

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2018–19 ANNUAL REPORTS



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 12 NOVEMBER 2019**

**SESSION FOUR
DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONAL DEVELOPMENT**

**Members
Hon Alanna Clohesy (Chair)
Hon Tjorn Sibma (Deputy Chair)
Hon Diane Evers
Hon Aaron Stonehouse
Hon Colin Tincknell**

Hearing commenced at 2.15 pm

Hon ALANNAH MacTIERNAN

Minister for Regional Development, examined:

Mr RALPH ADDIS

Director General, examined:

Mr NIEGEL GRAZIA

Deputy Director General, Industry and Economic Development, examined:

Ms HEATHER BRAYFORD

Deputy Director General, Sustainability and Biosecurity, examined:

Dr MARK SWEETINGHAM

Managing Director, Research and Industry Innovation, examined:

Mr BRUNO MEZZATESTA

Executive Director, Operations and Compliance, examined:

Ms AMANDA TAYLOR

Chief Financial Officer, examined:

Ms MIA CARBON

Acting Executive Director, Biosecurity, examined:

Ms MIRIAM SAULEY

Acting Managing Director, Capability and Performance, examined:

Ms NERIDA AITKIN

Director, People and Culture, examined:

Mrs SUSAN WILSON

Chief Information Officer, examined:

Mr COLE THURLEY

Chief of Staff, Minister for Regional Development, examined:

The CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearing. Today's hearing will be broadcast. Before we go live, I would like to remind all parties that if you have any private documents, including iPads and other devices, with you, to keep them flat on the desk to avoid the cameras. Please begin the broadcast. Can I ask each of the witnesses whether you have read, understood and signed a document titled "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: When witnesses at the back ask a question, Clair will come and shift the microphone to you. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being recorded by Hansard and a transcript of your evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question. Agencies have an important role and duty in assisting the Parliament to review agency outcomes and the committee values your assistance with this.

Minister, do you have a brief opening statement of no more than two minutes?

Hon ALANNAH MacTIERNAN: Thank you. We are now some two years into our bringing together, the weaving together, of our different agencies from Agriculture together with Fisheries, together with Regional Development. This is still a work in progress, but I think we are getting there.

We have certainly finished the organisational design process, so now everyone has clarity as to what the positions are going forward, and we expect to really have, I think, all those positions hopefully settled and filled by the end of the year. In the meantime, we have been getting on with our task of rebuilding and expanding the R&D capability within agriculture. We have been doing a whole raft of work in agriculture also to expand processing and exporting—export opportunities.

[2.20 pm]

We have been doing a lot of work in the regional development space, and the regional economic development grants appear to be very successful. We are looking forward to having the second round of those announced over the coming months. The department has been responsible for a number of other projects, in particular, steering the state government's hydrogen strategy forward. Of course, we have been doing very important work in biosecurity and animal welfare. So this has been a challenge, bringing these entities together in the way that we wanted to do it—which was not just, as we say, gluing the silos together—and rebuilding capability across the department. But particularly in the biosecurity and the R&D agricultural innovation space, I think we are making progress.

The CHAIR: Thanks, minister.

Hon TJORN SIBMA: Minister, I just want to reflect on your remarks concerning the MOG integration process as it relates to your department. On page 45 of the annual report, it is mentioned that in the last budget, \$13.4 million was approved to be spent to help with that process of integration. Can I just confirm whether that was supplementary funding or whether that funding was sourced internally? You did not say "appropriation", that is all.

Hon ALANNAH MacTIERNAN: I will have the director general answer that.

Mr ADDIS: The funding in question was an amount of \$13.4 million, which was approved in the midyear review to be essentially shifted forward to the current financial year.

Hon TJORN SIBMA: Okay.

Mr ADDIS: Essentially to provide the wherewithal to progress the core business project systems.

Hon TJORN SIBMA: Director general, can you give an indication about whether that \$13.4 million has been expended?

Mr ADDIS: I will ask our chief information officer to provide some more background to that.

Hon ALANNAH MacTIERNAN: Can I just comment on that. We are in the middle of the process, we have three pieces of work that are being done to integrate the information systems, to integrate

the HR systems and the finances, so they are in various stages. I think two of those are currently out for contract.

Mr ADDIS: One is in the market; the next will be out to market in the next week.

Hon ALANNAH MacTIERNAN: And then the others.

Mr ADDIS: In January or February next year.

Hon ALANNAH MacTIERNAN: It has taken a lot of time to get to the point where we are ready to go to the market to get those. Maybe if I get the chief information officer to talk about that.

Mr ADDIS: I might just make a couple of other remarks. We have spent this year integrating the organisation in terms of structure and finances, I think out of the budget process, which was preceded by the capability review, which was a big focus for us during the financial year in question, we achieved a very solid budget outcome in the budget to set up this financial year; it put us on a solid financial footing, where we were, prior to that, essentially on a declining profile, which was causing us great uncertainty and an inability to plan and act for the future. So we achieved that. A good part of the middle of this year has been very focused on integrating our structure—our people structure—so that our people line up with, I suppose, our strategic intent and priorities. Coming out of that, as part of the interim in terms of our systems integration, which I think is at the heart of your question, we implemented an interim reporting system that would allow us to get effective and efficient financial management reporting out of the existing arrangements for the finance systems. That is an Oracle Analytics Cloud service, which essentially pulls data from the three and provides meaningful, well-organised, understandable financial management reports to us as an organisation. We are in the process of training for management staff, so they have live visibility and control over their budgets and their financial management tasks. So that is a key piece of progress.

I am not sure off the top of my head whether the cost of that—which has not been insignificant—was funded from the \$13.4 million, but the primary purpose of the \$13.4 million that you are referring to is to actually buy and complete the design and the implementation for those three core systems that the minister talked about. As the minister said, we are in the market for the first of those, which I think is HR; going to market for the second in the next week or so, which is finance; and staging it, so we will go to the market for the third one early in the new year.

Hon TJORN SIBMA: By way of going out to market, you are tendering for these services, are you seeking a bespoke provision? Is there something commercially available off the shelf that the department could implement, or are the complexities of your department such that you need to stage that systems process and effectively go out to tender on each of those three aspects? Have I got that right?

Mr ADDIS: I will give you my layperson's response to that. It is difficult to go out for those systems until we have some clarity of finance and structure. We now have that, so we can be quite deliberate about what we need. Basically, they are pretty common systems—the likes of Oracle—used by a range of organisations across the world, but going to market is to get essentially a supplier who tailors it to our needs and our use.

Hon ALANNAH MacTIERNAN: It will be bespoke in the sense that it has been tailored for our use, but we are not building a system from the ground up.

Mr ADDIS: I would not be keen to do that. But the CIO, Sue Wilson, might have some clarity to add to that.

Mrs WILSON: The systems that we are looking to procure are what we call off the shelf, and it is the business processes that are melded to fit the solutions as much as possible, not the way other way round. Not a bespoke system.

Hon TJORN SIBMA: Could I get an indication of what the department's expectation is around implementing those solutions and, I suppose, then fully operationalising the bringing together of the department? Do you have a time line?

Mr ADDIS: We are going progressively to market, to get bids from suppliers who can essentially provide the systems and do the work to design how they should be implemented, and then support the implementation. We do not have definitive time lines because that will be subject to the bids that we get. Obviously, time will be one of the factors that we consider in choosing which is the preferred supplier. Do you have anything to add to that, Sue?

Mrs WILSON: No, not really. It is very dependent on the procurement process and what the bids or tenders return, but we would be seeking it to be implemented as fast as possible.

Hon ALANNAH MacTIERNAN: Could you just give us some idea, like with the human resources one—that is the one you are currently out to tender with—when that closes, and when you would think —

Hon TJORN SIBMA: That would be helpful. I appreciate that there is also a competitive tension as well that you will need to implement, but nevertheless, is there an order of staging?

Hon ALANNAH MacTIERNAN: That is what I am confirming.

Hon TJORN SIBMA: I know. I am trying to be helpful to your help!

Mrs WILSON: Yes, so our human resources system is in the market at the moment. It is a six-week process for return of information. We then go into award, which will take four to six weeks, and probably not be due until January next year—around then, January or February. The same applies for the finance systems, so around the same time for award, and the electronic document management systems solution would not go to market until probably January or February. From the HR and finance systems, we then go into design with whomever we have awarded to, and that then defines our detailed implementation plan and schedule.

Hon TJORN SIBMA: Director general, bearing in mind a reluctance to be too prescriptive around when this might be completed, nevertheless, would you anticipate this being an issue of interest for a committee such as this when we reflect upon next year's annual report? So, basically, do you anticipate being able to complete this integration work within the next 12 months?

[2.30 pm]

Hon ALANNAH MacTIERNAN: What we would certainly have is all the contracts awarded by that stage, and I would expect, from our previous discussions, that at least one or two of those would be implemented by the end of the financial year—is that the case?

Mr ADDIS: Not the current financial year, no.

Mrs WILSON: Not fully implemented, no. We would have begun implementation. I would assume that by the end of the calendar year that we should be at least 70 per cent of the way through for two of those systems, but I would say that our finance system would take slightly longer. But, again, it is dependent on the procurement time lines that come back.

Hon TJORN SIBMA: Sure.

Hon ALANNAH MacTIERNAN: You will have to ask again next year.

Hon TJORN SIBMA: I will have to ask again next year—well, that is an answer, absolutely. Can I get a sense, though—and it might be difficult to provide it in situ; although I am happy to see whether I can take it as a supplementary—at the same time as you are going out to procure these systems, you are running your legacy systems and presumably that comes at some cost, which is kind of non-productive. You have to do it but you do not get much. Can you quantify the expense or the resource

intensiveness of running these legacy systems as you are attempting to bring new systems on board to integrate?

Mr ADDIS: I can make some comments, but I am probably not able to quantify it. Certainly, it is not ideal to have the legacy systems in play. There is a level of inefficiency; but, from our point of view, the main thing is that they are effective. We have maintained operations to very good standards. We have completed 11 clean audited financial statements last year on time, so the system is working. We would all like it to be in the new, slick and more modern legacy systems, let alone being integrated, so we certainly want to get to that point as soon as we can do it well, which is the most important thing. Often times these sorts of projects can go skew-wiff. We have got a workable set of systems at the moment—not perfect, but workable—and we would be putting ourselves at risk if we moved too quickly than we can to do it well. That is the most important thing. Designing that around a new organisation with new business practices is also pretty important, and not done quickly.

Hon TJORN SIBMA: Sure, I appreciate that. My final question on this thread is the \$13.4 million that you have, effectively, brought forward: is that simply dedicated to the procurement of these three new systems? Is it not there to supplement your legacy systems simultaneously—okay, I just wanted to clarify that point.

Mr ADDIS: I am just looking at my CIO and CFO—yes.

Mrs WILSON: Yes, that is correct.

Mr ADDIS: I would not want to lead you astray.

The CHAIR: Sorry, did we get an answer to that, because nodding does not help Hansard.

Hon ALANNAH MacTIERNAN: The answer is yes. That money is for those three systems that we are in the market for.

Hon DIANE EVERS: My first question is with regard to page 21 and the dryland salinity management. There are two things mentioned there: one is a resurvey of the extent of dryland salinity and one is a review of the previous 20 years of mitigation programs. I am interested to know what was learnt from these two reports.

Hon ALANNAH MacTIERNAN: Just let me get some more extensive notes. I do not know whether this comes within the bailiwick of Dr Sweetingham or if he has been doing any of this dryland salinity work.

Dr SWEETINGHAM: It is in the agriculture resource management section. I have some understanding of the work they do, but it is not central to my endeavours.

Hon ALANNAH MacTIERNAN: I think we will need to get you some information. But one of the interesting things that we are doing through NRM funding is trying to rescue the salinity genie, which was an app that was developed that encoded all of the work that had been done basically from about 2000 to 2008. It went into a very usable format for farmers to advise them on how to respond, and what to plant. It appears that at some point around 2012–14, they stopped maintaining the domain site for that—it was captured by a pirate. Through the Gillamii group, we are funding a body of work where we can go back in and recapture all that data and have that material again amongst us.

Hon DIANE EVERS: Can I take that on notice then?

Hon ALANNAH MacTIERNAN: Yes. We will get you a report on what we are doing.

Ms BRAYFORD: It is work that links to the state's salinity strategy, which is in preparation, so we can provide some further information on the contribution of the state's strategy.

[Supplementary Information No D1.]

The CHAIR: Thank you for clarifying that, Ms Brayford.

Hon DIANE EVERS: This question might be a bit easier. It is a financial question regarding page 77. We may have seen this last year, but the two largest decreases in the expenditure are shown as staffing, which I will get to in a minute, and a reduction in the revaluation decrement from 2018. The middle of page 77 has the revaluation decrement, and I am wondering is that some sort of a revaluation of the buildings. What is that?

Hon ALANNAH MacTIERNAN: That is a revaluation of South Perth—that is the principle reason for that. Alas, South Perth has a general problem in property prices, site contamination and also, possibly, more Carnaby's being present on the site. So the development potential of the site at South Perth is now considerably less, so that is the major writedown.

Hon DIANE EVERS: That is fine; that was taken up from last year. I guess, then, the other part of the question is about the income statement on page 55. The employee staffing costs were down, which you alluded to in your opening statement. A lot of positions did not get filled through the restructuring process, which is also in one of the responses to my questions prior. In your opening statement, I think you said with those positions would be filled by the end of the year. I am interested to know does that mean that most of those positions will be filled by the end of the financial year, and were there any particular positions that were difficult to fill?

Hon ALANNAH MacTIERNAN: There are a couple of things I will say, and then I will get Mr Addis to comment. We had a couple of things. In the last budget, following our clarity about where we were going forward, we actually had a lot of positions that were not filled because we were not aware of exactly what our financial situation was going to be because the long-term trajectory that we inherited had been continuing parts over the forward estimates. Some of the positions that were available were not filled. There was some underspend from positions that were not filled because we were not sure where we were going to end up. As I understand it, as has been put to me, the ODP, the actual design of every job within the department has been determined and released, but some of those jobs are still to be filled. My understanding is that this is something that will occur over the coming months. Some of them are going to be externally advertised and they will have to be because of the seniority of the position. That might take a bit longer, but I think we are looking at a time frame of within the next four months.

[2.40 pm]

Mr ADDIS: By the end of the financial year the filling out of the vacant positions post restructure should be done. Obviously, then you start to get into normal attrition. A couple of other comments I would make are on the employee benefits expense. Last year's figure would have been inflated—the CFO might correct me if I am wrong—by some of the costs of the voluntary termination scheme.

Ms TAYLOR: That is correct.

Mr ADDIS: Mandy may be able to quantify that, but it was certainly several million dollars. Was it \$13 million?

Ms TAYLOR: My figures here are showing \$5 million for that annual report.

Mr ADDIS: Okay. That was a cost that hit that line last year. This year through the budget we did have a slight decrement in our budgeted employee benefits, moving us from a declining trend like that to a flat line. This year the actual spend of about \$187 million, which is the figure that you are looking at, compares to a budget of \$196 million for the financial year. That is a difference of about 4.3 per cent. We would have preferred to have fully utilised that resource, but given the

uncertainties that we were dealing with, to come within 4.3 per cent is a reasonable management result we think.

Hon DIANE EVERS: Following on from that, I am pleased to hear that the structure has all been set and you have got all the positions accounted for and about to be filled. My particular interest is in regenerative agriculture. I think a few months back I did ask for an organisational chart for who is working in re-gen in the organisation. I am just wondering if there has been any further progress on that. Can you give me an idea of how many FTEs there are and where they would be around the state?

Hon ALANNAH MacTIERNAN: I think this is about our innovative farming systems section. Dr Sweetingham, would you like to comment?

Dr SWEETINGHAM: Under the restructure of the research and industry innovation group, we have moved a significant number of staff that used to be dedicated to grain industries or livestock industries research into a new section we are calling “farming systems innovation”. There are probably about 50 people in that group in total. They are spread throughout, primarily, the wheat belt. We are really talking about farming systems innovation in the dryland grain and wheat and sheep belt. We have got teams that are working on farm business profitability and resilience drivers in a modelling sense. We have got researchers looking at crop and livestock systems. We have got a very strong regional intelligence and extension group that links with the Grower Group Alliance, with NRM groups, with re-gen ag groups. We have got coverage and staff, as I say, in the Geraldton, Moora, and Northam; Narrogin, Merredin and Katanning; and Albany and Esperance regions. We are certainly taking the whole issue of regenerative agriculture as an issue that challenges a lot of the traditional thinking about what is a farming system for the future that will be resilient to climate change and other market and other volatilities that we will have in the future. But in so doing we acknowledge the great work that some of the existing groups like the WA No-Tillage Farmers Association have been doing for many years on sustainable profitable cropping systems. They would see themselves as champions of conservation agriculture. We work closely with them. We acknowledge the work that the Grains Research and Development Corporation fund in a lot of soil research, particularly looking at subsoil constraints in acidity, sodicity and compaction; and also soil surface constraints like non-wetting. We are planning a range of new initiatives that support regenerative ag. We have got a landing page on our website now, which I hope will grow and become a portal for information that growers can point to. The grower group alliance is very keen to work with us. The Gillamii group that is based in the south west is very keen to work with the whole Grower Group Alliance to look at training courses for farmers seeking information in those areas. Also, we have six case studies underway now, looking at benchmarking, over time, longitudinally some of the elements of soil fertility and soil health in regenerative farmers comparing, benchmarking that with conventional systems. We are planning some long-term trials in low-rainfall and high-rainfall sites. We will be basing the low rainfall site at Merredin. That is well underway in planning, and an Esperance site will follow, starting probably in 2020–21.

Hon ALANNAH MacTIERNAN: Ed Barrett-Lennard, I believe, is taking a role in leading the field trials. One of the things that came out of a very successful re-gen conference that was held in September was the importance of working through grower groups. We want to work with those grower groups that are interested in expressions. There are quite a few that have been putting projects through NRM and other means and looking at developing, through them, an outreach.

Hon DIANE EVERS: It kind of leads to my next question—my final question. In response to a question prior, it was said that DPIRD is currently reviewing its KPIs for 2020–21 to make them more meaningful. I am just wondering if you have got some idea of what some of these KPIs might be like. I agree—to find the ones that actually encourage staff to do the things that you are trying to look

for as outcomes would be beneficial, but I also recognise that it is very difficult to come up with the right ones, a silver bullet.

Dr SWEETINGHAM: I was speaking with the director general about this this morning. There are KPIs there to look at improving, or decreasing, the rate of acidification of our soils. There are also ones that look at increasing soil organic matter. These two were chosen because the conventional soil scientists of today believe that they are the best surrogates for soil health that are relatively easy to measure. I think that as time goes by we are going to find that soil microbiologists are going to come along and help us with other measures, like the soil microbiome and other measures, that tell us a bit more about what is going on with the soil biology. That will be added into the mix as well. What we are looking at doing for soil organic matter is—again, we initially started with an approach of trying to tap into the large banks of soil testing information that the farmers themselves undertake as part of their normal farm business operations. We have particularly worked with a group called SoilTech, who have got an extensive database on soil acidity. That one works reasonably well.

We have had more difficulty getting reliable and comparable information on soil organic matter. The other thing that the people who are experts in the field say is that the sort of changes we are talking about will happen over decades. To come up with Treasury output, KPIs, that measure us on an annual increment are going to challenge the sampling veracity, and we have to be careful that we are not just kidding ourselves and just coming along to meetings like this and telling you that we did well in one year and maybe we did not in the next. We have got to look at long-term trends. We are going to try to lock into some new satellite technology, because probably the better way for us to measure the likelihood of maintaining and building soil organic matter will be to look at satellite imagery of groundcover. We will be looking at being able to do that at least a couple of times a year. We are now tapping into some new Geosciences Australia—they have got a new satellite with a much higher resolution than we have had access to before. We will be looking at least two times a year at green groundcover and stubble cover as well. We hope to be able to learn over time how to ground truth and accurately reflect on groundcover as a direct measure of protecting the soil from soil erosion, wind erosion and water, but also, as I say, as a surrogate of where we are likely to see build-up and maintenance of soil organic matter.

Hon JIM CHOWN: Has there been any build-up of soil organic matter under the minimum tillage regime?

The CHAIR: Honourable member, we are not taking piggyback questions in these hearings, but, having said that, Dr Sweetingham, feel free to answer if you are able.

Dr SWEETINGHAM: I thank the member for his question. There is data. If you wanted some precise information on that, I would have to take that on notice, but I do know that we have got evidence. What we know for sure is that the minimum tillage revolution that I referred to earlier, championed by the WA No-Till Farmers Association, and our own department has been incredibly successful in reducing wind erosion events, for example. Wind erosion would be the biggest killer of soil organic matter in this state.

When I first joined the department many years ago now, it was not uncommon for you to be driving around the wheatbelt and to come across a bitumen road that was completely inundated with sand that had blown off a farmer's paddock, on a big scale. Very rarely do we have those events now, so that is an example of where the current conservation farming practices, over the past 20 to 30 years, have made a big contribution to protecting soil organic matter.

[2.50 pm]

Hon ALANNAH MacTIERNAN: We know that there was some controversy about the introduction of no-till or minimum till. There was a long time when some people were sceptical, and some were early adopters, but now it is widely embraced as being the appropriate approach.

Dr SWEETINGHAM: A benchmark, yes.

Hon COLIN TINCKNELL: I had a lot of questions about biosecurity and soil, and you have answered most of them, so I only have a couple now, and I thank you for that. What would be the most significant unresolved biosecurity event, in terms of potential economic impact on the industry? What would you consider that to be?

Hon ALANNAH MacTIERNAN: What do you mean—an event or a threat? Are you talking perhaps more about something that might happen?

Hon COLIN TINCKNELL: Yes.

Hon ALANNAH MacTIERNAN: There are a number. Obviously, African swine fever is one that is of deep concern to us at the moment. It has been found, as you know, in Timor-Leste, and in Indonesia on the weekend. Clearly, we have to be very vigilant about that. We are doing a lot of early work to make sure that, if it does hit, we have got, through Heather Brayford, national working groups set up. One of the things that we are looking to do is to have a process already in place where there is a segregation. For example, it might land on the east coast, in which case we would have a system where we could have a market segregation on the west coast, and vice versa—if it lands on the west coast there can be a market segregation. We do all of that work, anticipating that this is a problem that could occur here, but instead of going into overdrive when the thing arrives, we have actually done a lot of that preparation of what the response might be, how it would look, and how we would manage the market. Of course, obviously it would be very devastating for our local industry and our export market. What other big tests do we have? We are still working through the psyllid problem.

Hon COLIN TINCKNELL: I suppose I am looking at what has been unresolved, has been there a while and you have not got the answers to yet.

Hon ALANNAH MacTIERNAN: For example, we have got the tomato and potato psyllid. In a sense, you might say that is unresolved. We have realised that we are not going to be able to eradicate it, but that psyllid is not a carrier of the solanacearum bacteria that is the most problematic thing. Nevertheless, this thing is too widespread really for us to be able to eradicate, so we are in a management phase of it. I think Mediterranean fruit fly is still a problem. We are hoping to get some national engagement. There is a \$16 million fund. Not all the growers are always totally on board with the agenda. That is part of the difficulty we have got.

Hon COLIN TINCKNELL: How much money has DPIRD actually contributed to the RegenWA network? What programs have you been involved in?

Hon ALANNAH MacTIERNAN: There are two different things. The Regen Network is an actual group; it is an organisation. You might say it is like a grower group, but not geographically based, and I think the money that we have given them has been through the NRM grants, but we can get you those NRM grants.

The CHAIR: Just on the NRM grants, did you want to take that on notice?

Hon COLIN TINCKNELL: Yes, thank you.

Hon ALANNAH MacTIERNAN: It is the Regen Network, which is an entity that received funding in the last financial year through an NRM grant.

[Supplementary Information No D2.]

Hon COLIN TINCKNELL: These are probably all related. You may be able to help me; I am not sure. How much money did DPIRD contribute to the state NRM office, and what specific projects were funded as a result? This is all on page 16.

Hon ALANNAH MacTIERNAN: I do not know, member—we had a discussion on this in a matter that Hon Diane Evers brought into Parliament about what is happening with NRMs. We fund \$7.75 million a year into NRM grants. Some of them are large, around the \$200 000 or \$300 000 mark, and then there are the small grants that are under \$50 000. We do not directly pay for the NRM offices. I think there are nine regional offices, or a number of regional offices. When this whole NRM network was set up, that was a federal government responsibility—that they would actually pay for the NRM offices and they would become part of the group that then applied for this NRM funding, although there are other groups that do apply, so they are not all connected with NRM offices. The commonwealth has pretty dramatically reduced funding, and at the same time has provided that, of that reduced funding, less is to go for the operation of those offices; it is to go more into competitive funding rounds. You can obviously see the rationale for that. Some very large NRM-type bureaucracies have been emerging, but on the other hand you do need some funded capability to help keep a lot of this work going. It is a difficult and challenging position that the NRM network finds itself in, but we have kept on doing what we have traditionally done, which is fund the actual programs, as opposed to the offices. I am sure there is discussion going on with the federal government and even ourselves about what might be done to keep some minimum level of capability in these NRM structures.

Hon COLIN TINCKNELL: Thank you, minister. Now, away from that, on page 26 there are details of priority 6, which the report details as an achievement of developing the interim state support plan for animal welfare emergencies in collaboration with key stakeholders. How much of DPIRD's funds went into managing the animal welfare incursions relating to the Aboriginal-owned cattle stations at Noonkanbah and Yandeyarra, and a third, which was undisclosed but was in the goldfields?

Hon ALANNAH MacTIERNAN: I do not know what the third one is, but can I tell you—I think it is really important to understand—that we have been out into 100 pastoral stations. I think it is important for us to understand that these challenges do not simply lie with Aboriginal stations. We have had a massive exercise of boots on the ground, going out to 100 pastoral stations, of which more than half are in the southern rangelands, and most of them are not Aboriginal stations.

[3.00 pm]

That has been, obviously, a considerable cost. But what we are aiming to do in that work is to ensure that the pastoralists, because there are varying skill levels, understand what they need to do in terms of their watering points, what they need to do in terms of their feed budget to sustain them and what they might need to do in terms of destocking to get through what is a horrific dry season that is being experienced.

Hon COLIN TINCKNELL: They are going through a hard time; I can see that. I suppose if I could get a breakdown of what the costs were for the whole lot that you are just describing and those three Aboriginal ones.

Hon ALANNAH MacTIERNAN: I am not sure what that third one is, but if you could find it.

Hon COLIN TINCKNELL: It is in the goldfields but it is an undisclosed station. The other two are both in the Pilbara. Sorry, Noonkanbah is in the Kimberley and Yandeyarra is in the Pilbara.

The CHAIR: First of all, we would need some clarification on that allegation.

Hon ALANNAH MacTIERNAN: I would need more clarification. We can get you the costs of Noonkanbah and Yandeyarra.

The CHAIR: If you have more clarification on the other one, then let the minister know. We are not aware of the other one, but D3 for the other two.

[Supplementary Information No D3.]

Hon JIM CHOWN: Minister, if we can just go back to your comments about biosecurity, you said that Western Australia would become a market in its own right. Are you talking about quarantining the state?

Hon ALANNAH MacTIERNAN: I will get Heather Brayford to talk more about that, but what we are trying to do is in preparation, so that if swine fever hits on one side of the country, it does not mean that all our export markets close down.

Ms BRAYFORD: That is correct.

Hon JIM CHOWN: If I may just add something to that. It does not have to be the east coast, of course; it can be in the north as well. I have a couple of questions around that, if I can put them on the table for answering. Taking marketing aside, what would be our relationship with the commonwealth if we did decide to close our borders, for any reason, from a biosecurity perspective, be it foot-and-mouth or any other virulent disease? How would that operate? What would be the state's responsibilities? What legislative powers do we have to put them in place?

Hon ALANNAH MacTIERNAN: I think what is really important to understand and I think what really has been achieved is that we have worked very closely with the commonwealth. When we came to government, during the caretaker period, the psyllid had struck and we were left somewhat wanting. Although we had put in a massive amount of personnel effort, we had not necessarily kept the relationship with the commonwealth as strong as it should have been. Dr Brayford, do you want to describe what you have been doing in terms of this relationship with the commonwealth generally, and in managing swine fever in particular?

Ms BRAYFORD: I will just make a couple of comments and then Dr Carbon will be able to provide some more detail. In terms of African swine fever, the matter of zoning is what you are talking about. If the fever eventuates here, that is about trying to gain importing country recognition of Australia's capability for zoning, so that we can get recognition from the importing countries. That has been worked through a national approach and WA is heavily involved in that. Dr Carbon may be able to add something in a moment. More generally, we work really closely with not just the commonwealth, although that is obviously a very important partner given some of the border issues, but also with all the relevant jurisdictions around biosecurity. There is a range of established protocols, processes and committees that work very closely if there is a particular incident, no matter where it appears in Australia. In the livestock area, for example, there is Australia's Chief Veterinary Officer, which is a very important partner for us. We need to work back through existing protocols to manage those. The other component is working to build preparedness and response capability across all the jurisdictions as well, irrespective of what the particular incident may be. We participate in a large number of national forums around preparedness and then response if required, and then also transition to management, as the minister mentioned, for particular things. That goes across the plant biosecurity area, the animal biosecurity area, the aquatic biosecurity area and also now the environmental area, which is more around pests that have not so much production impacts but lifestyle and social amenity impacts.

Hon ALANNAH MacTIERNAN: An important point that you are making is that it is not as if we are saying that we will unilaterally close our borders; this is a coordinated response so that we can get countries that import our products to recognise that there are zones within Australia, so whilst one part might have African swine fever, the other part does not. It is an agreement that we get our trading partners to accept that we are capable of having discrete zones within our borders.

The CHAIR: Does Dr Carbon want to contribute to that?

Ms CARBON: In terms of both African swine fever and how we work nationally, the Animal Health Committee, which is the national committee of chief veterinary officers, is currently meeting weekly to discuss the risk of African swine fever and preparedness. There are multiple working groups looking in very significant detail at how we will do a lot of that nationally that are chaired by various jurisdictions. We are working very closely with our national counterparts on that.

Hon JIM CHOWN: At this stage, you do not have a plan and you are still working towards it, or is there a protocol in place if it landed on our doorstep some time in the next 24 hours?

Ms CARBON: There absolutely is a protocol in place, but what we are working on now is the next level of planning underneath that to make sure, for example, that we could manage the processing system. There has been much talk about zones. There are two ways of doing it. One is regionalisation, so that is geographical zones. That obviously relies very heavily on traceability and being able to track your movement controls and also surveillance. Of significance for Western Australia is also the type of zoning called compartmentalisation, which is far more difficult to prove and takes a lot of work. For example, we would be able to say, "There may be African swine fever in the feral population but we can prove to you that it is not in our domestic pigs." There is a lot of work going on on that currently.

Hon JIM CHOWN: So these would be contaminated zones and non-contaminated zones?

Ms CARBON: Not necessarily.

Hon JIM CHOWN: How would you differentiate between one zone and the other?

Ms CARBON: If you are talking about compartmentalisation, it is the ability to prove adequate biosecurity separation between the feral animals and your commercial pig population.

Hon ALANNAH MacTIERNAN: But that is separate from the other one we were talking about, which was establishing the zones. That is probably the more prospective one.

Hon JIM CHOWN: What would you do in regard to containment in a contaminated area?

Ms CARBON: We would put movement restrictions in place to enable us to basically stop any further spread of that disease whilst we were able to deal with it. One of the benefits of the commercial pig industry in Australia, but particularly in Western Australia, is that it is typically very vertically integrated, so tracking movements, relative to other livestock species, is quite easy, and containing it geographically is easy. As I said, there is work going on in our processing sectors and the like to work out how, for example, we would move pigs through to slaughter facilities without risking spreading disease.

Hon ALANNAH MacTIERNAN: You would also be ordering the destruction of certain —

Ms CARBON: Absolutely.

Hon ALANNAH MacTIERNAN: Can you describe how that works?

Ms CARBON: Certainly. If we were to diagnose African swine fever in a region, we would stop any movements both within that region and anything external to that to stop the further spread whilst we eradicated the disease. The eradication of the disease would involve destruction of infected, at-risk and in-contact animals.

Hon JIM CHOWN: We have been looking at this for 12 months and you have had monthly meetings, as you have described; what is the risk probability?

Ms CARBON: I could not give you that off the top of my head. That is something we work with our —

Hon JIM CHOWN: You have not discussed this at your high-level meetings?

Ms CARBON: We have absolutely discussed it, but import risk assessment is the commonwealth's responsibility and we work very closely with them on that. As you are aware, they control the national border and we control the intrastate borders.

[3.10 pm]

Hon JIM CHOWN: Let us break it down as high risk, moderate risk or low risk.

Hon ALANNAH MacTIERNAN: I think it is being treated as a very serious risk.

Hon JIM CHOWN: I understand that.

Hon ALANNAH MacTIERNAN: It is being treated as a very serious risk because we have seen the relentless march and that is why so much effort has been put in place to have these protocols established before this arrives on our doorstep. One of the biggest sources of infection will be from illegally imported pig products, and one of the big problems that we know about is that we apprehend through various quarantine facilities 40 tonnes of illegal pig products each year, and that is just what we catch. Perhaps Dr Carbon, if you want describe how we are providing advice about the management of swill. Indeed, some of these imported products have shown traces of the swine fever—that they have been in contact with the swine fever. A lot of the advice that has been built up is about management of swill and feed. Would you like to describe that a bit further?

Hon JIM CHOWN: Thank you, minister. This is a really important subject we are discussing here, and let us not take anything away from how critical this is. Dr Carbon, in Port Hedland, for example, I observed ships' crews walking off iron ore vessels and playing on the side of the wharves et cetera and then going back on board, to my knowledge, without any inspection or quarantine protocols put in place. The minister has quite correctly identified that the greatest threat is pig food used by people visiting our shores. I assume all those vessels do have pig products on them. This is about our security here. I am just wondering whether extra protocols been put in place for incidents such as the one I have just described.

Hon ALANNAH MacTIERNAN: It is an interesting case in point. Do we have those quarantine inspections at Port Hedland?

Ms CARBON: There are very strict protocols in place for any food and waste products, both from airlines and by sea, so they cannot come into Australia and be disposed of by the normal route. They are either held on to and disposed of elsewhere or they are disposed of as quarantine risk material. That has always been in place.

Hon JIM CHOWN: Changing the subject entirely, I notice that your pillar description states —

This pillar provides the foundations for DPIRD to operate as a high-performing organisation, with an innovative and collaborative workforce.

Hon ALANNAH MacTIERNAN: Which page is this?

Hon JIM CHOWN: It is page 10, minister. At the bottom it says —

Staff in this pillar are the custodians of DPIRD's common resources, delivering quality services to DPIRD staff ...

I am sure you are all aware of the CPSU—CSA union survey titled "Change and Uncertainty". The minister in her opening address spoke about the machinery-of-government changes. This survey said that 69 per cent of respondents in DPIRD feel that the organisational change is having a negative effect on their mental health, 80 per cent of respondents do not believe that the DPIRD understands the role and business of all DPIRD business areas, 49 per cent of employees would not recommend DPIRD as an employer, 46 per cent do not feel they can speak up or report issues without fear of consequences, 71 per cent of DPIRD staff have no confidence in job security at the department and

80 per cent of respondents are concerned about the welfare of their colleagues. I am just wondering if this survey was done today or at some stage in the near future, what the changes would be with regard to this survey, which I am sure you are aware of, and what has been put in place to ensure that as is stated here “staff in this pillar are the custodians of DPIRD’s common resources, delivering quality services”?

Hon ALANNAH MacTIERNAN: I thank the member for the question. As the member knows, that staff survey was in May 2019, think we have had several discussions on this in the Parliament. I think it was true that too much time was been taken. This ODP process had been taking a long time. That decision was made to first of all to the corporate sector rather than the more traditional agricultural sector, but we responded very rapidly to the concerns that were raised by the union. Certainly, we have re-prioritised immediately the ODP 2, which is the organisational design, and we have now, as I said, completed all of that work, and whilst there are still some of those jobs to be filled, there is now clarity over that. I think there were a range of other steps that were being taken. Perhaps, Ralph, if you want to comment and then perhaps get Miriam to talk about some of the extra things that also have been done to address the concerns. There was a lot of uncertainty, there is no doubt about it, and I think we have largely addressed those issues.

Mr ADDIS: I think the issues stem back to firstly the integration of the agency, but then the need to tackle the budget challenges that we had, which we largely resolved at the budget in the early part of this year. That gave us some financial clarity and certainty. Early this calendar year we completed the restructure of the capability and performance of corporate services part of the business. That is about 280-odd staff, so a relatively small proportion of the overall organisation. We still had roughly 1 300 staff remaining to go through the restructure. It became really clear to us in May and early June that we were not moving quickly enough to get that complete and remove the uncertainties that were causing some legitimate distress, so we put some other priorities on hold or on go-slow. We made a very deliberate decision in corporate executive to make that the overarching priority to get complete, because that is what we needed to do. I think since early June we have made very good progress. Roughly 1 300 staff have had their new structures completed and revealed to them. Ninety-five per cent of those staff have gone through the processes to transfer them into the new roles in the new structure. There are a handful for whom we have to complete what they call quarantine merit selection process, which is where there is more staff who are relevant to a smaller number of the new roles. That is in train now and I think we will have those processes complete by the end of this month. By the end of November, which was our commitment to staff back in June, we will have the new structure revealed, we will have staff, I suppose, essentially transferred where there was an appropriate pathway into those new roles. There are a number of staff who are not what they call registered or displaced in that new structure, which is not unexpected when you restructure an organisation and seek to create new roles, realign roles, with the new organisation’s priorities, so that is not unexpected. We will have an ongoing role to work with those staff to find them the best available opportunities, including the potential for placement into some of these new fill vacancies we referred to earlier in the day.

Hon JIM CHOWN: How many unfilled vacancies are there?

Mr ADDIS: I am not sure off the top my head, but it has several dozen. Do you have a clearer number on unfilled vacancies?

Hon ALANNAH MacTIERNAN: So, jobs currently being advertised.

Ms SAULEY: Not currently being advertised, but I think there are approximately 200 jobs.

Mr ADDIS: Which will include a whole raft of different sorts of roles, not just these restructured-type roles. You have got ongoing turnover in roles.

Hon JIM CHOWN: How many vacancies are there?

Mr ADDIS: We have got —

Hon JIM CHOWN: Are there 200?

Mr ADDIS: That is about right.

Hon JIM CHOWN: There are 200 vacancies?

Mr ADDIS: But that is not just related to the restructure. That includes normal turnover.

Ms SAULEY: Yes, prior to the restructure.

Hon ALANNAH MacTIERNAN: I think I will take that on notice and give it to you.

The CHAIR: As of today, the current number of vacancies.

[Supplementary Information No D4.]

Hon ALANNAH MacTIERNAN: There have also been a range of other things that were done in response to not only speeding up the ODP, but the number of other issues that were taken up and resolved. I am going to ask Miriam for that.

Ms SAULEY: Just reiterating the minister's comments about the very vast difference between the position at the time of that survey and where we stand today, at that time —

Hon JIM CHOWN: It is six months later.

Ms SAULEY: Yes, that is right. At that time, almost half of the agency still was not clear about the future in the future structure, now that has changed and it is very clear what the structure is and what the roles are.

Also, over that period of time, we made ODP2 the higher priority, we prioritised it to finish it as quickly as possible. We made sure that there was some very strong employee support put in place, not only the usual employment assistance programs, but actual on-site counselling available across the state, across all of the regions, while this process was taking place. In addition, there were steps put in place to ensure that salaries were maintained so nobody found themselves placed in a position where their salary was reduced and that also increased certainty for staff who otherwise had been anxious about that.

In addition, we really focused on redeployment. We have dedicated redeployee coordinators and they focused on looking for placements and we have found many placements for internal staff who did not immediately fit into the new structure, not only within the department, but across the sector, and that continues now. With these recruitments that are going to go ahead, and are going ahead as we speak, there are opportunities for staff who did not immediately find a placement, because there is always a referral to those who have not found a placement immediately and there are also promotion opportunities.

[3.20 pm]

The CHAIR: Member, this has to be your last question.

Hon JIM CHOWN: Are there any plans to engage an independent facilitator to carry out another survey after these changes to ensure that what you are saying is correct and staff are critical to outcomes of any business or department?

Hon ALANNAH MacTIERNAN: We constantly monitor the staff and obviously we will be working closely with the union to ensure that they are satisfied.

Hon JIM CHOWN: You are not prepared to get an independent facilitator to carry out the survey?

Hon ALANNAH MacTIERNAN: As I said, we will work closely with the union.

The CHAIR: Thanks, honourable member.

Hon KYLE McGINN: I am going to take a bit of a different approach. I am not going to talk about pigs. I would like to talk about dogs.

The CHAIR: What is wrong with talking about pigs?

Hon KYLE McGINN: Because I want to talk about wild dogs. I am hoping the minister can give an update. I know a lot of work has been done on the state barrier fence and there has been a lot of investment from the state government. I am hoping you can provide an update on that and see where we are at. Also, I have a big interest in the Aboriginal employment outcomes that come with that. I know that you have done a lot of work in that space. If you are able to provide an update on the Murchison, goldfields, Esperance areas, that would be greatly appreciated.

Hon ALANNAH MacTIERNAN: Thanks very much. We are pleased that we are into the second stage of the state barrier fence extension. I think in the original we did an eight kilometre. We are now doing an area that is an additional—we have awarded contracts for 54 kilometres of the state barrier fence, but I am not sure that this figure is as updated as it was. So, in the first instance, we had 54 kilometres and we have completed that, and we are now moving into the second phase of that fencing project. I believe Hon Darren West was out on Scott Pickering's property the other day looking at that bit of fencing going through. We have, to date, been using the Wudjari people to, as I understand it, do that work. I think this has been very beneficial because not only have we been creating a positive result for the sheep farmers, but we have ensured that the Aboriginal community of the goldfields and the Esperance area are obtaining benefit.

Likewise, we have spent \$5 million repairing the state barrier fence. We are in the process of spending that \$5 million. All the work that has been done to date has been done by Aboriginal groups or Aboriginal companies who are locally based, whether it is Yalgoo or further south, so that has been a major injection of funds into the area. We have expanded a range of programs. One of the big programs that we have expanded was going into remote Aboriginal communities and desexing the dogs. I think we have increased that fund by about three times and the only thing now is the capability of Murdoch University to provide enough final year students to do that work, but we think that the desexing of dogs in remote communities makes an important contribution to that task. We are now very much focused on getting the four cell fences finished. When I was in Carnarvon last week, they were signing the final agreement with the Murchison group to get their fence up.

Hon KYLE McGINN: Cool. The Aboriginal businesses or employment opportunities, were they pre-existing or were these created specifically to perform the work? Did the department work with the local groups to create them?

Hon ALANNAH MacTIERNAN: We had decided that we thought this would be the way to go to ensure that the money we are investing had maximum benefit in terms of local content—not only providing benefit for those people who were the farmers but also for the Aboriginal people. So, in some instances, there were existing organisations as the groups around Esperance and on the southern extremes of the fence. Further up, they were companies, basically, formed. The Simpsons, for example, who had a station nearby, have been putting together companies, or there were small Aboriginal businesses that had done some fencing in the past. I want to compliment the departmental officers who really put in a huge effort to make sure that this could happen and I think it has been very successful. We are really seeing some of these Aboriginal groups now forming stronger businesses and looking for other business opportunities.

Hon KYLE McGINN: That is excellent. I think it is well received on the ground as well. Along the same sort of vein, there was also the implementation of the local content advisers. Now, I am just

wondering if you could give us a bit of an update on how it has improved the local content outcomes in regional Western Australia since their implementation?

Hon ALANNAH MacTIERNAN: I am really pleased with how this has played out, because I think we have had local content rules for a long time, but what we recognised is that unless you really drive it, unless you really have people in there pushing the agenda, it can quite often mean nothing. We were concerned in some of the analysis that we had done prior to coming into government that there was only around 20 per cent of the contracts for regional Western Australia that were actually given to regional companies. So, that combined with the fact that we were very conscious that we were coming into a very constrained budgetary environment and that there was \$27 billion a year spent on infrastructure and goods across the state. But if we could ensure that there was a decent local content procurement, we could actually drive a lot better outcomes for our business. We have had these local content officers now attached to each of the development commissions. They work as part of that general system through the jobs act that we established with commitment to particular formulas for advantage, but these are the men and women who go out there in each region; they work with local businesses.

Their role is twofold—they have to understand the local business capability and they have to make sure that those people are aware of all the procurement opportunities that are becoming available, but they also have to feed back the other way to the procurement agencies to, where possible, get them to understand how you need to structure a contract to make it possible for local companies.

Just let me give you a couple of headline views. As at the end of this last financial year, 48 per cent of regional tenders—48 per cent of the actual tenders—were awarded to suppliers in the local region, and 58 were awarded to suppliers in regional WA. We did have some figures by way of value of those. Yes, 50 per cent of the value of regional tenders was awarded in the local region, and 63 per cent of the value of regional tenders went to regional WA. We consider that a significant increase.

[3.30 pm]

The CHAIR: Thank you, honourable member. I have a Chair question. The annual Biosecurity Blitz ends this week. Do we know yet, through the app, how many pests have been spotted and reported?

Hon ALANNAH MacTIERNAN: Yes.

The CHAIR: It might be too early yet, but are there any indicators regarding the success or otherwise of the blitz, noting that I am, myself, a participant, and have reported citrus gall wasp?

Ms CARBON: Thank you very much for participating and reporting. We use the blitz for two main reasons. One is to obviously raise awareness of the need to report and the way to report; the second is to gather a really significant amount of surveillance data, noting that negative surveillance reports for us are just as important as positive. So every report that comes in that is not a pest goes towards us being able to prove to our trading partners that we are looking, and the numbers at which we are looking are significant, and we would find things if they were there. So the lack of diagnosing a pest in that instance is not a problem for us; that is great news, because we can still say that we have done this many tests and not found it. It is too early at this point to say what we have found. I think there is often an assumption with our MyPestGuide app that it goes into some kind of computer algorithm and spits out a result. That is not the case.

The CHAIR: That is exactly what I was thinking.

Ms CARBON: It goes to a highly trained technical expert sitting at the end of a microscope to look at each one, so it takes some time to process, but that obviously gives us absolute confidence in

those results. When we have finished the blitz, we will be sending out some comms to people who have taken part to let them know what the results were.

Hon ALANNAH MacTIERNAN: Dr Carbon, did you not find one thing, although it did not turn out to be dangerous, that had not been spotted before in WA?

Ms CARBON: It is very common that we find new things. I cannot remember if it was last year or the year before, but we found four new species and a whole new genus through this program. None of them were pests; they were all native and endemic, but this is how we find them.

The CHAIR: That is extraordinary, thank you.

Hon ALANNAH MacTIERNAN: Was that a spider?

Ms CARBON: It was a spider.

Hon ALANNAH MacTIERNAN: That was just in this current round?

Ms CARBON: Yes, he will not have a name yet.

Hon PIERRE YANG: Minister, in relation to the hydrogen strategy, what is the state government taking to develop the renewable hydrogen industry in Western Australia? I understand there was a strategy put forward. Can you please elaborate on that and provide an update?

Hon ALANNAH MacTIERNAN: Thank you very much. Look, this has been really important work that we have done to bring WA into the fold here. We think we have enormous potential as a producer of renewable hydrogen, and we certainly have many companies that are very interested in developing facilities here. Our strategy has identified the four areas that we think are most prospective for us, and they include export, either as a gas or in the form of ammonia; the development of the blending of gas into reticulation—existing gas reticulation systems—to lower the carbon footprint of the gas; the remote area application and mining application, so running mine vehicles on hydrogen and using hydrogen as a diesel replacement in remote communities; and basically transport, heavy haulage in particular, where hydrogen has a very distinct advantage over lithium-ion batteries. So we have a unit set up that is providing a conduit for all the business opportunities—the many, many dozens of companies that are wanting to talk about this. We have a group that has built up some expertise in that area. We are going to be doing work around the regulation—there are about 240 bits of regulation that are impacted to get this—and we have a grant scheme, so a scheme that is designed. It is a modest scheme—it is only \$10 million. Some of these will be feasibility studies and some will be contribution to capital projects. But we are working with some very large projects, where the assistance they want is just government to facilitate their approvals. For example, the Asian Renewable Energy Hub north of Port Hedland on Eighty Mile Beach, at this stage, is slated to be a 15-gigawatt generation—three gigawatts to be made available to really bring down the price of power in the Pilbara, and the remaining 12 gigs to be exported in the form of ammonia to Korea and Japan at this point. They are working on their environmental approvals and finalising their NUR, but, the scale of the project is massive. Some of these will be the biggest in the world, and that is what we see as the comparative advantage for us in Western Australia—that we do have these vast tracts of land and we have very high quality solar and wind resources, we can combine those and produce this hydrogen renewable blade. We have companies like Yara, the Norwegian petrochemical one that operates the fertiliser company on the Burrup, which is combining with the French company Engie, and they are working through a renewable hydrogen project.

Hon DIANE EVERS: At the top of page 21 on the right-hand side there is mention of the North Wanneroo Agriculture and Water Taskforce looking at decreasing groundwater allocation and the protection of existing agricultural land. This brought to mind other areas I know of around the

state that would like to find water-efficient horticulture, such as Manjimup. I was hoping that you might be able to give me an update on the southern forest irrigation scheme, because there are a lot of people down there waiting to hear about it.

Hon ALANNAH MacTIERNAN: Well, at this point, the environmental application is in. There have been some significant design changes on that. That will be undergoing a PER. Now, I am well aware that there is some controversy in the local community with some growers now being concerned about this particular scheme. Some of those growers have said that they have got some alternate proposals. We have asked them for those alternate proposals, but we do think that we need to do something down here; we need to very much understand that our horticultural areas are going to need us to deal with water in a better way.

There has been a lot of controversy about this scheme, but I am not entirely sure that that is well based. I think there is some concern about what people see in the Murray–Darling Basin, and there are concerns about water trading. The excesses we see in the Murray–Darling Basin are not going to be available here because we are not going to disembodify water entitlements from land entitlements. We would love this community to be able to get together and come up with a scheme.

There are some people that did not put up with it and think they needed it. We would love to have the growers, between themselves, come up with a solution to this problem. But we do not think that just walking away and doing nothing is a viable alternative to us.

[3.40 pm]

Hon DIANE EVERS: It sounds like a new proposal has to be put forward.

Hon ALANNAH MacTIERNAN: Well, no. There is a current proposal that is proceeding through the system and proceeding through applying for its PER. But we do have representations from people from time to time who express concerns about it and say that there is another way of doing it. We have said, “Well, let’s see this other way of doing it.” I mean, really, it is very frustrating dealing with communities that seem to be so riven with conflict that we cannot make progress because people cannot act in any sort of unified way, as we are seeing in places like Carnarvon.

Hon COLIN TINCKNELL: My quick question is regarding the improving WA aquaculture industry. I am just wondering: are there any red tape impediments that is slowing the industry, or are any industry groups getting involved in this?

Hon ALANNAH MacTIERNAN: Generally, I think it is that people are wanting more government funding, so I am not sure that it is red tape so much. I will say that the government investment—and just be careful of the aspiration around “little government”—in the Albany hatchery has been the most significant event in driving aquaculture in this state. So without that hatchery and without that government investment, we would not have been there. Heather, can you expand on that?

Ms BRAYFORD: Yes, thank you. We are always looking at ways to reduce red tape through the assessment and licensing process. Some time ago now there was a review where we were working through those recommendations on things like electronic systems and trying to remove some of the arrangements that are not really adding any value or assisting people. But the main thing is really the move to try to allocate zones so that you can allow prospective applicants to actually forgo the very long and often complex environmental approvals process, because that work has already been done and already been assessed by the Environmental Protection Authority. We have a zone in the Kimberley, which is fully subscribed to for finfish, and we have a zone in the midwest, which is also fully subscribed to. We are currently working through the final stages of a zone in the south coast, which will focus on shellfish and the hatchery development in Albany, which is supplying shellfish spat to a range of existing operators across WA and also the eastern states, which is a really important part of being able to grow that industry.

you need to provide that initial infrastructure and the support for the production of the juvenile fish, because that is often a very important part of the business, and you need that to then provide the grow-out opportunity, which is what industry is focused on. That infrastructure is something that industry has been asking for and that is what the government has been delivering. The zones are part of that. And then we continue to work with industry on a range of other matters in terms of the licensing and assessment process.

Hon ALANNAH MacTIERNAN: I just want to add to that. I would be very concerned if, somehow or other, government was holding us back. Whereas, in fact, if we look at the grants that have been going to the aquaculture industry—whether it is through regional economic development grants or some of the aqua food processing—some might argue that aquaculture is getting a disproportionate level of grant funding. So, quite clearly, there is an appetite out there for government assistance to get these projects up and running.

The CHAIR: On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which highlights any questions that have been taken on notice, and any additional questions that members may have, after Friday, 29 November 2019. Responses to these questions are requested to be returned within 10 working days of receipt of the questions. If you are unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these via the electronic lodgement system on the POWA net site by 5.00 pm on Friday, 29 November. Once again, thank you, everyone, for your attendance today.

Hearing concluded at 3.45 pm
