

Division 18: Rural Business Development Corporation —

Mr P. Lilburne, Chair.

Mr D.T. Punch, Minister for Regional Development.

Ms H. Brayford, Director General, Department of Primary Industries and Regional Development.

Mr N. Brkich, Executive Director, Regional Development Investments.

Ms L. Williamson, Chief Financial Officer.

Mr T. Palmer, Chief of Staff, Minister for Regional Development.

Mr A. Buck, Senior Policy Adviser.

[Witnesses introduced.]

The CHAIR: The estimates committees will be reported by Hansard and the daily proof will be available online as soon as possible within two business days. The chair will allow as many questions as possible. Questions and answers should be short and to the point. Consideration is restricted to items for which a vote of money is proposed in the consolidated account. Questions must relate to a page number, item or amount related to the current division, and members should preface their questions with these details. Some divisions are the responsibility of more than one minister. Ministers shall be examined only in relation to their portfolio responsibilities.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

The member for Central Wheatbelt.

Ms M.J. DAVIES: I refer to page 270 and paragraph of the significant issues impacting the agency. I refer to the Rural Business Development Corporation and the dry seasons advisory council or committee—I cannot remember what the government called it as it changed the name. It used to be DSAC. It is the one that was formed for dry seasons.

Mr D.T. PUNCH: The chair of the RBDC is a member of the taskforce.

Ms M.J. DAVIES: Given that the RBDC's task is to support, promote and facilitate loans relating to the dry season, and in terms of contacts from the community and key stakeholder groups, how is that information being fed into the work that the Dry Season Taskforce has undertaken?

Mr D.T. PUNCH: I will ask the CEO to respond to that question.

Ms H. Brayford: Thank you, minister. Thank you, member, for the question. The corporation receives briefings from a range of stakeholders. Most recently, for example, we had briefings from the Western Australian Planning Commission, the chair of the Western Australian Regional Development Trust, Rural West, the Agricultural Produce Commission of Western Australia and Department of Primary Industries and Regional Development consultants. That information helps to frame the RBDC's considerations. The members also participate in a number of field days, and they bring their own expertise and experience in their own capacity. They bring quite a broad range of stakeholder input to the table.

Ms M.J. DAVIES: Sorry; I was slightly distracted just then because of that answer. The reporting of what is coming out of the Dry Season Taskforce and back through the organisation and then back to stakeholders—how does that occur?

Mr D.T. PUNCH: I will ask the CEO to respond.

Ms H. Brayford: The Dry Season Taskforce is chaired by Mr Robert Cossart, the CEO of the Wheatbelt Development Commission, and, through the chair, he would provide advice to the minister and the government. The chair of the RBDC is a member of the taskforce.

[2.50 pm]

Ms M.J. DAVIES: I refer to the same page, page 270, and the second significant issue. Has the Rural Business Development Corporation been engaging with businesses or provided any advice to the government or the minister on the businesses that will be impacted by the closure of the live sheep export industry?

Mr D.T. PUNCH: I ask the CEO to respond.

Ms H. Brayford: Thank you very much. The RBDC has not had any direct engagement with businesses at the corporation level, although, as I said, the members bring their own expertise and have their own established networks.

They have been briefed by the department on the status of the sheep industry. I understand that the chair was also involved originally with a group that the minister established to provide some input on the live sheep issue.

Ms M.J. DAVIES: I am sorry; I started by referring to paragraph 2, but I can see that the first paragraph here relates to research. I can make this a new question if the chair needs me to for *Hansard*.

The CHAIR: Thank you, member.

Ms M.J. DAVIES: It states —

The Corporation administers approved assistance schemes —

I understand that —

and undertakes research to support the State's rural businesses and regional communities.

I put to the minister that there are some significant impacts for rural businesses, particularly those linked to the supply chain in the live export industry. Has the RBDC done any specific research on those flow-on impacts as a result of the closure? Because that closure is coming. I have seen research done by external-to-government organisations, so I am familiar with some sub-areas of the wheatbelt and the economic impact that it will have, but I would like to think that the government is taking a more coordinated approach so that it can anticipate some of the challenges that are going to come as a result of that decision.

Mr D.T. PUNCH: The Department of Primary Industries and Regional Development takes the major role in researching these matters. I am advised that the RBDC has provided advice to the department on its research agenda.

Ms M.J. DAVIES: Has there been a line or package of work specifically on identifying what that impact is likely to be and what needs to be done to support the local economies or businesses in those rural settings as a result of that policy decision?

Mr D.T. PUNCH: As I indicated, the Rural Business Development Corporation is advising the department, which is taking a lead role in the consequences of the federal government's decision, the date of which has only recently been confirmed. To date, as the member would be aware, the state government's position is that we do not see a need to close the live sheep trade, but this is a commonwealth decision. We have been advocating with the commonwealth on what kind of support packages the commonwealth might provide. It has indicated its support packages. I understand that Minister Jarvis is having ongoing dialogue about that, and that is informed by the advice and research of the department.

Ms M.J. DAVIES: At the beginning of that answer, the minister said that there was advice provided to the department. Is the minister able to share what that advice relates to in the context of small businesses and some of the economic impacts? Is he perhaps able to quantify some of those impacts?

Mr D.T. PUNCH: The RBDC board has provided advice directly to the department based on its members' own experience, and that advice has informed the actions that the department then undertakes. It is at that level.

Ms M.J. DAVIES: I understand the process; I am seeking some detail on the advice. Are there serious concerns within the RBDC about the health and sustainability of the business sector for the businesses that are linked in the supply chain? Are we quantifying those impacts? How are we engaging to actually provide that advice?

Mr D.T. PUNCH: The government takes these issues and their impacts very seriously. As part of the RBDC's role, at the board level it has links with Rural West, which can provide direct links back on the localised impacts. That is the flow of information through the board; the board then engages with the department and informs the department's actions on how the government will respond to the decision of the commonwealth.

Ms M.J. DAVIES: Did the minister refer to Rural West?

Mr D.T. PUNCH: Yes.

Ms M.J. DAVIES: In relation to what?

Mr D.T. PUNCH: Sorry; I am advised it is Rural West financial counselling services.

Ms M.J. DAVIES: Is the advice then in relation to the provision of additional financial counselling services? Is it on the number of businesses that might actually cease to exist? Is it around providing legal advice? I cannot think it is a state secret. I am just trying to understand what the advice is, given that, in my experience, the Rural Business Development Corporation has always actually been at the forefront, whether it is a dry season or something of this nature. I would think that the government would want to understand the full impact of what is likely to occur and then have a plan, or at least understand how it is going to respond.

Mr D.T. PUNCH: I think I have been as clear as I can be. The department is the primary agency leading the research agenda on the impacts of the commonwealth's decision. It is informed by the RBDC and by the links

that the RBDC has with the sector as a whole. I cannot be clearer than that, but I will ask the CEO to provide some additional information to assist the member.

Ms H. Brayford: Thank you, minister. Just to add to that, the RBDC has provisions around schemes of assistance, and also provides advice on the state of the industry. As I said earlier, the RBDC gets a number of briefings at its board meetings, including through the department and a range of other stakeholders. That has included briefings on the condition of the sheep industry and most recently on the dry season response. The feedback from those board meetings helps to inform the department, as the minister said, and ultimately the board also provides advice to the Minister for Agriculture and Food based on what it has heard from its stakeholders and again from its own members and the experience it has across the sector. One recent example is the loan scheme that has been established to support farmers in the dry season, which the RBDC will administer on behalf of the government.

[3.00 pm]

Dr D.J. HONEY: I refer to the issue that has been raised by the member for Central Wheatbelt about the pending cessation of the live sheep trade. One of the functions of the Rural Business Development Corporation is promoting rural industry development and facilitating investment. The federal government has been saying that packaged meat is the solution to this problem. As the minister would be well aware, the state has inadequate slaughterhouse and packaging facilities to cope with the existing flock. Is the Rural Business Development Corporation working to encourage the development of additional slaughtering and packaging facilities to help mitigate the impact of the end of the live sheep program?

Mr D.T. PUNCH: This is one of those moments when I wish I had brought a photograph from my office to the session today. I was delighted to see a picture of the member for Roe and the member for Vasse at the opening of the expansion of V&V Walsh's sheep processing facility, which I think the member would agree was an excellent outcome. It had the full support of the previous Minister for Agriculture and Food, Hon Alannah MacTiernan. It is a very good example of this government's commitment to expand sheep processing, independently of the commonwealth government's decision on live export. I am advised that the Rural Business Development Corporation board has been in discussions with the department, is very supportive of these efforts and would be very willing to support them in the future.

Dr D.J. HONEY: What capacity does the Rural Business Development Corporation have in that regard? As the minister would know, this is an urgent problem. The domestic meat consumption is typically young sheep, and one of the critical roles that the export trade provides is an outlet for older sheep. We do not have the markets on the west coast that they have on the east coast. There is not just a degree of urgency; this is an urgent problem. Farmers are shooting older sheep now, and in the near future that will become an avalanche of sheep being shot and buried, especially given the season that we are having. What capacity does the corporation have to inspire new facilities to be constructed or old facilities to be expanded? I appreciate that there has been some historical effort, but the future is what matters.

Mr D.T. PUNCH: The future is here because V&V Walsh opened its new facility on the back of the investment that was made a couple of years ago, so the lead-in time has been very appropriate. That is the sort of thing that I think is fully supported by this government. I say well done to Hon Alannah MacTiernan for doing that. Again, it was great to see the member for Roe there, cheering it on. That does not take away from the seriousness of this issue. We fully respect the difficulties that farmers are going through.

In 2024–25, the Rural Business Development Corporation will administer a \$4 million interest-free loan scheme for farmers impacted by drought, with loans of up to \$25 000 for each business to cover stockfeed, water and transportation. There are two remaining concessional loan schemes administered by the corporation on behalf of the Australian government's farm finance concessional loan scheme. The RBDC provides a number of other programs. It is a serious issue and one that I know the Minister for Agriculture and Food is very aware of and monitoring very closely.

Dr D.J. HONEY: Is the minister aware of any other planned facility expansions or the construction of new slaughtering and packaging facilities?

Mr D.T. PUNCH: That is probably a question for the Department of Primary Industries and Regional Development rather than the RBDC.

Dr D.J. HONEY: If we look at "Services and Key Efficiency Indicators" on page 272 of budget paper No 2, service 1 is "Promote Rural Industry Development and Investment Facilitation". I appreciate that the agriculture department has a role here, but I would have thought that, given the dire circumstances that we are in and that service and key efficiency indicator, it is in fact a role for the minister and the Rural Business Development Corporation.

Mr D.T. PUNCH: The member may hold that view, but I am advised that the board works very closely with the department, and the department is the primary vehicle for determining these matters.

Extract from *Hansard*

[ASSEMBLY ESTIMATES COMMITTEE B — Thursday, 23 May 2024]

p445b-448a

Chair; Ms Mia Davies; Mr Donald Punch; Dr David Honey; Mr Peter Rundle

Mr P.J. RUNDLE: Firstly, I am very pleased that the minister has a photo of me and the member for Vasse in his office.

Mr D.T. PUNCH: I am very impressed with it. I was waiting for the question so I could show it to him.

Mr P.J. RUNDLE: Regardless of that, I go back to the \$4 million loan scheme with the \$25 000 ceiling—or whatever you would like to call it. Have there been any applications for that program at this stage?

Mr D.T. PUNCH: I will ask the CEO to provide information about that.

Ms H. Brayford: Thank you very much, minister and member. The loan scheme has not opened yet. We are working through relevant due diligence and setting up the loan facility for that. We anticipate that will open in June.

Mr P.J. RUNDLE: I know that we also have the \$5 000 grant scheme, small grants or whatever you would like to call it. Is the RBDC administering that scheme?

Mr D.T. PUNCH: No, the RBDC is not. The department administers those grants.

[3.10 pm]

Dr D.J. HONEY: I have a new question on page 270. Looking at the spending changes and the 2024–25 streamlined budget process, there is a \$9 million increase. Could the minister outline the extra work being undertaken with that funding?

Mr D.T. PUNCH: I will ask Ms Lorraine Williamson to answer that question.

Ms L. Williamson: Thank you for the question. It is \$9 000 —

Dr D.J. HONEY: Nine thousand!

Ms L. Williamson: It is the streamlined budget process incentive funding that is provided by Treasury.

Mr D.T. PUNCH: I do wonder about your budgeting, member!

Dr D.J. HONEY: I would in this case. I am going to blame someone else because they wrote it down and I did not look at the table. Every penny of taxpayers' dollars counts to us, minister!

The appropriation was recommended.