

Mr Mark McGowan; Mr Terry Redman; Mr Ian Blayney; Mr Chris Tallentire; Mr Paul Papalia; Mr Shane Love;  
Dr Graham Jacobs

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**Division 51: Agriculture and Food, \$144 303 000 —**

Mr N.W. Morton, Chairman.

Mr D.T. Redman, Minister for Regional Development representing the Minister for Agriculture and Food.

Mr R.J. Delane, Director General.

Mr G. Paust, Executive Director, Corporate Strategy and Operations.

Mr J. Ruprecht, Executive Director, Agricultural Resource Risk Management.

Mr J. Van Schagen, Director, Plant Biosecurity.

Dr K. Chennell, Executive Director, Livestock Industries.

Dr M. Sweetingham, Acting Executive Director, Grains Industry.

Mr P. Metcalfe, Executive Director, Regional Operations and Development.

Mr B. Annen, Executive Officer, Rural Business Development Corporation.

Mr J. Murgia, Chief Finance Officer.

[Witnesses introduced.]

**The CHAIRMAN:** The Leader of the Opposition.

**Mr M. McGOWAN:** I have some questions about government election policies and the sorts of things it committed to in relation to food in particular. The third paragraph on page 575 of the *Budget Statements* refers to a voluntary separation scheme process in which a total of 17 departmental staff took part. I note that both the Liberal and National Parties indicated in their election policies their focus on the removal of red tape to reduce unnecessary bureaucracy and let farmers get on with the job of farming. What has that meant in terms of inspection services for the safety and quality of agricultural products coming to the marketplace?

**Mr D.T. REDMAN:** I will ask the director general to make a couple of comments after I have made an opening comment. This state government has put a big focus on agriculture. The Seizing the Opportunity Agriculture initiative was a part of last year's budget and just in excess of \$50 million will roll out in the 2014–15 financial year. A fairly significant part of that initiative was based around biosecurity, which is a significant factor in not just productive capacity, but also market access. Notionally we are an export state. I am unsure of recent figures, but Western Australia has about \$5 billion of agricultural export. We must remain export focused and it must be a significant part of our agricultural business. I will ask the director general to make more specific comments about resourcing, and specifically inspection services on food quality.

**Mr R.J. Delane:** With regard to the start of the question, the changes have had no material impact on the sorts of inspection services referred to. As the minister pointed out, the investment in biosecurity is more about market access and pests and diseases than about potentially chemical residues or other food safety issues, which are largely not within our remit. Therefore, the allocation of resources in 2014-15 for biosecurity remains at \$31.7 million. Food safety regulations in Western Australia are largely the responsibility of the Department of Health under the Food Act 2008. We work very closely with the Department of Health. We also work as part of a national collaboration on control of chemical use and support the national authority in chemical registration, but these matters are largely outside the remit of my department. The services and the activities that we have always had in place in this area are maintained.

**Mr M. McGOWAN:** Is the director general saying that he has a service that inspects quality-come-chemical-usage on farms?

**Mr R.J. Delane:** No, we do not have a role in checking the safety and quality of the produce of farms, except when there is a specific funded program for that. We facilitate, through the powers provided by Parliament, a quality program for table grapes, for example, that the table grape industry funds. The program ensures the sweetness of the table grapes so that poor quality or unsweet table grapes do not impact on the market more broadly. Work is also done in the citrus sector, in which powers provided by the Parliament are again utilised to carry out that function. We do not carry out functions in relation to chemical residues, for example. There are national residue-monitoring programs for the major export products because of the criticality of detection of chemical residues and other contaminants for access to critical international markets.

**Mr M. McGOWAN:** The first dot point on page 570 of the *Budget Statements* refers to quality, safe foods. It appears to me that quality, safe foods fall within the department's remit. Who inspects horticultural products for domestic consumption?

[12.30 pm]

Mr Mark McGowan; Mr Terry Redman; Mr Ian Blayney; Mr Chris Tallentire; Mr Paul Papalia; Mr Shane Love;  
Dr Graham Jacobs

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**Mr R.J. Delane:** The reputation of Western Australian food—individual companies and individual suppliers—is broader than chemical residues. The state’s food has an outstanding and deserved reputation for its cleanliness, safety and quality. The best way to manage risks—for example, of chemical use—is to manage them through the safe registration and control of use of chemicals. There is some monitoring of chemical use and there is currently a national pilot program that has been reported in the press; there have been some detections of chemical residues over and above the maximum residue limits, but that has been a nationally funded and coordinated program. The major purchasers, including major supermarkets, also run their own quality assurance programs and, we are told, run their own analytical programs to detect whether there are any quality safety issues associated with the products that they purchase as part of their QA programs. We are not party to that work or its results.

**Mr M. McGOWAN:** I will ask about the specific case that I am referring to. The raids that took place on the tomato farms in Carabooda exposed some fairly unsavoury practices in relation to foreign workers. I am interested to find out what that has exposed in relation to chemical toxins in the soil; whether there were any high levels of pesticides and various chemicals used in agricultural activities; whether there has been any exposure of extremely high levels of chemicals that could damage human health; and whether that is the reason why Woolworths withdrew from purchasing those products. I am interested in what inspections have been done there, who has undertaken the inspections, what the findings were and whether Western Australians’ health has been put at risk by these products.

**Mr R.J. Delane:** I am not aware of the Woolworths issue or its decision. We had staff involved in support of the major multiagency program; that is on the record. We have a specific role in relation to chemical use and whether there was any evidence of potentially illegal or inappropriate chemical use on the properties the inspections of which we were asked to support. My understanding from the information that is available outside the investigation of that major case, which is, of course, continuing, is that the sorts of comments that the Leader of the Opposition has just made were not shown up in the activities in which my officers were involved.

**Mr M. McGOWAN:** To follow on from that, is the director general saying that there have not been findings of unauthorised pesticides or chemicals in dangerous quantities in the soil or on the vegetables being grown on that property?

**Mr R.J. Delane:** No, I did not say that. I said that officers of the department were involved in the operation several weekends ago and did not detect significant issues in relation to chemical use. We were not involved in any soil assessment at that stage, to my knowledge, and I am not aware of any details of the Woolworths assertions made by the Leader of the Opposition, or what its arguments for terminating the purchase of any products might be. That is a matter for Woolworths.

**Mr M. McGOWAN:** Can I seek, by way of supplementary information, the exact details of what was discovered there? I am interested in whether the department’s staff have received advice from any other agency as to what has been found, particularly in the soil, and what chemicals, and in what concentrations, have been discovered on that property.

**Mr R.J. Delane:** I will just clarify that we will provide supplementary information on information that is available outside the investigation—if it is able to be released; and, if it is not, we will advise the house—as to any detection of chemical residues on a property or properties involved in the raids. We will provide whatever supplementary information we can on that matter.

**Mr M. McGOWAN:** To clarify, the director general has highlighted that he will provide by way of supplementary information any information that is able to be provided to the public, outside the inquiry—if he cannot, he will make that known—and any studies or work done around the site on chemical residues and the potential impact of that. He will provide any chemical data that the Department of Agriculture and Food has picked up on the site and is able to be made available.

*[Supplementary Information No B8.]*

**Mr M. McGOWAN:** Therefore, is it the Department of Health that undertakes these major investigations or inquiries, rather than the Department of Agriculture and Food; is that what the director general is saying to us?

**Mr R.J. Delane:** It would depend on the nature; if it is a food safety issue, the Department of Health has lead on that. We usually work in support of the Department of Health in such situations. If it relates to chemical residues and the like, we would be more actively involved. It would really depend on what the thrust of the work was. We will provide that detail as part of the supplementary information.

**Mr I.C. BLAYNEY:** I refer to the heading “Asset Investment Program” at the top of page 574. What are the current plans for the headquarters in South Perth?

Mr Mark McGowan; Mr Terry Redman; Mr Ian Blayney; Mr Chris Tallentire; Mr Paul Papalia; Mr Shane Love;  
Dr Graham Jacobs

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**Mr R.J. Delane:** I thank the member for the question. The current program is scheduled for completion in 2021. The schedule of funding begins in earnest in 2016–17, with \$8.6 million listed, followed by \$10.742 million in 2018–19, and \$88 million in 2020–21, which would have the project completed for occupation in 2021. The current approved plans are for redevelopment of the Department of Agriculture and Food’s headquarters and associated laboratory and glasshouse facilities at the rear of the current block. We are on an area of approximately 20 hectares in South Perth; some will know the site, and at the back of our land on Kent Street, we currently have open field plots. The current plans are to redevelop on that site, which is largely open; it has some small buildings, but it is largely an open site. With the latest work we have done on that, we believe that we will be able to consolidate our headquarters onto five to six hectares instead of the current area of 20.4 hectares, releasing something in the order of 15 hectares for sale.

**Mr C.J. TALLENTIRE:** In respect of the 15 hectares that will be released for sale, what value does the director general imagine we will get from the sale of that land?

**Mr D.T. REDMAN:** I will make a global point; the director general might have something to add to it. The process of the management of sales of government land now happens through the land asset management unit of the Department of Lands. The highest and best value is pursued and a process is determined for realising the value of lands. I imagine that this will be part of that process, unless it has been isolated. That unit is in place now and will increasingly play a role in realising the value of government land.

[12.40 pm]

**Mr R.J. Delane:** More work will be done on this to determine exactly what the development will be. There have been some changes that will lead to some small—perhaps larger—changes in the scale of the development at South Perth and the way that it can be configured. There is some broader but, as yet, informal consideration of consolidation of some other facilities, and I expect we will be revisiting which parts of the development can be completed as an owner–builder–operator or may be developed as a broader commercial development. Exactly what the model is for the commercial development of the land and for what purpose—commercial, residential, highest and best use et cetera—remains the subject of a number of planning exercises and ultimately is a decision for cabinet.

**Mr P. PAPALIA:** Returning to the policies articulated by the government, I refer again to the first dot point on page 570 under “Significant Issues Impacting the Agency” and to safe foods. Prior to the last election, the government was very clear and, in launching his agriculture policy, the Premier said that he trusted farmers to farm their land as efficiently as possible and look after the environmental conditions and the quality of the land. Is the lack of participation in regulating the use of chemicals beyond the limited roles that the director general referred to a result of changes in government policy since 2008? Was the department prior to 2008 engaged more in regulation enforcement than it is now? Were more inspectors engaged in inspecting particularly the horticultural industry then than there are now? Has there been a reduction since 2008 as a consequence of the government’s policy?

**Mr R.J. Delane:** There has been a reduction in the number of staff involved in inspectorial duties more broadly, but I ask the member to note that for many years most of the department’s inspectorial regulatory functions have been in the areas of animal and plant pest management. For example, we have had a reduction in the number of invasive species inspectors—regulatory officers. Those officers in the main have never been involved in chemical residue assessment; some were many years ago when some old chemicals were being used, but in very recent times most of those staff have not been involved in the control of chemical use or in the registration of chemicals, which is a national function carried out by the Australian Pesticides and Veterinary Medicines Authority. At around that time—I could check this—I am not aware of any material shift in resources in the areas of food safety, chemical residue or quality inspection. We would need to do some digging into that. If there had been any change, it would be in the order of a 0.5 full-time equivalent or one FTE—something like that. In a period when there have been large reductions since 2008–09—we are talking about reductions of maybe 400 staff in total—I would have thought we would be talking in the order of 0.5 or one FTE in that area.

**Mr P. PAPALIA:** Apart from the material change to personnel dedicated to that type of task, is it true to say that policy driven by government has shifted from monitoring, regulating and policing of regulations towards self-regulation by the industry, particularly the horticultural industry?

**Mr R.J. Delane:** To put the answer in context to the question, in 2007 a landmark piece of legislation was passed by this Parliament, the Biosecurity and Agricultural Management Act, which was brought into full force in only 2013 with the comprehensive development of the regulations that underpin that act. That act integrated 15 old pieces of legislation and 27 sets of regulations. We now have one act and nine sets of regulations. It integrates, modernises and provides for the regulatory endorsement of quality assurance schemes and other self-managed schemes that include arrangements for the safe sale and use of agricultural chemicals and feeds and the

Mr Mark McGowan; Mr Terry Redman; Mr Ian Blayney; Mr Chris Tallentire; Mr Paul Papalia; Mr Shane Love;  
Dr Graham Jacobs

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like, and for the monitoring of livestock, including traceability for chemical residues and those sorts of things. In its broadest context, yes, there has been a modernisation of regulation as part of a policy shift towards modern farming organisation, the ability to monitor, trace et cetera, and that is now all incorporated in the Biosecurity and Agricultural Management Act and its supporting regulations. Was there a defining moment when there was a shift in government policy outside of the major legislative reform agenda which started in 1998 and, with the support of this Parliament, was passed in 2007? I do not think there has been any material shift in government policy. Of course, at the same time, there has been a dramatic change in the commercial sector. Major supermarkets, of course, dominate the fresh food sector in the order of 80 to 85 per cent and they have their own QA programs, and very close and direct relationships with their suppliers, and they have their own commercially required QA, including inspection and analytical programs, which we are not party to. I would say no, there has not been a huge shift in the environment driven by a policy of the Western Australian government.

**Mr P. PAPALIA:** With respect to the farm site to which the Leader of the Opposition referred earlier, was there no role for state government authorities to regulate that particular site and neither the provision of the produce from that site nor the monitoring of the quality of the produce of that site to Western Australian consumers?

**Mr R.J. Delane:** Firstly, noting that I do not know the particular property or the detailed nature of the allegations, the Department of Agriculture and Food is not routinely involved in the inspection of produce from any particular property or the regulation of its flow or its quality, unless it is table grapes or citrus, through an industry-funded program. We do not routinely carry out inspections of properties for the use of chemicals and residues; we do as part of significant programs, particularly historically associated with some of the very old chemicals—organochlorines or organophosphates et cetera. We are not involved in routine inspections, sampling or monitoring of either QA or non-QA-based supply chains. We are usually not involved in this, but for some export programs there is major sampling of products for export, usually at processing sites, abattoirs or, at shipment, grain loading to ships, so that phytosanitary and other certifications can be signed off and market access gained to major overseas markets. We are not involved in those programs.

[12.50 pm]

**Mr R.S. LOVE:** I refer to page 579 of volume 2 or page 153 of volume 3 of the budget estimates—they both show the same figure—relating to natural resource management. There are a series of grants worth \$8 million, not in this coming year but in the next three years. Can the minister give any indication of how that will be rolled out and what that will involve?

**Mr D.T. REDMAN:** I will ask John Ruprecht to respond to that question.

**Mr J. Ruprecht:** The funds for the next financial year, 2015–16, will be used to develop a new state natural resource management plan and an implementation strategy that will guide that investment. There is funding of \$8 million a year for the next three years, 80 per cent notionally from royalties for regions and 20 per cent from the consolidated fund based on the regional metropolitan mix of what we would expect the state NRM funds to be funded for. In the next financial year, 2014–15, the funds will be spent on a community grants program. The final expenditure on the existing program is already budgeted.

**Mr C.J. TALLENTIRE:** My question relates to the staffing levels in the department. In particular, I am looking at the second paragraph on page 575. It seems that the department is shedding staff. I particularly want to explore the level of experience of staff. Is it the case that the structure of the department is such that it has many more inexperienced staff than was previously the case? The department has lost its most experienced staff through the voluntary separation scheme process. I note that the department is the second largest participant in that voluntary separation scheme.

**Mr R.J. Delane:** I do not have the demographic age breakdown with me but I am happy to provide that.

**Mr D.T. REDMAN:** I am not sure that the member is referring to age as distinct from experience. I am sure he is not saying that one cannot be experienced if one is younger.

**Mr C.J. TALLENTIRE:** The breakdown that the director general is suggesting would show grades of people. That is the one I am after.

**Mr R.J. Delane:** I think we can provide information on age, years of employment with the department or salary grades.

**Mr C.J. TALLENTIRE:** By way of supplementary information, can I have the structure of the department, with all 1 170 FTEs showing their grades? Can I also have the structure from 2008 as well?

**Mr D.T. REDMAN:** The director general is going to supply by way of supplementary information a profile of the Department of Agriculture and Food's staff based on salary grade. Did the member want age?

**Mr C.J. TALLENTIRE:** No.

Mr Mark McGowan; Mr Terry Redman; Mr Ian Blayney; Mr Chris Tallentire; Mr Paul Papalia; Mr Shane Love;  
Dr Graham Jacobs

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**Mr D.T. REDMAN:** That is a very good answer.

**Mr R.J. Delane:** I will provide detail of that.

[*Supplementary Information No B9.*]

**Mr D.T. REDMAN:** The director general will make a couple of additional comments.

**Mr R.J. Delane:** In the latest round of voluntary severance programs, which the member referred to, 71 staff from the department took up the opportunity for voluntary severance. That totalled 46 FTEs, a reduction in our effort. In 2010, we were participants in a major voluntary severance program. From memory, 143 staff took voluntary severance. It was certainly in the low 140s, bringing the total to over 200 staff who took voluntary severance. We will provide the details of how that may have affected their experience levels, although salary classification itself does not necessarily relate to experience in a particular job.

**Mr C.J. TALLENTIRE:** Could I have the 2008 figure as well please so I can make a comparison?

**Mr R.J. Delane:** We will provide that. If it is not as detailed a picture as the member is seeking, we will be able to provide some additional information.

**The CHAIRMAN:** Minister, is that included in the previous supplementary information?

**Mr D.T. REDMAN:** Yes, it is.

**Dr G.G. JACOBS:** I refer to the fifth dot point on page 570, which relates to grain belt farmers. It concedes that we had a good end to the growing season in 2013 but the rains came too late for some. As noted here, the department does speak with businesses that seek to restore their financial wellbeing or leave the industry. Farmers are struggling to rebuild their capital base and others had to leave the industry. How many farmers struggling with their capital base did the minister work with and how many farmers who left the industry did the minister work with?

**Mr D.T. REDMAN:** I will ask Peter Metcalfe to respond to that.

**Mr P. Metcalfe:** There were nine applications for farm exit grants, two of which have been granted. The exit grants comprise a \$20 000 payment to leave the industry. It is paid on the sale of the property. We rely on the property being sold to process the others, so the remaining seven are outstanding.

There are a range of schemes that assist growers. The state assistance program and the farm concessional loan scheme were running over that period. The farm concessional loan scheme is a commonwealth scheme. A total of \$25 million was available for businesses to access productivity loans. There were 44 applications. From memory, grants worth \$25 000 were available in 2013. Off the top of my head, I think there were about 136 applications for that. They were straight grants or subsidised loans. The other assistance provided was in the form of social support and counselling and also community grants for ensuring the communities remain connected, took care of each other and took care of the mental wellbeing of individuals in those communities.

**Mr C.J. TALLENTIRE:** I refer to the sale of goods and services under the heading "Income" on page 576. Does the figure of \$7.6 million include revenue from the sale of sterile fruit flies that the department breeds?

**Mr R.J. Delane:** I need to ask the chief financial officer whether he can advise us whether the partnership supply of sterile fruit flies that we have with South Australia, for example, or some other program will appear in the financial report.

**Mr J. Murgia:** I would not be able to say whether it is in that figure because we include several hundred fees and charges. I can take that on notice and confirm whether it is included in that figure.

**Mr D.T. REDMAN:** We will confirm by way of supplementary information whether a sterile male fruit fly is in the sale of goods and services as described on page 576.

**Mr C.J. TALLENTIRE:** And how much that program is worth.

[*Supplementary Information No B10.*]

**The appropriation was recommended.**