts us on a flat line and puts us in a position where we can look forward and get on with the task of delivering instead of declining. That is a pretty substantial shift after very many years of constant deterioration in the state's commitment, particularly in the ag space, so I think it is a pretty good step forward. It is fair to say that, in the last three or four years of the previous government, there was a significant replacement of consolidated account funding in the budget, particularly in the former Department of Agriculture, by royalties for regions project funding, which is inherently short-term. As we move a couple of years beyond the change of government, we are seeing a tailing off as those previous royalties for regions commitments run through and are completed, and that is why there has been such a steep decline. This arrests that steep decline, and puts a floor under it.

Dr D.J. HONEY: I am still absolutely intrigued, because if we are talking about a declining trend, this is the government's third budget. This is not the first budget the government is making; it is its third budget. The minister is referring to four budgets ago. If I look for royalties for regions expenditure—I can go through the table, but

I will not waste the time of the committee—and in fact if I go out into the third and fourth year of the royalties for regions budget now, a large number of programs are dropping off. For example, although not relevant to this portfolio, the surf lifesaving rescue helicopter funding drops off after two years. That is a common thing. I am intrigued about how the government can claim to have spent $130 million in arresting a trend. Any trend has to be owned by the government of the day, when it is its third budget in its third year in office. Just to clarify that, is this $131 million an increase, not against some mythical trend four years ago, which we all know is nonsense, but over last year?

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

Mr R. Addis: The member's point is very sound. This is the third budget under this government. Last year we clearly identified to the Expenditure Review Committee, through the budget process, that there was a structural challenge, which is the declining trend that we have talked about. The ERC, instead of a knee-jerk response to that, asked us to go away and do a comprehensive review of the organisation's business priorities, what we need to deliver, and how that compares with our resource base and the budget trajectory that we had been on. That was called a capability review. We were required to report back to the ERC as part of this year's budget process, which we have done. The $131 million is essentially the ERC's response to that capability review, which is aimed at putting us on a sustainable footing. In a tough fiscal circumstance, as we are in, it is fair to say that it is not everything that we would have liked as a department, but it is a very good step towards building a stronger department and arresting that long-term decline. That is a pretty structured approach from the ERC to the problem that we have been facing as a department.

Dr D.J. HONEY: Still, through the minister to the director general, that did not answer the question. Is this a $131 million increase in funding over last year, or what is the increase in funding over last year? It is a very straightforward question.

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

Mr R. Addis: Sorry, I should have been more specific. To be very clear, this is new money compared with the out years commitment in the previous budget. As I have described, it takes us from continuing on a trajectory downwards to being on a flat line from here. It is new money, but it does not increase our overall expense year on year.

Dr D.J. HONEY: I am getting quite frustrated now. I have asked a very simple question. Through the Chair —

The CHAIR: And also it is through the minister.

Dr D.J. HONEY: Through the minister—I am happy to do that. I have asked a very simple question. Is this $131 million above last year's budgeted amount, and is that the amount for the 2018–19 year, not the projected value for 2019–20; and, if it is not, how much more money is budgeted in 2019–20 above 2018–19?

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

Mr R. Addis: I have tried to be as clear as I can, given my limited ability. The budget was going down. It is going to go down a small amount and then stabilise for next year, so this is new money to fill that gap. It does not take us back up to levels that we have been at previously, but that is the reality of the situation that we face.

Dr D.J. HONEY: So if I go to the point, in fact there is no more money in this 2019–20 budget period than had been forecast to be spent in 2018–19. I do not care about the forecast for 2019–20 in 2018–19. It is in fact the case that it simply continues the expenditure level that we are likely to see in 2018–19. I still have not had an answer to the question, although maybe it was in there, and that is that under this budget, there was going to be a minor reduction from 2018–19 to 2019–20.

Mr D.A. TEMPLEMAN: This budget stabilises the levels, but I point out that under the previous government, under three different ministers, funding and staff numbers continued to decline. The department as it was then, overseen by particularly National Party ministers, saw those declines continue. The previous government also built another 37 per cent cut into its forward estimates. That is real, that is a fact, and this government has addressed those declines. In terms of the decline in FTE numbers, $131 million has been committed in this budget to boost the department's capacity. Under the previous government's regime, we lost skills and expertise. The department was gutted, and scientists and agricultural scientists were taken from the department. This government has arrested that decline and, looking forward, we will keep that expertise in Western Australia. We have focused on that.

[5.30 pm]

People who were traditionally supporters of the parties of the members opposite, including the Kimberley Pilbara Cattlemen's Association and WAFarmers, have acknowledged that under the previous regime, the whole sector was in decline, but under the McGowan government, through the Minister for Agriculture and Food, Minister MacTiernan, we have stopped that decline. We now have a base on which to again build up the resources and expertise of the department, and are very proud of that. Members opposite might want to forget about the past because they do not like the history, but we will remind them of it because under their government, particularly under the Ministers for Agriculture who were National Party ministers in the Barnett government, they did nothing to arrest that decline. In fact, they projected further cuts of some 37 per cent into the forward estimates. We proudly say that we have arrested that. We will build on that into the future so that agricultural stakeholders have stability and the department's capabilities are maintained and can grow in the future. In my view, that would not have happened if members opposite had been elected to government in 2017.

Dr D.J. HONEY: Is it fair to say that there is no significant change between the allocation from 2018–19 to 2019–20? Further to that, based on what the minister has said, can I go through the budget and state that the minister will make massive cuts to pretty well every department that he has under the treasury bench? If we look at the four-year estimates, there are substantial differences and reductions in the budget based on the first two years of the forward estimates.

Mr D.A. TEMPLEMAN: I think I answered the question. We have explored this question. I have responded and so has the director general.

Mr R.S. LOVE: In the responses to some of the questions that have been put, the director general responding for the minister has indicated that the money will be used to steady employment at a certain level. We have been told that the money is not in addition to the expenditure that the government would have made in the current financial year; it is merely holding that expenditure at that level. I refer to the table "Income Statement (Controlled)" on page 216, which lists some of the costs of services. Footnote (b) to "Employee benefits" indicates that the number of full-time equivalents for 2017–18 actual was 1 664, in 2018–19 it is 1 639, and in 2019–20 it will be 1 592. In effect, the money that has been announced as new money will simply hold the department at the level it was already at. Is that a fair statement?

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

Mr R. Addis: It is new money because in the absence of this new money, we would have continued toward 1 300 FTEs, as we have said a number of times tonight. It will have the effect of stabilising the department at the level the member just talked about.

Mr R.S. LOVE: With respect, that is not what I asked. I asked whether this money will simply stabilise the department at the 2017–18 level.

Mr D.A. TEMPLEMAN: I think I have answered this on a number of occasions. It arrests the decline that members opposite had projected under their forward estimates.

Mr R.S. LOVE: I do not think I need to ask another question on that, because it is clear that there is no new money.

The CHAIR: Do you have a new question, member for Moore?

Mr R.S. LOVE: Yes. I have new questions.

I refer to the outcomes and key efficiency indicators for the department. On page 210, one of the indicators of the success of the department is percentage change in the spatial extent of the south west cropping region. Footnote (b) refers to the level of soil acidity in the grain belt in the south west region. It states that a value of zero per cent indicates that, on average, soil pH has not deteriorated. How will the department measure that indicator right across the state?

Mr D.A. TEMPLEMAN: I will ask Dr Sweetingham to respond to that question.

Mr M. Sweetingham: I thank the member for the question. It will present a challenge. We are intending to tackle it through accessing large amounts of data that the liming industry and other fertiliser companies such as CSBP have in their databases. We will access information from farmers' own records when they send in soil samples to be tested for fertiliser requirements and the like.

Mr R.S. LOVE: Are farmers fully aware that their information will be used? Will the landholding be individually identified as part of this measurement?

Mr M. Sweetingham: Individual farmers' properties will not be identified as part of that process. The information will be presented in a granular way. Individual farmers or properties will not be able to be determined.

Mr R.S. LOVE: What would be the result of not meeting that target, and what actions will the department take?

Mr M. Sweetingham: As I think the member is aware, soil acidity is an important parameter for us to keep an eye on for the ongoing productivity of our grains. We have every confidence that we can meet this target through an ongoing process of demonstrating to farmers the value of applying lime and other processes in their farming system. This is to ensure that we do everything we can as a government to encourage farmers to do what is in their own best interests. This is becoming an easier proposition for us because farmers now have, through their grower groups and the current Grains Research and Development Corporation, become very acutely aware of this issue. They are now spending significantly more money on lime as opposed to other fertilisers, such as superphosphate, which the industry collectively invested in in the past. We believe we will see good results from these measurements. If we find through this process that acidity is increasing in certain regions of the state, we will analyse the data and discuss with industry what we might be able to do to arrest that decline.

Mr R.S. LOVE: Will the department engage in discussion with other government agencies, for instance, about making measures such as lime more cost-effective and more readily available to farmers? I am aware of some restraints on availability and the difficulty of getting that product to certain areas of the grain belt. Would the department help to identify those areas of need and what might be done to assist the industry to overcome those deficiencies?

[5.40 pm]

Mr M. Sweetingham: I think that is a perfectly reasonable expectation of what government and this department would be in a position to do. The member is right: lime is an expensive product, not in terms of its value per tonne, but moving tonnes of lime from coastal lime sources to the eastern wheatbelt is an additional expense that farmers in the eastern wheatbelt have to bear compared with their cousins closer to the coast. In R&D, we are already working with growers in the eastern wheatbelt to look at alternative sources to neutralise their soils, such as local gypsum deposits. There is now a range of research and demonstration work looking at the merits of using coastal lime with very high neutralising values compared with locally mined and distributed sources of what I will call lower-grade substances, in terms of neutralising power, such as gypsum. These are the things that we see as our core business to maintain the sustainability and productivity of our soils.

Mr I.C. BLAYNEY: I have a couple of questions about biosecurity. I refer to page 205 of budget paper No 2, volume 1. If we look at the budget figure under the Biosecurity and Agriculture Management Act for 2019–20, it is $5.375 million. It then dips to $3.824 million in 2020–21 and then rises again to $5.311 million in 2021–22, which is where it stays in 2022–23. Can the minister explain why that dip is there, please?

Mr D.A. TEMPLEMAN: My understanding is that it relates to levies, but I will ask the director general if he can clarify that.

Mr R. Addis: The levy is under the Biosecurity and Agriculture Management Act 2007, as shown in the budget papers. It is not clear to me why it dips. We are not sure, offhand, what the cause of the dip would be.

Mr I.C. BLAYNEY: I have a further question, once again relating to biosecurity. The FTE drops from 367 in 2017–18 to 361 in 2019–20. In addition, I noticed that the addition of "integrity" in the description means that biosecurity now covers animal welfare obligations. How many FTEs are involved in the animal welfare obligations?

Mr D.A. TEMPLEMAN: The member is referring to the FTE change. His question relates to the connection of that change to animal welfare requirements.

The CHAIR: Would you like to clarify your question, member for Geraldton?

Mr D.A. TEMPLEMAN: I am just trying to find exactly what the member is looking at.

Mr I.C. BLAYNEY: I have jumped to item 6, "Agricultural and Aquatic Biosecurity and Integrity", on page 212.

Mr D.A. TEMPLEMAN: What was the question again, member?

Mr I.C. BLAYNEY: In 2017–18, there were 367 full-time equivalents; in 2018–19, there were 371; and it is now down to 361. In addition, it also includes integrity matters such as animal welfare regulatory obligations. How many FTEs are taken up with the animal welfare regulatory obligations and in what area has the reduction in FTEs occurred?

Mr D.A. TEMPLEMAN: I thank the member for the question. I will ask the director general to comment shortly. I understand that that discrepancy relates to the ongoing development of the ultimate financial model for the attribution of costs, income and FTE services. We are in the process of determining the final financial modelling. It will influence FTE levels and costs and income. The allocation of costs, income and FTE by service for the 2018–19 budget was done at a high level following the machinery-of-government changes and limited integration of core systems and reporting tools. The allocation of costs, income and FTEs by service for this budget, the 2019–20 budget, is on a project basis where possible. This has resulted in a discrepancy—I do not think it is overly large but it is certainly a discrepancy—between that 2018–19 budget and the financial years. I will ask the director general to make further comment.

Mr R. Addis: I think the minister has covered it well. I can add that the number of staff, in FTE terms, who are committed to broadly animal welfare tasks is around 20.

Mr I.C. BLAYNEY: For how long has that animal welfare obligation been in this area?

Mr D.A. TEMPLEMAN: Animal welfare and issues around that relate to biosecurity matters, but I will ask the director general to respond.

Mr R. Addis: I understand that is where they have been housed long term, so there is no particular change in recent history. It dates back to the mid-2000s.

Dr D.J. HONEY: I refer to page 214 of budget paper No 2, volume 1, and the asset investment table. The wild dog program ceases in 2020–21. Given the answer the minister gave to the first question relating to commitments of the previous government four budgets ago, is it a fair statement to say that the Department of Primary Industries and Regional Development is abandoning pastoralists and farmers to wild dogs after 2020–21?

Mr D.A. TEMPLEMAN: The funding is part of the government's commitment, which is $28.6 million over four years to protect our stock industry from the impacts of wild dogs. The "Western Australian Wild Dog Action Plan 2016–2021" identified fencing as an effective nonlethal way to protect Western Australia's sheep industry from the impact of wild dogs. As part of the WA wild dog action plan, the government has committed $6.9 million towards the 660-kilometre Esperance extension to the state barrier fence. The McGowan government has used leverage co-funding from the federal government, local government and industry and established a funding shortfall of $250 000 to complete that commitment. The $6.9 million action commitment is in addition to the $4.8 million committed to the repair, upgrade and maintenance of the existing state barrier fence. The maintenance work is underway and is, indeed, a major success story in creating regional jobs for local Indigenous contractors. Over the last 18 months, 26 contracts have been issued to Indigenous businesses, totalling approximately $2.8 million. This includes fence materials, and over 30 people have been employed.

Highlights include 88 kilometres of the state barrier fence being replaced last year, another 100 kilometres being replaced this year and a 130-kilometre grading contract being completed for the cell fencing. Over $4 million of state and federal money has been allocated to help complete the 1 400 kilometre–long Murchison regional vermin cell, the 260-kilometre Murchison hub cell, the 950-kilometre Kalgoorlie pastoral alliance cell and the 362-kilometre Carnarvon rangelands barrier fence cell. This relates to the protection of stock from wild dogs. The program supports pastoralists in the rangelands to build cell fences to protect sheep and goats from wild dogs. Cell fence construction is underway and progressing well with three of the four cell fence groups; and preparations for the Carnarvon rangelands barrier fence cell, which was announced on 26 March 2019, are still being finalised prior to construction getting underway. A lot is happening on wild dog fencing. The director general has indicated that he would like to add to that.

[5.50 pm]

Mr R. Addis: I think that is a pretty good summary that shows that much of the heavy lifting in this area is being done through existing commitments. Going back to the initial question about what will happen after 2020–21, there is a requirement for a business case to go to the Expenditure Review Committee to ensure that we are able to continue with any of the government's ongoing requirements.

Dr D.J. HONEY: Based on what the minister and the director general told me about government budgets four budgets ago, an absence of an allocation or a reduction in an allocation is a commitment in this case to do nothing in those years. I was told that answer to those first questions.

Mr D.A. TEMPLEMAN: I think I have outlined very clearly in my previous answer the government's program for the protection of stock via its commitment to the Western Australian Wild Dog Action Plan.

Mr I.C. BLAYNEY: Under the program, is there some system for measuring the effectiveness of the fences both within the fences in those areas and the entry of dogs into agricultural areas? Is there some kind of on-ground measurement to see how effective the program has been?

Mr D.A. TEMPLEMAN: The member has asked a very good question and I am sure we have an appropriate officer to respond. I will ask Dr Clift if she could respond to the member's question.

Ms K. Clift: With respect to measurement of success for the dog-fencing activities, there are some challenges in that space, as we have wild dogs on both sides of the fence, as the member would be well aware. However, we know that the fence has been very successful, and that in areas where work has been done around the state barrier fence—and also the cell fencing, which has been undertaken in a number of areas now—the rate of predation, particularly on sheep, has significantly decreased. We monitor that and know the number of reports that have been coming in. We can measure and we do monitor that, and there has been a very significant reduction in those events over the time we have been measuring that, and that has been a very good indicator of success.

Mr I.C. BLAYNEY: Is it the intention that along with the fences, we will continue to provide funds for doggers to, if you like, complement the fence as a barrier and actively try to eliminate dogs in the pastoral zone?

Ms K. Clift: It is important to think about the recognised biosecurity groups and the roles that they play in this area. Recognised biosecurity groups have now been established over 95 per cent Western Australia, and they are established along the state barrier fence. All the recognised biosecurity groups through northern Western Australia and along the fence line have wild dogs as part of their planning and operational activities.

Obviously, the work of those groups is supported, dollar for dollar, by government contributions that match the rates that they raise.

Mr R.S. LOVE: I was going to ask about recognised biosecurity groups. What guarantee is there that the government dollar-for-dollar contribution will continue? Where will I find that funding in the budget? Given that a developing network of RBGs is involved in not only dogs, but also the control of pigs and various herbaceous issues, what plans are there to continue to match the ever-expanding network of RBGs dollar for dollar, and how much has been set aside in the budget for that purpose?

Mr D.A. TEMPLEMAN: On the predominant part of the member's question, my understanding is that under the Biosecurity and Agricultural Management Act it is a requirement to provide matching dollar-for-dollar funding. I suppose it is a statutory responsibility.

Mr R.S. LOVE: I have questions about the Biosecurity and Agricultural Management Act as well, so that is fine if the minister wants to talk about that.

Mr D.A. TEMPLEMAN: In terms of the amount in the budget that the member specifically wants addressed, I need to see whether we can locate that and highlight that to the member. It is on page 205—I will ask the director general to respond.

Mr R. Addis: On page 205, it is the line item referred to earlier, which in 2019–20 is $5.375 million.

Mr R.S. LOVE: Where is it?

Mr R. Addis: It is in top table, "Appropriations, Expenses and Cash Assets". I will refer to Dr Clift to ensure that I am not going down the wrong path. It is the line item that in 2019–20 has a budget estimate of $5.375 million.

Mr R.S. LOVE: Is that the money matching the contributions, is that the contributions from the groups, or is it both?

Mr D.A. TEMPLEMAN: I will clarify that with the director general.

Mr R. Addis: It is the government's dollar-for-dollar matching contribution.

Mr R.S. LOVE: So this line item anticipates a fall in rates to be collected and matched in 2020–21, because the allocation moves from $5.375 million down to $3.824 million?

Mr D.A. TEMPLEMAN: As supplementary information, I will provide to the member an explanation of the discrepancy, or the drop in the figure, in the 2019–20 budget compared with the projected 2020–21 budget in relation to the second line item relating to biosecurity and agriculture management.

[*Supplementary Information No B16.*]

Mr R.S. LOVE: I have further questions on the Biosecurity and Agricultural Management Act. What is the status of the BAM act review?

Mr D.A. TEMPLEMAN: The review of the Biosecurity and Agricultural Management Act 2007 is an election commitment. There is a requirement under section 194 of the act for the review to be conducted after each tenth anniversary. The Department of Primary Industries and Regional Development is developing a plan that details the scope, approach and timetable for the review of the act. Key issues for the review will include post-border and border biosecurity arrangements; management of environmental biosecurity threats; cost-sharing arrangements and costs for regulatory services; penalties; and the roles and priorities for community. Previously, it was advised that the review would be completed by the end of the 2019 calendar year. However, the timing of the review has been re-prioritised to commence in early 2020 in order to focus on the review of the Animal Welfare Act 2002 during 2019. That is current status of the review.

Mr R.S. LOVE: What consultation is it anticipated will be done? Whom will the government consult with as part of that review?

Ms K. Clift: Obviously, an act such as the BAM act has interest from a wide range of stakeholders. We will be looking at undertaking a public consultation process and engaging closely with a number of the stakeholders that have an interest, particularly in the biosecurity area, such as local government, industry groups and community groups involved in biosecurity.

Mr R.S. LOVE: The review of the BAM act was to be done in 2019, but the review of the Animal Welfare Act now comes ahead of it. When was it decided that the review of the Animal Welfare Act would take precedence over the review of the BAM act, because I understand industry has been waiting on that review for quite some time?

Mr D.A. TEMPLEMAN: Obviously, there are some statutory requirements in terms of time limits. It would have been a decision by the minister, I would have thought. The minister would have made a decision about the priority of the reviews. However, I do not think the review timetable contravenes the statutory requirements.

Meeting suspended from 6.00 to 7.00 pm

[Mr T.J. Healy took the chair.]

Mr I.C. BLAYNEY: I refer to page 207, budget paper No 2, volume 1. Paragraph 10 on the bottom of that page states —

> The Department will continue to ensure its service delivery model supports the State's primary industries and regions to capitalise on their growth potential.

Taking that in mind, the minister is probably aware that Western Australia has three irrigation areas that are set under a cooperative—one is at the Ord River, one is at Harvey and one is at Carnarvon. I do not know about the other two, but I assume they are the same as Carnarvon. In Carnarvon, a grower has to be a member of the cooperative to get water at the grower's rate. If a grower was to be expelled from the cooperative on whatever grounds, what actions would the government be prepared to take to ensure that the grower was not penalised for not being able to access water at the farmer price, which is a fraction of the price they would otherwise have to pay?

Mr D.A. TEMPLEMAN: I thank the member for Geraldton for his question relating to note 10. I am grappling with how the content of the member's question relates to that statement on page 207. Is there any clarification on that?

Mr I.C. BLAYNEY: I think this is actually a substantial impediment in these areas to the growth of the industry if growers are unable as a result of this action to access water at that price.

Mr D.A. TEMPLEMAN: Member, I appreciate the question. I am not trying to avoid it, but I understand that the appropriate minister that this relates to is the Minister for Commerce. I am advised that the cooperative arrangements come under the Minister for Commerce; therefore, the member's question would be better directed to the Minister for Commerce. That is my understanding.

Mr I.C. BLAYNEY: So, what the minister is really saying is that the Department of Primary Industries and Regional Development does not see this as an issue that it has anything to do with?

Mr D.A. TEMPLEMAN: The advice I have received is that the overall responsibility with regard to the cooperative the member mentioned comes under the jurisdiction of the Minister for Commerce. That is my understanding. I do not know whether the director general has anything further to add, but that is the advice I have received. I am not trying to avoid the question, but I suppose to answer the member's line of inquiry, in a hypothetical situation he highlighted that if a member of the cooperative is expelled, what would that mean in terms of their access to water allocation—is that correct?

Mr I.C. BLAYNEY: What would that mean for the price they would have to pay for the water?

Mr D.A. TEMPLEMAN: I suppose, more broadly then, the Minister for Agriculture and Food would, I am sure, be notified by said grower, and I would appreciate that the minister, having been contacted, would possibly look to the minister responsible for the regulatory aspects of it to highlight a concern. It is a concern. The minister does not have direct oversight, but would, I am sure, knowing the Minister for Agriculture and Food, make good representation if there were an issue around curtailing access.

Dr D.J. HONEY: I refer to page 209, budget paper No 2, volume 1, and the "Service Summary" table. At the bottom of that table in "Total Cost of Services" going forward, in 2019–20, which is this year's budget, through to 2020–21, and then to 2021–22, we see a $94 million reduction in the government's commitment to that area. Would it be fair to say that the government is cutting $94 million worth of services to primary industries and regional development?

Mr D.A. TEMPLEMAN: The figures that the member refers to include one-off or restricted-term programs; therefore, the figures are influenced by some of those programs that reached conclusion during that particular budget year.

Dr D.J. HONEY: I am a bit intrigued, minister, because we have heard earlier today that when the royalty for regions commitments of the government four budgets ago fell off, that was a cut, but in this case it appears that it has fallen off and it is not a cut. I am wondering what the correct terminology to use is because it looks to me like there is a $94 million cut if we apply the logic that was espoused extensively by the minister and extensively by the director general the last time. I cannot understand why it is not fair to describe this as a $94 million cut.

Mr D.A. TEMPLEMAN: As I said, the cost of those services that are included in those figures came to an end. They were end-of-term projects, so that is why there will be a discrepancy. But I am sure the director general can add to my explanation.

Mr R. Addis: The volatility the member is referring to is primarily a function of royalties for regions–funded projects that are delivered by DPIRD—so we are the delivery agency now. Out of a billion-dollar per annum program, broadly speaking, we are the delivery agency for a small proportion over all of the total projects in RforR. It goes up and down depending on the nature of the projects, so the impact on line item 1 depends on which projects we are the delivery agency for at any given time. As the member saw in the regional development session earlier, the total program commitment for RforR remained steady at roughly a billion dollars per annum, but it makes a difference as to which agencies it is distributed through. The overall program is consistent over the years; it is the amount that we are delivering of that that is changing.

[7.10 pm]

Dr D.J. HONEY: To labour the point, if we were to follow the logic of the description given for the supposed $130 million increase, I understand that, in fact, the supposed cut included RforR projects falling off after two or three years in exactly the same way as Mr Addis has been describing RforR payments falling off here in two years. I am trying to understand why, if it was cut in the previous case, it is not being cut in this case.

Mr D.A. TEMPLEMAN: I think the member is making more of a statement than asking a question. I do not think there is anything further to add.

The CHAIR: Do you have anything further to add?

Dr D.J. HONEY: No. I think the point is clear.

Mr R.S. LOVE: I refer to page 213 and service 7, "Agricultural and Fisheries Natural Resource Management". The net cost of service in the 2018–19 budget is $56.899 million, against an estimated actual of $25 million. Why is there a discrepancy between the budgeted amount in 2018–19 and the actual amount?

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

Mr R. Addis: For a number of these measures, in the last two budgets, as the department has been forming up, the basis for allocating between the different service types has been, I would have to say, at a pretty gross level and not particularly accurate. As we are getting better at it, the model for allocating across the different services is becoming more mature and accurate. I think that that difference relates largely to unreliability in the prior year's estimates rather than a change in the real level of effort being applied to that service.

Mr R.S. LOVE: Is the answer that there is an error in the allocation of overheads or of costs to that particular line item?

Mr D.A. TEMPLEMAN: The director general can answer that question.

Mr R. Addis: I am not sure what the member is getting at, but essentially the way —

Mr R.S. LOVE: I am asking Mr Addis to clarify what he means when he says that the department is refining or better understanding how to put together these figures together. The actual figure in 2017–18 is similar to the actual figure in 2018–19, and it is similar again in the budget for this year. I am asking why that particular out year had such an extraordinarily different figure.

Mr R. Addis: As I said, on the basis of allocation, the model is that we have to allocate the overall total costs in a year across the services. In those first couple of years, we did not have a solid handle on it. We are getting better at it and they are getting more reliable as we go. I am not sure what more I can add to that. I am not sure whether the chief financial officer can add to that—no. I think it legitimately is an unreliability in the prior year's estimates. That is not to say that the current year will be a perfect estimate; it is the best allocation we can do given the information available.

Mr R.S. LOVE: Does that mean that the difference is a difference in income received? Where does that income differential arise from?

Mr R. Addis: I am not sure it is a difference in income; it is a difference in the way the net cost has been allocated across the several services. In total, the base is broadly the same. In practice, the level of effort going into this particular service—agricultural and fisheries natural resource management—has been quite stable in practice by and large, but the method of allocation across the services is becoming more accurate, and I am volunteering that last year it was not accurate.

Mr R.S. LOVE: Am I being told that the $13 million that was budgeted for—to be received as income—was simply an allocation from within the department and not income from an external source, which was underestimated in that particular budget year?

Mr D.A. TEMPLEMAN: I will seek a response for the member. I am happy for Ms Taylor to respond.

Ms M. Taylor: It is not a case of the income being incorrect; it is a case of the income being allocated to the incorrect service in the previous budget.

Mr R.S. LOVE: Does that mean that the income was simply allocated to the wrong service?

Ms M. Taylor: Yes.

Mr R.S. LOVE: So far tonight we have found that the development of the records of this department has been refined over the last few years, because it has been trying to identify within an amalgamated department the very costs and incomes for each of the service areas. I have been told that that is the case here. I have also been told that the department cannot tell how much in total has been spent on what was the field of agriculture. That is quite clear. What I am learning here is that there is a real problem in understanding and comparing expenditures from one period to another, and between what one particular budget might have allocated to agriculture and another. Therefore, the claim that there is a significant increase in the budget is very hard to sustain based on anything that I have been told tonight. I am of the mind to ask whether the minister is confident that the claim that there is $131 million extra in agriculture is correct, because nothing that has been said tonight has justified that claim.

Mr D.A. TEMPLEMAN: I think that is a statement, and it is the member's opinion.

Mr R.S. LOVE: Is the minister confident that it is correct?

Mr D.A. TEMPLEMAN: I am confident.

Mr I.C. BLAYNEY: I refer to page 211 of budget paper No 2, volume 1, "Regional Skills and Knowledge Development". I cannot find funding for pastoral management anywhere in the budget. I understand that following the report, which is due to come out, on cattle losses at Noonkanbah and another property, whose name escapes me, near Newman, it will become obvious that there is a training and skills gap in this area. The industry has told me that there is a bit of an empty space and that there is no pastoral industry training in Western Australia. Given that there is no allocation in this budget for training, is that something the government would consider?

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

Mr R. Addis: Thank you for the question. I think the member is pointing to a very real issue, which was brought into sharp focus after what happened earlier this year at both Noonkanbah in the Kimberley and Yandeyarra reserve in the Pilbara. The Minister for Agriculture and Food was in the Pilbara, I think yesterday, and took part in a forum with Aboriginal pastoral interests and talked about the key challenges and what we should and can be doing to improve the performance of the Indigenous pastoral estate. In fact, I understand that today the minister commented in the media on the exact issue the member is referring to and her intention to better understand the requirements that are needed and what can reasonably be done in this space. It is a live issue on which I think the minister has got the bit between the teeth. I add that that was not in focus at the time this budget was set. I expect it will come into focus as that develops.

[7.20 pm]

The CHAIR: Member, just to clarify, you were talking about service 3. We are on services 6 and 7, I believe.

Mr I.C. BLAYNEY: Sorry; service 3.

The CHAIR: No worries—just for those playing at home.

Mr I.C. BLAYNEY: I have new glasses, too, so I cannot use that as an excuse!

Dr D.J. HONEY: I refer to budget paper No 2, volume 1, and "Statement of Cashflows" on page 219. There is a very significant change in the allocation for accommodation; it is not quite half, but sort of—from $13.8 million down to $7.9 million, and then that number roughly carries across in the forward estimates. Does the minister know what has led to that significant reduction?

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

Mr R. Addis: Part of that decrease in accommodation costs relates to the 16 towns or locations where we have managed to co-locate officers from the three former agencies into one, which has generated savings in the order of a couple of million dollars a year, but not on the scale that is reflected there, so I think for the remainder of that shift, we would need to take that question as supplementary information.

Mr D.A. TEMPLEMAN: I am happy to provide the member for Cottesloe further information regarding the cash flow issues around the accommodation line item.

The CHAIR: Minister, can you clarify the exact nature of the information you will provide?

Mr D.A. TEMPLEMAN: Yes, we will provide some further detail with regard to the figures in the budget papers relating to cash flow in the accommodation area on page 219.

[*Supplementary Information No B17.*]

Mr I.C. BLAYNEY: I refer to budget paper No 2, volume 1, page 206, on the same issue. Are any funds allocated to capital works for regional upgrades of Department of Agriculture and Food buildings in this budget?

Mr D.A. TEMPLEMAN: The member is referring to the table on page 206 and is asking whether there are any capital allocations—is that correct?

Mr I.C. BLAYNEY: Yes.

Mr D.A. TEMPLEMAN: Is it specific to regions, member?

Mr I.C. BLAYNEY: Yes.

Mr D.A. TEMPLEMAN: I will ask the director general to respond, and if the member has a further question, he can ask it.

Mr R. Addis: There is an ongoing maintenance program for our office facilities across the board. With regard to significant upgrades, there are not any currently scheduled in regional areas. There is a modest upgrade for the diagnostic laboratories in South Perth, which I think we spoke about earlier. That is the only significant capital upgrade.

Mr I.C. BLAYNEY: Is the sale of any regional sites being considered?

Mr R. Addis: We obviously have a large number of sites across the state. The focus thus far, since the new department was formed, has primarily been on trying to co-locate and to shed some leasing costs. We have not got to thinking about whether there is any scope or imperative to offload any sites. A couple of sites have been brought back into, I suppose, priority, and Mr Sweetingham might have a couple of examples for us.

Mr D.A. TEMPLEMAN: I ask the officer to respond.

Mr M. Sweetingham: An example that comes to mind is the Wongan Hills research station, which has not had a lot of activity for a number of years. We are now planning to set up a long-term sustainability of cropping systems trial at that research station. We also continue to look at research stations such as Badgingarra and to work with local grower groups to make sure that we are utilising those facilities as effectively as we can by making them available to grower groups, for example, to conduct research and development. There is a bit of a resurgence of activity at some of our research stations that have been quite quiet in recent years.

Mr D.A. TEMPLEMAN: Does the director general have anything further to add?

Mr R. Addis: The only other item I would add is the ongoing rebuild of the Merredin station, which was damaged in a storm in, I think, 2018.

Mr R.S. LOVE: I refer to budget paper No 2, page 214, and the line item “Boosting Grains Research and Development” under the heading “Works in Progress”. I also note that there was a press release on 18 April announcing long-term funding for boosting grains research and development. What funding is that and where is it located in the budget?

Mr D.A. TEMPLEMAN: My understanding is that there is an allocation for the boosting grains research and development project. It commenced in 2014 to establish a regionally based research and development capability for the grain sector. It is my understanding that the funding of $9.936 million allows for the purchase of specialised equipment to support the state’s grain sector. It includes building on the outputs of the broader grains research and development investment. The member has asked where it appears in the budget—was that the member’s question, where that actual figure appears? I will ask the director general.

Mr R. Addis: There is an additional line relating to grains research and development, which in total over the four out years is, from memory, $50 million. It appears in the grants and subsidies section. Ms Taylor might be able to lead the member more directly to that than I can.

Ms M. Taylor: I am just trying to find it. It is in chapter 7.

Mr R. Addis: That is part of the overall royalties for regions program in chapter 7.

Mr R.S. LOVE: The boosting grains program is funded by royalties for regions. Is that part of the $131.5 million boost to agriculture that has been proclaimed?

Mr D.A. TEMPLEMAN: It is my understanding that it is not, but I can refer the member to page 183 of chapter 7 of the *Economic and Fiscal Outlook*, under the heading “Royalties for Regions Expenditure”, which shows at line 11, “Building Western Australian Grains Research and Development Capacity”. I think that is where that line item appears. That is in a different chapter, but on page 183 of chapter 7 of the *Economic and Fiscal Outlook*, the line item is shown there.

Mr R.S. LOVE: Page 183, I see. In the answer I was given by the director general a short while ago, mention was made of a near negative $50 million—I think, $48 million—partnership with the GRDC and that that was reflective of received income in terms of levies.

[7.30 pm]

Mr R. Addis: I think the member is referring to the $48 million partnership with the Grains Research and Development Corporation that was announced earlier this year.

Mr R.S. LOVE: I think the director general referred to it in his answer, so that is why I am following up on it.

Mr R. Addis: Yes, that is right. From memory, that consists of about $23 million from the Department of Primary Industries and Regional Development, which includes employee time plus overheads. I think it is a $25 million or $26 million cash contribution from the Grains Research and Development Corporation. The state’s component is funded from that $50 million.

Mr D.A. TEMPLEMAN: I will ask Mr Sweetingham to add to that.

Mr M. Sweetingham: The director general was very close in his estimates but I have a more accurate number here for that. The suite of six new two-year to five-year projects announced in February this year with the GRDC has $22.5 million cash from GRDC and $25.8 million from the department in direct and overhead costs, as indicated by the director general.

Mr R.S. LOVE: Is the contribution from the government part of the $131.5 million boost to agriculture or is the contribution from the government plus the contribution from the GRDC part of the $131.5 million boost outlined in the Treasurer's speech?

Mr D.A. TEMPLEMAN: We will seek an answer from the appropriate officer. I will refer to the director general.

Mr R. Addis: It is not a simple one to answer off the cuff. My understanding is that the GRDC cash contribution will contribute to the external funds that are provided for in the budget, but the royalties for regions money is not part of that.

Mr R.S. LOVE: In terms of the $131.5 million boost to agriculture, does that include the GRDC's funding?

Mr R. Addis: That is my understanding, yes.

Dr D.J. HONEY: The minister has not covered this matter before, but the director general has. It is worthwhile making a comment about the key performance indicators that are used. I refer to page 209 in budget paper No 2, volume 1. The second table lists the outcomes and key effectiveness indicators. If we are talking about pest control, for example, could we not have a more direct measure of the number of pests that have been identified and the number that have been eliminated? It is not clear from the effectiveness measure that refers to the percentage of exotic pest threats resolved appropriately what the definition of "resolved appropriately" is.

Mr D.A. TEMPLEMAN: I will provide the member some advice and if the director general needs to add to that, I am happy for him to do so. The KPI to which the member refers measures the number resolved within a year as a percentage of the number open during the year. In relation to the definition of "resolved", I have the following advice: for pests and diseases that are not considered to be present in Australia and that are considered to be an emergency pest under the appropriate national deed, "resolved" means according to national agreement. This may include pests and diseases incidents in other jurisdictions that Western Australia is required to respond to. For pests and diseases that are not considered to be present in Australia and that are not considered to be an emergency pest on a national level, "resolved" means according to state policies and programs. For pests and diseases that are present in Australia, but not considered to be present in Western Australia or parts of Western Australia, "resolved" means according to state policies and program determination. The budget target is 60 per cent as not all threats can be resolved within the space of a year or less, depending on the date of detection, and some may require ongoing or seasonal surveillance to declare resolution. I am happy for the director general to add anything to that if necessary.

Mr R. Addis: I do not have anything to add, but Ms Clift might do.

Ms K. Clift: Thank you for the opportunity to provide some comment. It is true that there is opportunity to improve our outcome measures and that is work that the department intends to undertake, but at this point, those are the measures we have and that is the way we report against them.

Dr D.J. HONEY: I heard about four different definitions within that. If I were a manager managing that section, that would give me no comfort in what is being done by the department; however, I take it that the department is looking to make those measures more binary.

Mr I.C. BLAYNEY: I refer to page 184 of budget paper No 3. A program called the sheep industry business innovation is not currently funded; it finished in 2017–18. Are there any investments currently in the Western Australian sheep industry? Even though the live export industry dodged a bullet on Saturday night, the issue may come back again. Are any other investments in the budget for the sheep industry?

Mr R. Addis: Broadly, I think the point the member makes is that the sheep industry in Western Australia is important and faces some challenges that have evolved a fair bit over the past three or four days. Notwithstanding that change, it would be reasonable to think that improving the resilience of the sector in Western Australia remains important. Significant work has been ongoing since the profile of live sheep export issues were elevated 18 months ago. Dr Bruce Mullan has led some significant work with a sheep sector leadership group in that regard. In the past 18 months, a range of commitments have been made, including a $5 million loan to the Western Australian Meat Marketing Co-operative Ltd to upgrade its processing plant in Katanning; $900 000 to boost research capabilities in Katanning, with a new feed efficiency shed allowing researchers to identify the genetic traits that might help the sector to adjust; the provision of grant funding to V&V Walsh and Avon Valley Beef to expand their beef processing capabilities; and the live export group to which I referred earlier. Dr Mullan might have some comment to make on the work of that group.

[7.40 pm]

Dr B. Mullan: Yes, the sheep industry business and innovation project has been completed. We are working closely with industry. We have a live export reference group that is helping us to identify priorities. We believe the sheep industry has a very strong future. We need only look at the price of meat and wool. Projections are very strong for that to go on for a number of years, so we are working with industry to develop a new program of work that will help the industry transition into the future, given it will continue to have challenges such as it is facing at the moment.

Mr I.C. BLAYNEY: I note the 2019–20 budget also marks the end of the northern beef industry strategy. I was on a station in the Kimberley last weekend and was quite amazed at the advances they have been making, especially in the areas of technology, very successfully, I think. That strategy will obviously finish. Bearing in mind that for beef we get matching funds from Meat and Livestock Australia and for sheep we have chances of getting matching funds from either MLA or Australian Wool Innovation, is there any planning around further work for the northern beef industry?

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

Mr R. Addis: As the member pointed out, there is some opportunity and excitement in the northern beef sector. In the last couple of years, we have pretty substantially re-positioned the way we are engaging with the northern beef sector, including having the Kimberley Pilbara Cattlemen's Association as a key partner. It is probably fair to say that the work and the relationship with industry is in a pretty good place. We have a very strong team in the north. We think that is an area of good growth prospects that we will remain committed to. I think that will become part of our core business in the north. My sense is that it is going very well. I am not sure whether Mr Grazia has anything to add to that.

Mr N. Grazia: I want to echo the director general's sentiment that we believe that is an initiative that ought to be continued and we will be preparing further business case work on ensuring that it continues to be funded both recurrently and in project terms.

The CHAIR: I want to remind members that it is 7.40 pm and we have to go through two more authorities in division 19—the Rural Business Development Corporation and the Western Australian Meat Industry Authority. The next person on this division is the member for Moore.

Mr R.S. LOVE: I refer to item 7 "Agricultural and Fisheries Natural Resource Management" on page 213 of budget paper No 2, and to the "Regional Natural Resource Management Program" under "Works in Progress" on page 214. Is that program running down or is it still being administered by what was the Department of Agriculture, or has the state NRM group been disbanded and drifted off into the never–never?

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

Mr R.S. LOVE: I referred initially to the service on page 213 and then to the line item "Regional Natural Resource Management Program" on page 214. It is the second-last item under "Works in Progress" on page 214.

Mr D.A. TEMPLEMAN: You are referring to —

Mr R.S. LOVE: I am referring to the "Regional Natural Resource Management Program" and service 7, "Agricultural and Fisheries Natural Resource Management". I am asking two points really: What happened to the old state NRM group that used to be based in agriculture? Is that now disbanded? Where can I find any fresh activity on natural resource management being undertaken by the department?

Mr R. Addis: I can confirm that the department continues to be in charge of what was the NRM program—the grants program—to the tune of, I think, $7.5 million per annum. That level of commitment is continuing and the administrative arrangements remain pretty well consistent with what they have been.

Mr R.S. LOVE: Where will I find that in the budget papers? There is only the program that is running down, so where is the new program with the $7.5 million that has been referred to?

Mr D.A. TEMPLEMAN: I am seeking advice regarding this question.

Mr R.S. LOVE: Is it there?

Mr R. Addis: It is on page 221.

Mr R.S. LOVE: Yes.

Mr R. Addis: It is listed as "State Contribution to Natural Resource Management" under "Expenses" and "Grants to Charitable and Other Public Bodies".

Mr R.S. LOVE: Yes.

Dr D.J. HONEY: Maybe the minister can give this to me as further information. I refer to new works on page 214 of budget paper No 2, volume 1. There is a line item called "Global Provision", with an estimated total cost of $35.549 million, with an allocation of $10.17 million in 2019–20 and another $25 million in the forward estimates. Is that money allocated to projects or is it simply money put there for future projects?

Mr R. Addis: That line refers to the capital component of royalties for regions–funded projects that are currently sitting within the overall administered items section. As part of the administered items section, essentially, projects that require further planning will come back to the Expenditure Review Committee or the Treasurer to be finally committed.

Dr D.J. HONEY: To be clear, does it not relate to any specific commitment?

Mr D.A. TEMPLEMAN: My understanding is that it may refer to some election commitments, but it cannot be delivered until the planning has been concluded.

Dr D.J. HONEY: Is there no specific budget?

Mr R. Addis: Not until the final commitment has been made to each of those projects through either the ERC or with concurrence from the Treasurer.

The appropriation was recommended.