STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS

2013-14 BUDGET ESTIMATES HEARINGS

TRANSCRIPT OF EVIDENCE TAKEN AT PERTH FRIDAY, 27 SEPTEMBER 2013

SESSION THREE DEPARTMENT OF AGRICULTURE AND FOOD

Members

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

Hearing commenced at 4.00 pm

Hon KEN BASTON

Minister for Agriculture and Food, examined:

Mr ROB DELANE

Director General; examined:

Mr GREG PAUST

Executive Director, Corporate Strategy and Operations, examined:

Dr MELANIE STRAWBRIDGE

Acting Executive Director, Agriculture Resource Risk Management, examined:

Ms KERRINE BLENKINSOP

Director, Grains Industry, examined:

Dr KEVIN CHENNELL

Executive Director, Livestock Industries, examined:

Mr TERRY HILL

Executive Director, Irrigated Agriculture and Diversification, examined:

Mr PETER METCALFE

Executive Director, Regional Operations and Development, examined:

Mr JOE MURGIA

Finance Officer, examined:

Dr ROSALIE McCAULEY

Senior Development Officer, examined:

Mr VERN FERDINANDS

Principal Policy Adviser, Office of the Minister for Agriculture and Food, examined:

The DEPUTY CHAIR: On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I would like to welcome everyone to today's hearing, which will be the last session on our busy agenda for the week. Witnesses before the committee are required to read and sign a document headed "Information for Witnesses". Can you please all confirm for the benefit of Hansard if you have read and signed a copy of this document?

The Witnesses: Yes.

The DEPUTY CHAIR: For the benefit of Hansard, can you confirm that you understand the document that you have signed?

The Witnesses: Yes.

The DEPUTY CHAIR: Witnesses need to be aware of the severe penalties that apply to persons providing false or misleading testimony to a parliamentary committee. It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing

is being held in public although there is discretion available to the committee to hear evidence in private either of its own motion or at the witness's request. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session before answering the question.

These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. The committee reminds agency representatives to respond to questions in a succinct manner and to limit the extent of personal observations. To assist the committee and Hansard please quote the full title of any document you refer to during the course of this hearing for the record; and please be aware of the microphones and try to talk into them. Ensure that you do not cover them with papers or make noise near them. Members, it will greatly assist Hansard if when referring to the *Budget Statements* volumes or the consolidated account estimates, you give the page number, item, program, amount, and so on in preface to your questions.

Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia. The committee values your assistance with this.

For the benefit of members and Hansard, I ask the minister to introduce his advisers to the committee, and for each adviser to please state their full name and the capacity in which they appear before the committee.

[Witnesses introduced.]

Do the witnesses wish to provide an opening statement? If not, I give the call to Hon Robin Chapple.

Hon ROBIN CHAPPLE: I refer to page 723 of budget paper No 2 and to the line items under the heading "Spending Changes". My first question is about the Pilbara hinterland agriculture development initiative. Will the Pilbara hinterland agriculture development initiative, which uses mine dewatering for agricultural development, be phased out in 2016–17, because I see no budget line item for that?

Hon KEN BASTON: I will refer to the director general on that question.

Mr Delane: This initiative, to be funded from royalties for regions, is for a pilot program to help demonstrate the technology and the methodology and that this type of agricultural development from mining dewatering can be successful. It is clearly not the department's responsibility to have ongoing operations here with mine dewatering from mines operated by major mining companies. The state's investment in this area is to help de-risk and test the application of that water and associated technology in a completely new development in the rangelands of Western Australia. Hence it is a time-bound program with quite specific objectives; and, if successfully demonstrated, it is certainly our hope that the program would be rolled out, as appropriate, so that water from mine dewatering was utilised productively and did not become an environmental problem because putting it down creeks or disposing of it by some other means was the only way of disposing of that water.

Hon ROBIN CHAPPLE: What will be done to ensure the sustainability of water sources if the mines involved in the program close in the future; that is, where will the water come from in the future for those agricultural developments?

Hon KEN BASTON: Obviously, as the member is aware, the dewatering is taking place because the mine is actually below the watertable. When the mine is finished, the watertable will obviously still be there, so that water will still be in that reservoir of the mine and can be utilised.

Hon ROBIN CHAPPLE: I just come back to the point, and the minister may want to clarify this. Obviously the dewatering is done by pumps at the moment. The pumps will need to remain there. Given that most of the pumps that are associated with this dewatering are moving into 10 000-year-old aquifers, and given also that we know that the level of water in the aquifers is already dropping,

what are we going to do to recharge those aquifers? Secondly, how will water be supplied when the dewatering bores, of which there are many hundreds at each mine, are no longer in commission?

Mr Delane: Firstly, to deal with the mine dewatering, I think members will know that the mining companies have significant responsibilities to make good at the end of mining, and if there is no alternate use for the water, they would have a responsibility to deconstruct or remove all of that infrastructure. I cannot speak for individual mining companies, but the proposal is that the dewatering equipment will be utilised during the life of the mine to provide water directly or through buffer dams to the irrigation developments. Clearly this is covered by mining legislation and by water legislation, as well as land legislation and environmental legislation generally. Therefore, there is ample provision for the management of the sustainable drawdown of water, and for rehabilitation at the end of mining. It would be a matter for regulators at the time to determine how much sustainable drawdown is available beyond the end of mining. We have had some limited discussion with mining companies about what will happen at the end. Clearly, very substantial infrastructure will be put in place to enable mine dewatering and the mining of valuable iron ore in this case. The handover or the maintenance of that infrastructure by the mining company for what will become an irrigation development as opposed to a mining development will be a commercial decision for them at the time.

[4.10 pm]

Hon ROBIN CHAPPLE: Thank you. I move now to page 727 and the heading "Transformational Development". Are any funds committed in the 2013–14 budget under transformational development to deal with the effects of climate change, such as decreasing rainfall and extreme weather events?

Hon KEN BASTON: I will ask the director general to respond to that.

Mr Delane: I do not think we could provide that specific figure. There are significant funds applied in a range of projects across DAFWA that would be relevant to the question asked by the member. For example, we have recently expanded the weather station network across the south west land division to 120 weather stations. The rollout of those stations has been finalised and they are now operating and that information is now available to all users through the web. We have some climate change-related research in broadacre production and some business education work for primary producers, who need to cope with all of that. I think all of that will be included in the other service area rather than transformational development. What we have sought to do in the transformational area, and with the department's work generally, is look to industries where very significant change to the way the industry operates is necessary for the success of that sector. So we are not dealing with, as we are in the other services, what we might call ongoing service and incremental changes. We are looking for major transformation. One example is the work we have done recently in dairy to see whether it is possible to double the size of the dairy industry through a completely new processing and market capacity, and attract some investment. At this stage, the number is relatively small, but we expect it to grow rapidly as we move through the beef and cattle sector. We believe that quite substantial changes are possible in pretty much every sector where we think there is a need for significant transformation. But also, over the medium term very substantial changes are possible in the sector, either by opening up markets, improving supply chains or improving processing capacity, or by making improvements to the product or the production efficiency of the sector. So it is about stepped change rather than ongoing and incremental change in the sectors.

Hon ROBIN CHAPPLE: Mr Delane indicated that there are some aspects of the budget that he is aware of that deal with the impacts of climate change. Could we get on notice a breakdown of those issues?

The DEPUTY CHAIR: Are you happy, minister, to provide that as supplementary information? **Hon KEN BASTON**: Yes.

[Supplementary Information No C1.]

Hon KEN TRAVERS: Could the minister please explain to the committee why his agency was not able to table its annual report by the due date for the second, if not the third, year in a row?

Mr Delane: I will make some comments, then I will refer to our chief financial officer. It is true that we needed to have some delays in finalising our annual report. The department has been rolling in a new financial system as part of the roll-out of shared services for financial services, a function that we transferred into that central servicing some time ago. That and associated matters have caused some delay in finalising the accounts, but I will ask chief financial officer, Joe Murgia, to give some further details.

Mr Murgia: That is correct. This year was a very demanding period whereby we were trying to implement a new system, rolling out of shared services. We had to deal with a number of configurations issues. As a result, it caused several delays within the process. We have completed the financial statements. They were signed off as of yesterday by the Office of the Auditor General.

Hon KEN TRAVERS: In relation to the implementation of the Biosecurity and Agriculture Management Act, which I think was proclaimed earlier this year —

The DEPUTY CHAIR: What page are we referring to?

Hon KEN TRAVERS: There does not seem to be a specific mention of it. I am asking how much money has been allocated in the budget for the implementation last year, this year and going forward, of the BAM act. How much has been allocated for industry groups and recognised biosecurity groups? How will they be treated in the budget where you match funding for the recognised Biosecurity groups? Will they be treated as grants or recurrent expenditure by the agency? I would have thought with a new act such as that, you would have a specific allocation for its implementation. I cannot find it in the budget papers, so I am asking: what is the allocation and how has it been delivered?

Hon KEN BASTON: I thank the honourable member for that. Yes there is a new act. I spent two years doing it when I was in opposition. I never thought I would see it in fruition. As you know, the regulations on that only came in on 1 May. I will refer to Robert Delane, the director general, to comment on it.

Mr Delane: Thanks for the question. As all members of this chamber who assisted with the passage of this new legislation, which came into effect in 2007, will appreciate, this is a very substantial piece of regulatory reform for the Western Australian Parliament. Work started in 1998 with a long period of engagement with industry to determine what areas need to be modernised.

Hon KEN TRAVERS: With all due respect, I note the time. I understand the history of the act. I am asking how much money has been allocated for the implementation of the act and for matching funding for industry groups—recognised biosecurity groups—both for the last year and going forward and how will you treat it. Are they treated as grants or are they treated as recurrent expenditure?

Mr Delane: There are three questions for me to address. The allocation in 2012–13 for the implementation of the Biosecurity and Agriculture Management Act was \$608 000. The act converted 15 acts and 27 sets of regulations into one act and nine sets of regulations, and implemented the information systems and the training programs necessary to have officers implement that new legislation. We expect the resources to be similar to that. It is an act that goes right across all the areas of the department, so it is not a figure we would normally consolidate into the budget. It was brought together for the purpose of informing the Parliament. The second question, which I take from the member's broad question, is recognised biosecurity groups. The budget for RBGs, as we call them, in 2012–13 was \$2.35 million.

[4.20 pm]

Recognised biosecurity groups currently cover the rangelands of Western Australia. Five recognised biosecurity groups are formed under the act. Their funding comes from pastoral rates, which are matched by the state, raised under legislation. As a result of the flexibility created by the BAM act, which enables the old zone control authorities established under the Agricultural Protection Board to be replaced with a more flexible mechanism, we now have recognised biosecurity groups that are established as incorporated bodies. The funding is provided back to those bodies, I think, under a contract of service rather than a grant, so that those groups can fund the carrying out of pest-control programs such as wild dogs, feral donkeys and regulated weeds in the rangelands.

Hon KEN TRAVERS: How much is allocated for that purpose in this budget and each year of the forward estimates?

Mr Delane: The budget will be very similar because of the way it is raised. It is raised by pastoral rates and then matched. I will ask the CFO to help me find —

Hon KEN TRAVERS: The pastoral rates do not go through your books, do they? When you raise rates from landowners, they do not come through your books.

Mr Murgia: The process for recognised biosecurity groups is that the rates are collected by state revenue through the Department of Finance on the rates and levies they raise. The funds are transferred to the department to facilitate the move of the moneys to the recognised biosecurity groups. The state portion, which is outlined on page 723 of the budget papers, is the amount of money that the state consolidated funds are appropriated in relation to the recognised biosecurity groups under the BAM act. In this case, it is \$1.2 million state money and a matching contribution of the rate money combined. As Mr Delane pointed out, the fund provided to the recognised biosecurity groups is in the vicinity of \$2.3 million per annum and generally hovers around that level, depending on the rate collection, and we adjust it accordingly.

The DEPUTY CHAIR: I think in that exchange a question was asked and there was an attempt at a part-answer and then another question was asked and that question was answered. I think we had a third question. Can I seek both from Hon Ken Travers and through the minister to the officers to try to tie up the answers to those questions on the record before we move onto other questions?

Mr Delane: I think the third question I referred to was, "Are they provided by grants?" Because of the definitional issues here, I will ask the chief finance officer to explain how those funds are transferred to the recognised biosecurity groups.

The DEPUTY CHAIR: Is that okay by you, Hon Ken Travers?

Hon KEN TRAVERS: Absolutely. In the exchanges most of the questions were getting answered.

Mr Murgia: The major portion of it is granted to each of the recognised biosecurity groups. Under the BAM act, they are required to put up a plan, which is put up via the BAM regulations; that is approved by the director general and the minister. Once that is approved, the funds are released accordingly based on that plan. Parts of it will be a grant to the individual recognised biosecurity groups to facilitate the contracting of services and, because there is not full coverage of the suppliers of certain activities, they engage the department to carry out those activities that they think are service based.

Hon KEN TRAVERS: Noting that there does not appear to be any growth funding over the forward estimates, even though I would have thought that with the establishment of these groups, we would expect to see some growth in, (a) what they do; and, (b) potentially even new groups around specific issues arising, why is there no growth funding provided for, or does the government not expect there to be any growth in these groups?

Mr Delane: Firstly, in the rangelands there is full coverage and any growth would require the contributors to each of those RBG funding streams to agree to increase that rate, which had to be signed off by the minister. We have had no indication that I am aware of that pastoralists are keen to

increase the rate and the collective amount of funds available. We have been doing quite a lot of work as a result of the changes made through the Parliament, which enabled RBGs to be established in other areas of the state to foster the development of those RBGs and some funding has been made available to what you could almost call starter groups—smaller groups—through what we call declared-species groups; for example, in the eastern wheatbelt there is a declared species group that has focused solely, I think, on the control of wild dogs, so our staff have been doing quite a lot of work. I think Melanie Strawbridge may be able to comment, but I think we have an allocation of approximately \$700 000 of NRM funds, which is going towards activities and which could lead to the establishment of new recognised biosecurity groups. But it requires a group covering a significant area sufficient to satisfy the minister that it can be a functional group to establish and then would require the raising of funds by landholders in that group, which would be then matched by the state. To date, there has not been a great deal of enthusiasm from most areas for that. There has been quite a lot of interest in parts of the south west to establish new groups but there is quite a consultation process to get together support from landholders, directly or through their shire, to fund that. That is what happens on a much smaller scale in the eastern and north-eastern wheatbelt where shires collectively contribute to a declared-species group and we provide matching funding for wild dog control in that area.

Dr Strawbridge: I do not have the figure of \$700 000 in front of me, but I support what the director general said that there is quite a lot of negotiation going on with groups in the south west region in looking at their interest to form recognised biosecurity groups. But as was said, it takes quite a lot of consultation and there is still quite a lot of work to be done in that area and it would be unlikely we would have a group that was up and running and functioning in this financial year.

Hon KEN TRAVERS: If that is the case, what is the agency doing in managing some of those weeds and pests? I know the minister is well aware of the issue of cotton bush in the south west as a good example, which, in certain parts of the south west, is becoming quite problematic, and if it is not addressed shortly, I suspect it will become a widespread problem even broader than some of the areas it is currently occurring in. How do you intend to manage it and how much money have you allocated for managing those issues until you get these biosecurity groups up and running?

Hon KEN BASTON: I will deal with the first part of the question. Yes, you are correct about cotton bush. In the letters I have written to members who have inquired, I certainly have directed them to setting up a biosecurity group. Ferguson Valley is probably an area that appears to be the most affected, certainly from the information I get. That, of course, has been subdivided over time and you have a lot of absentee landlords there, so the problem has become even greater. That is the direction I believe they have to take to control that pest. As far as having funds available, I will ask the director general about the contingency in the meantime to getting one of those groups up to take effect.

[4.30 pm]

Mr Delane: The department's role here is the same as its role has been for a long time. In fact, it is the same as the Agriculture Protection Board's role was before it, which is as an awareness education and regulatory agency. It has been since 1976, I think, when this house would have passed the Agriculture and Related Resources Protection Act—the responsibility of landholders of Western Australia to control regulated pests, including animal pests and weeds, so it remains the responsibility of landholders to control cotton bush. It is no surprise that control is uneven, so the issues we are largely dealing with is when some landholders are doing a good job and others are not. I cannot tell you the resource allocation we had in this area last year, but I am happy to provide it on notice. It would not be a very large figure—several hundreds of thousands dollars—because it involves staff time in education and regulation where there is support for that and where absolutely no control is being carried out.

Hon KEN TRAVERS: We can have that as supplementary.

The DEPUTY CHAIR: Is the minister able to provide that?

Hon KEN BASTON: Sorry?

The DEPUTY CHAIR: Perhaps, Hon Ken Travers, you could outline exactly what you are seeking.

Hon KEN TRAVERS: It is about the cost in previous years. Mr Delane indicated that he could provide the cost for previous years.

Mr Delane: Chair, just for clarity, for the benefit of the committee I will maybe roll in the previous question, which I have provided an estimate for. It was the funding for the support of an expansion of recognised biosecurity groups where I have provided an estimate of \$700 000. We will confirm that in the supplementary information. We will also provide figures for past years and the estimated budget for this year for the control of regulation of cotton bush.

The DEPUTY CHAIR: All right. We will call all of that C2.

[Supplementary Information No C2.]

The DEPUTY CHAIR: Is there anything else you want included in that?

Hon KEN TRAVERS: You say you had a regulatory function. Part of that with the old APB would have been notifying people that they had cotton bush on their properties.

Mr Delane: Yes.

Hon KEN TRAVERS: How much resourcing do you have for doing that at the moment? I think part of the problems in the Ferguson Valley is that those that have it and are—for want of a better term—"commercial farmers", are seeking to control it. The minister has pointed out that there has been a lot of subdivision, so no-one is actually putting the notification on the neighbouring farmers, and part of the biosecurity group would be to start to take some of that role, I would imagine. What resources does the agency have for doing that today? I know that you have the consultation process, which we can come to in a little while, with respect to skeleton weed in other parts of the state, but what resources do you have for making sure that you are informing landowners of their obligations and for making sure that they know they have a requirement; and then if they are not doing it, taking your regulatory role to follow-up with them to ensure that they are complying?

Hon KEN BASTON: I will refer that question to the director.

Mr Delane: Chair, I need to provide details in a supplementary question.

The DEPUTY CHAIR: Supplementary answer; yes.

Mr Delane: Yes. But I certainly accept that we have significantly less resources than we were provided back in the days of the Agriculture Protection Board, given that the staff of the APB transferred to the department in 1995–96, I think. I will need to provide details of the number of field officers that we have operating in areas where cotton bush is prevalent, but clearly we use a range of strategies, not just physical contact through those officers: we use normal landholder newsletters and through community groups, NRM groups and all those sorts of strategies. But to answer the supplementary question specifically, we will provide the number of FTEs for biosecurity officers that work in the areas where cotton bush is prevalent and the estimated time that is allocated to weed regulation.

[Supplementary Information No C3.]

Hon KEN TRAVERS: My final question is in terms of biosecurity matters, as I note that the minister this week announced a bounty for dogs. Minister, could you explain to the committee what your effectiveness measurement will be on the success of that bounty or otherwise?

Hon KEN BASTON: The announcement of that will be reviewed every six months. It is only a 12-month trial period starting from January next year. And obviously the way that is run is we will

actually have five what are called responsible people. They will actually be the ones that are responsible for taking the dogs. Each scalp that is collected will have a clip out of the ear, which will be a DNA sample which will go off; so they will be working on it. We are also doing some work on how many dogs were removed in that area in the last five years so that we have something of a baseline, because it is tricky and there has been nothing done in that regard previously. These first six months will be paramount to see where we are actually heading and how we can gauge whether it is successful, obviously, by the number of dogs we have caught. As you are aware, not all dogs of course will possibly be found to even have a scalp, because with 1080 poison the dogs actually can walk some distance before they die. I do not think everyone is going to walk around the scrub looking for a dog that could be kilometres off. Obviously, if they are trapped, they are caught. Obviously if they are shot, they are caught. But for the measurement of it, we will review that at the end of those six months. Also of that \$75 000, \$50 000 will go to scalps; that is, 500 scalps. Then there will be \$10 000 to the administration, to the Meekatharra biosecurity association, which is the same as the group, and that other \$15 000 will then be used for actually doing that data research and collecting it and putting together a case for it, to measure it.

Hon KEN TRAVERS: There is a cap on 500 scalps at the moment; is that right?

Hon KEN BASTON: That is correct. It is \$50 000; it is \$100 a scalp. If we get to that six-month period and it is going at a million miles an hour, then obviously we would look at some other funding to continue that. Just to reiterate a little, that operates in a cell of about 51 pastoral properties, and seven Department of Environment Regulation properties are in there as well on top of the 51, and that is where the proposed area is to put a dog fence around, which part of that is already done. So this program will actually cover a little bit bigger than the 51 because we are going to use two stations as buffers around the northern area of that. So, two stations wide to have a buffer, but that is the area that we will stick to.

Hon KEN TRAVERS: Is there something that we are aiming for at the end, in terms of a measurable quantity in the reduction of wild dogs that you are aiming for? Is it measured by stock losses? How will we actually determine the program has been a success? I think everyone supports the desire to fix the dog problem, but there are various views about what is successful and what is not in terms of programs to eradicate them.

Hon KEN BASTON: Part of this trial is obviously trying to work out how we can actually measure some figures of the past so that we have something to go by. So, going back the last five years, if we can get some records of that. And also of course, I guess if you wanted to you could put out a few sheep and see if they are gone in the morning. But basically in this whole trial set-up we will still be working to get those types of measurements, and that is why there is a trial.

The DEPUTY CHAIR: I know there are a few members who have questions on this issue. Hon Rick Mazza has some. Does anyone else have questions on this issue?

Hon KEN TRAVERS: I thought that might raise Hon Rick Mazza's interest!

Hon RICK MAZZA: May I start by commending the minister on his introduction of bounties as another method of eradicating wild dogs in areas where they are doing a lot of damage.

Hon JIM CHOWN: That is only your opinion. **Hon RICK MAZZA**: I am allowed to have it.

Hon JIM CHOWN: Of course you are.

Hon RICK MAZZA: Minister, it is my understanding that the department grants an amount of money to the RSPCA each year. I cannot find that in the budget estimates. Can you or someone tell me how much that is? How much does the department donate or grant to the RSPCA?

Hon KEN BASTON: It is \$500 000 a year.

[4.40 pm]

Hon RICK MAZZA: In the first bullet point on page 724 under "Significant Issues Impacting the Agency" you refer to —

... demand for ... foods ... from ... Asian countries. However, it is facing immediate pressures ...

Can you tell me what those immediate pressures are?

Hon KEN BASTON: Which one was that again, sorry?

Hon RICK MAZZA: It is the first bullet point on page 724. You refer to the opportunity of pursuing markets in Asia, but you say that there are immediate pressures that limit the ability to grasp the opportunities. I just wonder what those immediate pressures may be.

Hon KEN BASTON: This is basically the pressures, as I say, coming from Asian neighbours; and, having travelled up to Jakarta, Indonesia and Singapore, to just listen to them. I met with bankers et cetera to actually ask them whether this was just a perception or not. There is a real notion that as the population grows in that part of the world in South-East Asia, they are going to need a greater supply of food. That pressure is, of course, coming back into Western Australia particularly, obviously, and we need to be prepared to be able to produce that demand, and I think that is an opportunity that we need to seize. I would just like to hand over to Mr Delane to get a comment.

Mr Delane: If I can perhaps go back to the production base to continue that answer, I also refer the member to the second dot point under "Significant Issues Impacting the Agency", which in part addresses some of the stresses and pressures which are limiting the ability of the industry to take up the potentially enormous opportunity in Asia. As I think most members would be aware, the sector has had a very challenging time over the last decade; in fact, in recent years as well, following on from 2010 being the worst season in most people's memory, if not on record, in quite a number of production areas. Until six weeks ago, the 2013 season was also shaping for some—in fact it has been worse than 2010. So, seasonal variability and for some what appears to be a continuing decline in the amount of rainfall available is one of those pressures. The run of seasons which have included in the last decade areas of low rainfall and yield, seasons of high input costs, seasons of low product prices, and for some grain growers several seasons with frost damage; but also seasons with very poor quality and harvest problems adds to that. What then has added to it, abated a little now, is a very high Australian dollar, very high wage costs and intense competition for labour, which made it very difficult to operate labour-intensive farming businesses. There has also been some disruption to the live cattle and sheep trade—that is a well-known and still covered topic—and other pressures which have led to a lack of confidence from producers, particularly those that are now carrying significant debt as a result of the sorts of pressures that I have just alluded to.

Hon RICK MAZZA: Just following on from that, with your reference to the live export trade and the challenges that the live export trade has presented, how does the department reconcile granting \$500 000 a year to the RSPCA when on the RSPCA website, RSPCA Australia urges the Australian government to end live exports? What I am saying is: why are you granting money to an organisation that is effectively opposing one of your major trades?

Hon KEN BASTON: I understand where you are coming from, member, but with that \$500 000, of course, the main role of the RSPCA is to be looking after all the other animals and everything else.

Hon RICK MAZZA: Sure.

Hon KEN BASTON: If we pulled the \$500 000 out of there, I think that, yes, we would have a major backlash. But their role is mainly looking after the pets and dogs et cetera with that \$500 000.

Hon RICK MAZZA: I accept that, minister, and I accept that we need the RSPCA to manage animal welfare in my trade, but what I am having a bit of a problem with is that the department is trying to develop live export markets around the world to assist our farmers, and yet quite plainly on

the RSPCA's website they blatantly say they oppose live export; they want it shut down. I just find it a little difficult to reconcile those two things.

Hon KEN BASTON: I will just refer that to the director.

Mr Delane: The government has a very wide range of responsibilities, as the department does, and the RSPCA has a reasonable number of responsibilities. I mean, our job in this area is either to implement responsibilities assigned through the Parliament in a regulatory role or to implement government policy. And the government policy decision was to grant half a million dollars a year to the RSPCA as part of its broad role to fund public education and promotion of responsible pet ownership; compliance and enforcement activities, which they have a number of officers authorised to do; and to implement a 24-hour public complaint and assessment service. There are many organisations now which have multiple roles. The RSPCA is involved in the care of lost and abandoned animals and in education of the broader community. They also carry out a significant regulatory function across all sectors, but with particular focus on, if you like, outside the broadacre production sector. We work very closely with the RSPCA in a combined regulatory regime under the act of Parliament. But it is true they also have a lobbying function and they are unashamed about that. I think we are able to successfully work with their regulatory and education areas but clearly there are occasions when we are going in opposite directions.

Hon RICK MAZZA: All the things you mentioned I accept, and agree with those roles, but if you do work with them, this might be one issue that you need to have a little bit of discussion about because it is in complete conflict with what we are trying to do. But, moving on from there—I will not dwell on that, unless the minister wants to say something on that issue —

Hon KEN BASTON: Yes, I would, Hon Rick Mazza. I have to say in the recent *Pearl of Para* incident, it was very nice to see that with the RSPCA—I happened to write to them some time ago about a press release they put out which I was not impressed with, but on their inspection of that ship, when it was back in Fremantle after it had been to sea and back again with engine problems, their media release was very, very positive, and I was very pleased to see it; it is something I will certainly hang on to. I will certainly be watching that very closely, but I take your point.

Hon RICK MAZZA: Just moving on, if I can, to page 725, it is the sixth bullet point of "Significant Issues Impacting the Agency". The sixth bullet point goes on about weather events and different things affecting agriculture. I just wondered—again, I cannot find it here—what investment the department has actually undertaken with the Doppler radar system.

Hon KEN BASTON: Yes. Certainly, we have been looking at Doppler radar systems and we are working through that. As you are probably well aware, it is a very sophisticated piece of equipment, and I think it would be extremely valuable to the agriculture industry in Western Australia, particularly the eastern wheatbelt. It can give us a lot more detail of moisture in the soil et cetera. At this stage we are certainly working towards funding to a stage of either two or three. Three is probably what is needed really to be absolutely positive. That negotiation is still going on at present.

Hon RICK MAZZA: Thank you, minister. Deputy Chair, I will leave it at that, because I know there are a lot of questions that members want to ask. There are a couple more questions. I will write to the minister.

[4.50 pm]

The DEPUTY CHAIR: All right. Thank you, Hon Rick Mazza. There is so much interest in this area. If we could all have brief questions and brief responses, I think everyone will get their chance. I even have a question that I will pose a little bit later. Hon Martin Aldridge.

Hon MARTIN ALDRIDGE: I will ask a couple of questions because I know there are plenty of others who want to ask. Just going back to the issue raised on the bounty, there was an article the day after you announced the bounty, minister, in which you revealed that you had taken a different view to your department in relation to the merits of a bounty. Is that reporting accurate?

Hon KEN BASTON: Not in the sense that we were at loggerheads or anything about this at all. It was purely where that came from. A question was asked by one of the honourable members in the Parliament, and the answer that I was given—questions go off and through the department and they come back; that is the chain of events—I just did not accept that answer, so I had that question altered to reflect, as the minister, what my views were; but that is all. There is no animosity between my department and myself; there is certainly not.

Hon MARTIN ALDRIDGE: So, what they were referring to was a draft response that the department had prepared to a question on notice, or a question without notice of which some notice had been given?

Hon KEN BASTON: A question without notice of which some notice was given.

Hon MARTIN ALDRIDGE: Obviously, you took a different policy view to what was proposed by the department in the response to that question.

Hon KEN BASTON: It was a broad answered question that was not direct, and, as the minister, I had no problems in answering it directly.

Hon MARTIN ALDRIDGE: In terms of the development of the policy, the advice of the Department of Agriculture and Food was that the trial of a bounty had merit.

Hon KEN BASTON: Yes, in discussion—of course a trial has merit. I have not got the question here in front of me, so I do not want to mislead the Parliament in saying exactly what the question said. Basically, it was: did I support a bounty. Yes, I do, and a trial of that is what we are doing now to see how that works out and whether it is another tool. But can I say that you have got some pretty horrible stories in the rangelands from dogs—but not only on the rangelands, of course; they are coming into the agricultural area, hence the demand for the fences down at the Yilgarn gap and down through Esperance as well. This is a cell. It is only small stock unit country; it is not cattle country. So, this is an ideal place. I had been up and had discussions with many of those members and pastoralists who are in that area at the Cue zone council meeting earlier this year, and it was raised there, and they gave me a look at their proposed fence alignments et cetera. But what this is doing is actually giving them an opportunity to trial a bounty in a selected area. There are other places in the state, of course, that will actually probably want to be on board as well. I am already getting emails et cetera in support to include them. So they are watching what happens closely.

Hon MARTIN ALDRIDGE: Of the \$75 000 package, I think you mentioned previously today that \$15 000 of that would be to review the trial; is that correct?

Hon KEN BASTON: That is right. It is —

Hon MARTIN ALDRIDGE: Who will conduct the review?

Hon KEN BASTON: That will be done through the department, obviously watched closely by everyone, including myself. That will be done through the department—the statistics that come back through. As I said, there is \$10 000 that goes to the biosecurity group, the Meekatharra association, which has already been set up; and \$10 000 of that for that administration, the effect it has on them; and then the \$15 000 from the departments.

Hon MARTIN ALDRIDGE: So, essentially, it will be an internal review conducted by the department post the trial. In response to a question by Hon Ken Travers, I think you mentioned a range of different measures that could be used in terms of determining the effectiveness. I assume that the department has not quite settled on what the key indicators are going to be or how they are going to measure data. Obviously, they have got some baseline data about dog populations and stock losses and things like that, but it sounds to me like we actually have not settled on those key indicators of whether the trial is going to be effective or not.

Hon KEN BASTON: Well, in starting this trial, of course, as I said before, we have to go back and collect some data on how many dogs have been taken off that area prior to—the figure that was

mentioned was in the last five years, to give us a good, accurate plain. Obviously, the dog numbers have been increasing, and there are dogs in the west, down in west Gascoyne, which were never ever there in my time, and I have met with a lot of people that have sighted dogs and the derogatory damage they do to the small stock units. But they are not only in the small stock units, of course. Once the small stock units are gone and once the goats have gone, then they move in on the cattle. For any animal that goes to an abattoir of the cattle industry, I have been told by a good source the other day, the prices can drop to 35c a kilogram—and that is pretty low—and that is from dog bites on an animal.

Hon MARTIN ALDRIDGE: Chair, can I just ask one more question?

The DEPUTY CHAIR: Yes, Hon Martin Aldridge.

Hon MARTIN ALDRIDGE: In relation to budget paper No 3, there are references on page 10 to the "Seizing the Opportunity Agriculture program", and on page 226, some \$297.5 million is allocated to that policy. I would assume that the Department of Agriculture and Food, amongst other agencies, would be having a great deal of involvement in the implementation of that policy amongst Transport, Regional Development, Lands and a number of other agencies that are affected by the policy. One of the concerns that I want to put to you today and ask for your views on is the ability for the agency to actually respond to and implement such a significant government investment. I notice, looking at pages 726 to 728 of budget paper No 2, the net loss of FTEs to the department this financial year is in the order of 53. I think one of the lessons learnt from 2008 when royalties for regions was a significant investment from what had previously occurred from government was that we had a department, the Department of Regional Development, that really was a token gesture of government for a long, long time. I am not suggesting the Department of Agriculture and Food is that, but certainly we found that implementing such a significant policy took some time to build the capacity and resources of that department to actually do that. My concern is—I notice that a lot of the funding for this program is towards the out years of the forward estimates—the capacity of the department to play a key role in implementing that policy in light of the FTE reductions.

Hon KEN BASTON: I will ask my director general to comment on that.

Mr Delane: Thanks for the question. Perhaps I will address it in two parts, and one is the Seizing the Opportunity funding commitment, which, of course, was announced in the budget, of \$297.5 million. The specific program or initiative allocations under that are still to be determined by the relevant ministers, and Minister Baston will be working closely with Minister Grylls and Minister Redman in areas that are relevant to us. Under the royalties for regions program, each of the business cases for royalties for regions funding needs to be approved by the cabinet—so there is quite a lot of work to be done in that area—and the breakdown of funding to different areas is a matter for ministers and the cabinet. I think members will appreciate the history for this program and significant commitments made under the election, so we can get some estimate perhaps of where the funding will flow. There will be a very significant part of the funding flow through my department for delivery. We are not concerned about that. The cash flow for that program, I think, is evident in another portfolio's budget, and there is very little funding this year out of that total. I think the figure is approximately \$5 million. The advantage that has is that we have, working with our industry partners and industry stakeholders, the opportunity to well plan out and engage in the development of those programs, whether they are in the grains sector or the cattle or the sheep sector or developing a more positive profile in the sector, the food sector et cetera. So, when you break it down, that initiative is spread broadly across my department, and the programs will be well planned and the projects mapped out well ahead of the majority of the funds being available from 2014–15. There is still a very substantial amount of funds, but we do not intend under any circumstances that all of the delivery will be through staffing of my department; we would expect

significant implementation to occur through contracts and some through grants, and I think that has already been spoken about by ministers.

[5.00 pm]

The reduction in staffing in my department over recent years is a matter for the record and a matter for the budget papers. It is also a matter for the record that we are taking part in a voluntary severance program currently, and some staff are leaving under that program. I have got a very high level of confidence in the ability of our department to deliver the program. I think our track record of delivery is extremely good. In fact, if you ask around town, then people will say, "If you want a job done, the Department of Agriculture and Food will get the job done." I think that is more than evident with the changes that have occurred, including size reduction, in my department over recent years, where we have dealt with some of the worst seasons on record, a lot of other industry issues rolling in and rolling out of shared services, and a large number of changes, and have maintained a timely and high-quality delivery. It is a fact that we can no longer do everything we used to do going back 10 years and five years, but I am very confident, with the planning that is in place and with the distributive nature of the Seizing the Opportunity program and our partnership with other agencies in that delivery, including Regional Development, Department of Water and Department of State Development—there are also initiatives in the Department of Training and Workforce Development which we are probably not involved in—that the program will be able to be implemented in a timely and a successful way. That will be done because we have an outstanding partnership with industry, and that will be strengthened significantly through that royalties for regions-funded program.

The DEPUTY CHAIR: Did Hon Ken Travers have a supplementary question here, if Hon Martin Aldridge has finished?

Hon KEN TRAVERS: On this area, if Hon Martin Aldridge is finished.

Hon MARTIN ALDRIDGE: If I can just conclude, I think you make a good point that the first year of funding is only small, so I assume a lot of that funding relates to planning the bulk of the funding in the out years, so the agencies, I guess, by the end of this financial year will have a better brief of what their responsibilities will be across government and then, I guess, be preparing to ensure that they have got the capacity to respond to those briefs. Is that a fair assessment?

Hon KEN BASTON: The director general will answer that.

Mr Delane: The way the royalties for regions funding program works is that the funding, even the relatively modest amount of \$5 million, needs to be allocated through a business plan. So there is no seed funding, if you like, for the development of the initiatives. But my department has been working ever since our new minister was appointed to develop a scope and specifications for the initiatives that are wholly or partially relevant to us, so we are well down the track in scoping and mapping out how those programs might be implemented. The development of the detailed business cases, in the main, remains to be done, as does the engagement with stakeholders, so that we make sure that will benefit the industry and government, and we are able to implement a program that is immediately relevant and impactful. So we are reallocating our existing resources doing what I would regard as our job, which is making sure that we are optimising the impact of the taxpayer investment in my department on industry. The Seizing the Opportunity initiatives were developed taking into account all the sorts of work that we do and the needs of industry, so I think that, if you like, the program will hit the mark when it is implemented from 2014–15.

Hon KEN TRAVERS: The point I took out of Hon Martin Aldridge's original question was that whilst you have got money coming in the future, this year you need to reduce your capacity. I actually put some questions on notice to you in this regard about trying to identify what positions you are going to have to cut this year in your organisation. By my tally, you have got to cut from two service areas, 88 positions; even if you include the increase in your third service area, it nets out

at over 50 positions that you are going to cut. I find it very hard to believe your response to me on the questions on notice. It is extraordinary that you cannot tell me where those positions are. I would have thought that you would know where those positions are and where you are going to be cutting your capacity, which is the original question from Hon Martin Aldridge. Once you have lost it, you cannot then get it back, so where are you going to be cutting those 50-odd positions from?

Mr Delane: We are right in the middle of the severance program and we have received applications. We went for a general call in the department, so we have had many more applications than are ever going to be able to be funded. The process is that applications need to be assessed. They have been and they have been given detailed consideration by the executive team. We have worked through to focus on areas that are low priority and are terminating or being wound down. Where we have redundant activities and potentially redundant skill sets, and therefore personnel who would either need to be redeployed or, with funding available, can be made a voluntary severance offer, we have worked through that.

With regard to the timing of your question and where we are at now, in fact, we have 46 voluntary severance applications that have been processed and accepted by staff, and those staff are leaving. There will be a few more, but nowhere near that many; hence I could tell you—but I cannot here today—exactly where those people come from. But I am not sure that that is actually that helpful, because of the way the department works. Our activities are not listed as providing a particular service within a particular town; the majority of our officers operate either statewide or over large areas, so the fact that an officer might be leaving South Perth or Albany et cetera does not necessarily tell you what the function is that is being reduced.

We are winding back a significant number of activities. I can give the house a bit of a summary and if further information is required, we can provide that on notice. Of the positions that we expect will take up voluntary severance offers, 35 per cent are clerical-administrative; four per cent are inspectorial or regulatory; 45 per cent are what we call professional, most of whom are research officers and development officers—in the case of this program, most of them are research officers; and, I think it is 16 per cent that are technical positions. They came from right across the department. The largest number of severance offers we expect to be taken up come from corporate strategy and operations, called "corporate services" in other departments, and almost one-third of the staff who will take up severance offers will come from Mr Paust's area. The next largest area is widely spread across our regional staffing. By title, research officers are the largest cohort that we expect to take up offers, followed by administrative officers and also senior research officers. We expect that the majority—70 per cent—of the staff who will take up those offers, will come from the metropolitan area. I think that is probably a summary of it. That will be a matter for the public record through other means very shortly, so I have no trouble providing the information to the house. We could provide further information, but I would suggest that it will be only a small part, or an incomplete part, of the picture and therefore not particularly helpful until the program is completed. It will be into at least November before we are in a position to say that the voluntary severance offer program for the Department of Agriculture and Food is complete.

[5.10 pm]

Hon KEN TRAVERS: Just on those points, you said it will be made public in due course. By what means will that be made public?

Mr Delane: I have approximately 40 staff leaving this afternoon, so the information is out there. We will be talking to a range of industry people. I had intended that we would publish tables of this, but we clearly are talking to our industry people about particular functions, if staff are leaving in a particular area. We have a very open and close relationship with industry. But I am happy to provide, once the program is complete—you can have part of it, if the house wants—but when the program is complete —

Hon KEN TRAVERS: If you are talking to industry, I would have thought you could be talking to the Parliament as well about what areas and what functions you intend to abolish, which was the purpose of my original question on notice. So, can we get that information provided as supplementary information?

Mr Delane: We can provide you with an interim picture of that, but we will not be able to provide you a complete picture until the program is completed, which will probably be early November.

[Supplementary Information No C4.]

Hon KEN TRAVERS: It would strike me that you have got two things happening here. You have got individuals taking redundancy, but that does not necessarily mean that their functions are being made redundant. To be honest, I am not so fussed about which individuals, although it may be, as the CEO or the director general, you are, if you are quality people in that process. But it is about the functions that you are losing, and that is what I am trying to find out. If you are losing somewhere in the order of 50-odd staff, you must be losing significant functions, and what are those functions that are not going to be replaced in the short term by the royalties for regions money, and potentially maybe in the long term?

Mr Delane: The way the process works, for our part, is that we made a general call to all staff. Other departments have just made a very targeted focus for the voluntary severance program because something, a particular area, was going to wind up or wind down. We always had the view that we would target low-priority functions, but we thought that the process would benefit by making an offer to all staff to at least apply. That has been useful to us because we have been able to identify areas where we could actually make a change to the way we delivered a function or a service because of the applications that came forward. Our entire focus has been on lower priority activities and functions, but then what kicks out of that, of course, is individuals, because of the severance program. The approval process through the Public Sector Commission is for individuals, and of course the payments are made to individuals. So we are winding back functions, but, as I indicated, the largest area is in our admin areas. A third of the expected severance offers will be taken up—

Hon KEN TRAVERS: But does that mean you are going to be reducing the functions of your administration?

Mr Delane: There are some areas where we have just, as we indicated in an earlier question, completed the rollout from shared services into our own finance system. There have been some positions which have been held. In fact, in 2010, when we also ran a very significant severance program, corporate strategy and operations staff were excluded from that in those areas because of the very substantial body of work in front of us. There are a number of staff that now are able to take up that offer. We are reducing, of course, some functions in that area. You cannot have that number of people leave and have nothing stop. I am happy to provide, through supplementary answer, a list of the functional areas where we are either winding up or reducing activity.

The DEPUTY CHAIR: I think we will allocate C4, as we have allocated C4, to all of that to wrap that information up. I am not sure that we are getting anywhere, Hon Ken Travers.

Hon KEN TRAVERS: I agree with you there. My final question is—again, I got what I would consider an extremely unsatisfactory answer with respect to closure of offices—are any offices going to be closed as a result of this process? Are you not concerned about the government shutting down the ag department fully?

The DEPUTY CHAIR: I will suggest to the house that concept of the supplementary has been extended to the point of breaking, so let us try to pull back after this, please.

Mr Delane: I am very disappointed that the answer we were able to assist the minister to provide was not considered satisfactory, and I will see whether I can help. There are no offices closing as a result of this program. We have had a program for some time identifying low-priority locations and

areas where we sought to consolidate our operations. We have had a plan for some years now approved by the previous minister to exit some offices, some research stations, and particularly to wind up and make available for sale a large number of mostly low-value properties, including a large number that were transferred from the Agriculture Protection Board. I unfortunately thought the answer we provided was quite self-explanatory. One office we referred to, Broome, is a growing office for us and we are spending a significant amount of money—I think \$430 000 or of that order—expanding and refurbishing our facilities at Broome. Our staffing is increasing there and we would expect it is likely to increase further under the Seizing the Opportunity program. Derby, many years ago, was a large office; I think, in the late 1970s and 1980s it housed over 20 staff. It has a small number of staff there now. We have had discussions with local interests, including the Derby shire, for some years now. That property is listed for transfer or sale to another party. A small number of officers, those who are there, are outstanding officers but can operate without our main office in Derby if necessary, so we will not be winding back staffing from Derby ahead of those officers choosing to retire or work for someone else. Eucla represents our interstate checkpoint. We have boosted staffing there—

Hon KEN TRAVERS: Early on in the piece —

The DEPUTY CHAIR: Hon Ken Travers —

Hon KEN TRAVERS: I am trying to speed up the process, Deputy Chair.

The DEPUTY CHAIR: I do not think this is speeding anything up.

Hon KEN TRAVERS: At the very beginning, you said that it had been agreed by the previous minister to close or to run down a range of properties and sell them off. Can we get supplementary information on that agreed plan for closing small offices and the list of properties you are planning to sell off?

Mr Delane: I will check with Mr Paust, but I believe we can provide the list of properties that have been transferred to the Department of Lands for sale.

Mr Paust: We can provide the updated list. We have previously provided that information to the committee, but we can provide it again.

[Supplementary Information No C5.]

Hon MARK LEWIS: Firstly, I must acknowledge my ex-colleagues on the other side of the house there. They do a fabulous job, I am sure.

Hon KEN TRAVERS: And glad to be rid of you, no less!

Hon MARK LEWIS: One of the redundancies, but never got there!

My question, really as a clarification, is that there has been mention of the Seizing the Opportunity, at \$300 million, in this house a number of times and I think Hon Martin Aldridge alluded to that fact. I have just heard again the director general mention \$297.5 million. I note that in the budget papers that the figure is about \$273 million. I wonder whether we can get some clarification at some stage about what the real number is for the Seizing the Opportunity program in the budget.

Hon KEN BASTON: I understand that figure has been raised. I think that is basically because the Gascoyne food bowl initiative is in the current budget—that is, \$10 451 000 in 2013–14 and \$9 680 000 in 2014–15. That is where that discrepancy comes from. Basically \$297.5 million is the correct amount that will come through.

[5.20 pm]

Hon MARK LEWIS: So it is \$273 million plus.

Mr Delane: Firstly, Mr Lewis, congratulations on your appointment in the house. Thank you for your contribution to and great work at the Department of Agriculture and Food. In the royalties for

regions process, the funding is referred to in the regional development portfolio until the business cases are approved by cabinet and the funds released. So, the majority of the Seizing the Opportunity initiative funding does not appear in our budget and quite a lot of it will not because it is expected that some of the program would be delivered in the regional development portfolio, some through the water portfolio, certainly some through agriculture and food, and possibly some through state development. There may be some delivered through other portfolios as well—sorry, training and workforce development. I also expect there is a program that will be delivered through there. Until those programs are approved through the royalties for regions business case and cabinet approval process, they will not be transferred to the delivery portfolio.

Hon JIM CHOWN: So what you are actually saying, minister, is that these moneys will not be totally allocated to agriculture? They will be spread through a number of departments and ministries.

Hon KEN BASTON: Yes, that is correct; some will be spread. There will be shared allocations in some agencies, like water will take a lead on Department of Water land. But at the end of the day, if they are for agriculture, you need water and land before you have got agriculture.

Hon JIM CHOWN: So how is your department, your ministry, going to actually grasp the bulk share of these moneys that are available for the benefit of agriculture at large? As the lead agency, I assume, in this argument, what sort of initiatives are you putting up?

Hon KEN BASTON: Can I say that that cabinet submission is still being put together.

Hon JIM CHOWN: Yes, but a cabinet submission obviously needs somebody to take charge of it and it comes from a ministry; as such, it does not come from cabinet.

Hon KEN BASTON: That is in progress.

Hon JIM CHOWN: So is your department the lead agency in regard to allocating these funds?

Hon KEN BASTON: Let me say this: it breaks it down in all different agencies and that negotiation and agreement is still being done.

Hon DARREN WEST: I would just like to start off on a line of questioning. I will pick up on the director general's comment that it may be true around town that the Department of Agriculture and Food is seen to be getting things done, but I do not think that view is held in my electorate. One of the main reasons is that in the last five years, 180 jobs have been taken out of the Department of Agriculture and Food in regional Western Australia. It does run again on the point that was made about how you are going to deliver this new program with such numbers of cuts. It makes it difficult for us when we do talk about royalties for regions, which we do not really know who is going to administer and run and we do not really know exactly how much is going to get spent where and when, but we do know that you are going to have to do it with a lot less resources. So, it makes my job difficult to hold all this to account. Is it possible at all to get any level of detail on the first year's spend of just over \$5 million, as to what that will be for, from the Seizing the Opportunity royalties for regions injection into your department?

Mr Delane: Thanks for the question. The Minister for Regional Development is the minister responsible for administering the royalties for regions program and so, ultimately, he will need to sign off on those allocations. There has been no decision that I am aware of as to what that \$5 million will be applied for and therefore which portfolio will be responsible for implementing and administering it. It may not be my department; it would depend on the priority assigned to the suite of initiatives, with which the government parties went to the election and which they have then brought together from election commitments into policy priorities to be implemented within that funding envelope provided.

Hon DARREN WEST: I find it somewhat remarkable that there has been no discussion or no preliminary determinations as to what that may be used for, when the Minister for

Regional Development surely must work at some close level with the Minister for Agriculture and Food and I hope if there has not been that there will be over the five years of this \$297 million spend. Can you give me an assurance that you will not, as pretty much every other department has, cost-shift some of your services that you are having to cut to be covered by the injection of royalties for regions funds in this year and out years?

Hon KEN BASTON: Yes. Can I say that, yes, we have been in contact with the Minister for Regional Development.

Hon DARREN WEST: Fantastic!

Hon KEN BASTON: That has certainly been the case and that has been continuing, as I said earlier.

Hon DARREN WEST: So can I get some level of assurance? Because from where I am sitting as the pragmatist, if you are getting your services cut but there is an injection of funds, you know, the temptation must be there to cover some of those services with the funds by shifting the costs to royalties for regions funding. Can I get some level of assurance that that will not happen?

Mr Delane: Thanks for the interesting question. It is certainly not a thought that occurs to us. We appreciate concerns from the electorate about the delivery of a range of services, but we have a long and very well established track record of continuing to focus whatever resources are agreed by the cabinet and appropriated to us by this Parliament to the highest priority activities and industry. Given the rapid evolution of industry sectors and the big cycles of pressures that they are subject to, we need a great deal of agility to do that. As I think I explained in an earlier question, we have already done a substantial amount of work with our existing resources to develop preliminary proposals for the successful application of funding that will flow our way under the Seizing the Opportunity initiatives. It has not occurred to us and will not occur to us to try and cover what you might call service gaps that are created by reductions elsewhere. I think that is relatively self-explanatory. Whenever we have dealt with budget pressures and resulting staff reductions, which has been relatively persistent, we have allocated our resources to the highest priority areas to meet industry needs and our statutory responsibilities and to meet government priorities. If it is a government priority, we will be applying the resources there. That will mean that some things which have stopped will stay stopped.

Hon DARREN WEST: That is great to get on the record, thank you. I do point out that there has also been, over the last five years, 173 staff cut from metropolitan offices.

The DEPUTY CHAIR: Member, please move to questions because, again, we are running very, very short of time. Statements are not that helpful.

[5.30 pm]

Hon DARREN WEST: I do not envy your position having to do more with less every year. I do not envy that at all and I think that the department generally does the best it can with what it has. Can you confirm to me that at the present in Western Australia there are only two served soil conservation notices?

Mr Delane: I just missed the last part of that question, sorry.

Hon DARREN WEST: In Western Australia, my understanding, and I just want to see if I can get it confirmed here, is that there have only been two soil conservation notices issued.

Hon MARTIN ALDRIDGE: I have a point of order: I am just wondering how this relates to the budget.

Hon DARREN WEST: Okay, I will clarify.

The DEPUTY CHAIR: I would ask the member to frame the question in a way that would make it of assistance to the officers who are here to be able to answer it in a budget context.

Hon KEN TRAVERS: The context is, though, that we have just had a debate about the resources. Clearly, one of the questions about the resources is: are they doing their work?

The DEPUTY CHAIR: Thank you, Hon Ken Travers. I am sure Hon Darren West can do that for himself, without the assistance of you, because it just simply adds to the time we are wasting on talking rather than having questions answered.

Hon DARREN WEST: That was exactly what was sitting on the end of my tongue, because for such a large state with so much going on, the fact that only two soil conservation notices have been issued, I would suggest—but I only suggest because I am not the minister or the director general—that there would be a severe resourcing problem that would cause that. So, there is my line of questioning.

The DEPUTY CHAIR: That is two questions; that is an extra question now. I will hand over to the minister to see if we can get an answer.

Hon KEN BASTON: Thank you, Mr Deputy Chairman. I do not have that answer, but I just ask my DG if he has got that answer; otherwise, we might have to put it on notice.

Mr Delane: Chair, I do not have that answer in front of me. Unless Melanie Strawbridge can help me, we will need to take that answer on notice and we will provide that. We do not have a large number of soil conservation notices in effect, but I cannot confirm exactly what the number is.

[Supplementary Information No C6.]

The DEPUTY CHAIR: That is in relation to the number of soil conservation notices that are on foot at the current day.

Hon DARREN WEST: I will briefly move to another question. In the goals of the organisation—I am referring to page 724—there is a government goal, "Stronger Focus on the Regions", which, as I said, does seem a little bit paradoxical when you take 180 staff over five years and more to come. The other one is greater focus on service delivery. Given that we have had a significant impact on the live cattle trade as a result of animal welfare concerns, would it surely not be a goal of the organisation to help ensure animal welfare is maintained to a community-acceptable level?

Hon KEN BASTON: I certainly agree with you; it is one part of many, but I think this is dealing with it far more broadly.

Mr Delane: Firstly, is the structure of the way government goals are presented—so this is a government goal—and then a desired outcome. If you look though all of the budget papers, you will find that there are—I cannot remember how many there are—five or maybe seven government goals to which all of the appropriation to all agencies is applied. The most relevant of the government goals that our resources roll up to is that one, "Stronger Focus on the Regions". Hence, our focus is on a profitable, innovative and sustainable agriculture and food sector. Clearly, animal welfare in the production sector and supply chain is a critical part of that, as is access to markets and maintenance of access to those markets. I could ask Dr Chennell, executive director of livestock industries, to comment. But we have a number of roles in animal welfare; we have a regulatory responsibility and we also have industry development responsibility.

Dr Chennell: In terms of animal welfare, we are actively involved in developing and assisting industry to work on the national standards for sheep and cattle in particular, which are expected to come into force next year and then be regulated after they are agreed nationally. So that is a very important point. We are also very actively involved with MLA and other agencies in terms of working on new supply chains and new directions for beef into other markets. If I could make a comment, the industry itself has been extremely resilient in responding to the change to markets; Indonesia has dropped from 72 per cent of our live exports in 2009 to now 36 per cent, and Israel, Egypt and Malaysia have come up. So, yes, we are working in this space.

Hon DARREN WEST: Just on that, can you tell me how many FTEs you have allocated and how much money you have got in the budget to help oversee this? That is, how many FTEs, how many people are working in this area, and how much?

Mr Delane: Just to cover off so we have got clarity of what we are talking about, the administration of animal welfare, which is our statutory function, the resource allocation last year was \$1.8 million, including the \$0.5 million that went to the RSPCA, and 11.5 FTEs. We expect that level to be maintained. Because of the delayed budget and other matters, we are still finalising the fine detail of our allocation. We have resources—about \$150 000—applied to the matter Dr Chennell referred to; that is, the development of national standards and guidelines. We have a substantial amount of resource, but I cannot put my hands on the figure—Dr Chennell may be able to—which involves a significant amount of industry liaison and support and market access, including the visit of the minister, who travelled to Indonesia recently. I travelled with him and he will soon travel to Vietnam, a destination for live cattle. There is a very wide spread, if you like, of activities which, if we amalgamate it up, would be a significant level of resources. What I can say is that I do not think my department can do a lot more because we are doing a lot across a very broad base in support of industry and the government to ensure that market access for live animals is improved as rapidly as possible.

The DEPUTY CHAIR: I will come back to Hon Alanna Clohesy. I gave your spot to Hon Darren West when you were out on urgent parliamentary business.

Hon PAUL BROWN: Minister, this is actually a good segue from Hon Darren West's question and refers back to Rick Mazza's earlier question about the RSPCA and the funding that comes out of the budget. The \$500 000 a year that goes into the RSPCA, is that reviewed every year; and, when you allocate that money, do you actually look at the RSPCA's accounts—their financial position—to review how much money is going to go into there? Because they actually do quite a large amount of fundraising and have put in, in the last couple of years, a considerable effort into fundraising. I would like to know whether you actually review that on a year-to-year basis, and why it does not change.

Hon KEN BASTON: First of all, yes, it is reviewed on an annual basis, as I understand it, but I would refer to the director general for greater detail.

Mr Delane: The \$500 000 for the RSPCA is a policy commitment by the government in support of a very broad range of functions that the RSPCA carries out. I think the announcement of the increase from the previous level of \$250 000 to \$500 000 was made by the Premier at the Million Paws Walk two years ago.

Hon KEN BASTON: Yes.

Mr Delane: Our focus is on the regulatory responsibilities of the RSPCA. They have gazetted animal welfare officers and they carry out inspections; their officers in that area have all the same powers my officers do as general inspectors under the act. We are focused on that and seeking to get as much value as we can from the government's investment in the RSPCA into a professional animal welfare regulatory service. The RSPCA has no obligation under the funding arrangements to allocate all that resource to its regulatory functions; it was provided, in my understanding, as a general grant for everything from dog and cat home and stray animal welfare to education functions to its broad compliance functions in the animal welfare area, including those where we partner or have overlap.

[5.40 pm]

Hon PAUL BROWN: So regardless of their increased budget they have been able to gain through donations and other private enterprise, our funding really is not reviewed because the Premier made an allocation of \$500 000 a year, and regardless of how much money they raise, we will still keep contributing regardless?

Mr Delane: I just need to advise the house that Mr Metcalfe needs to leave at the moment; he has to be somewhere else to represent me at a function, so we will handle his questions if the recorders could make note of that.

Back to the question, we review the relationship with all our partners on a regular basis. We provide advice to the minister of the day, and therefore to the government, and clearly in this area, which has been very contentious for industry, we have provided advice on the relevance and appropriateness of the level of funding for the RSPCA.

Hon KEN TRAVERS: Is Mr Metcalfe leaving now?

The DEPUTY CHAIR: Yes, he is.

Hon KEN TRAVERS: I just had one question for Mr Metcalfe before he left; that was all. It was relevant to —

Mr Delane: I am sure I will be able to answer that question; we will take it on notice.

Hon KEN TRAVERS: Regarding the potential mapping of viable farming areas; or is Mr Metcalfe the man who has been involved in that?

Mr Delane: I think I can cover that.

The DEPUTY CHAIR: The director general indicates that he is prepared to deal with that, so let us finish this answer.

Hon KEN TRAVERS: I wish people had told us that at the beginning of the hearing.

The DEPUTY CHAIR: Go ahead, director general.

Mr Delane: I am not privy to the total funding of the RSPCA, but my memory is that it is in the order of \$7 million or to that effect, and it was that amount before the funding was increased, and that would depend on the level of support they have for their programs, some of which are affected by their lobbying activities, of course. I am not aware that the level of funding the RSPCA is able to raise through other sources, including its membership and promotional activities, has ever been a factor in the government's allocation of funding to the RSPCA.

Hon PAUL BROWN: With the offset for their lobbying against the live export trade, how do you reconcile that against the funding we put into them? If they are using government funding to fund their advertising campaigns and their association with other anti–live export groups, how do you reconcile—this is a follow-up from an earlier question—that against continuing funding?

Mr Delane: We have not dealt specifically with this matter for the RSPCA, but where we have in other areas, the scale of the RSPCA's general revenue stream that \$500 000, while it is a large amount of money, is a relatively small part of the Western Australian funding and, of course, it is a tiny part of their national resource base. My understanding is that most of their campaigning against live export has been run as national programs, and I have no idea what contribution RSPCA WA has made to those. You would have to ask the RSPCA, but I would expect they would be able to argue quite clearly that no funds from the Western Australian government went anywhere near lobbying against live exports or any other function that was supported by the government. But you would have to put that question to the RSPCA.

Hon PAUL BROWN: I have one more question. In respect to the earlier line of questioning about the dog bounty, what other programs are you running alongside that? The rangelands cell you are going to be running the trial in is obviously not a fenced-off cell, so how are you going to be able to quantify that the animals you have shot through the trial are not being replaced from outside the cell? Because if you shoot X amount of dogs in that area, it is going to create a vacuum that other dogs will move into. I understand that it is the department's view that the complete fence is the preferred option, so why is the department not fixing the fence before they actually run the trial so that they know no further dogs can come into a vacuum area? Therefore—just to follow-up—what

other programs are they running outside that cell to be able to follow or highlight any animals travelling through from other areas into that cell?

Hon KEN BASTON: First of all, a large amount of that fence is already done—I just do not have the exact figures here for you. But they have already taken that initiative and had funding and their local government has been involved in it, as have local people who have built the fence. A part is in process at present in getting funds; about \$4.8 million is required to finish that fence off. That is on the northern part of it, and it will cut back to the state barrier fence. What this is doing is probably, if you would like to say, making a start on the inside. It is a large lot of land—it 88 000 square kilometres in there—and if you take those two other stations I mentioned with the two barriers across the top, that would probably take it to well over 90 000 square kilometres. But on the outside, I would like to refer to the DG about what is actually happening on the eastern side of that. Obviously there has been the normal process of baiting and trapping, and there has been an increase in doggers. There is a total numbers of doggers now of 22; people could say that that is probably still not enough, but to have doggers out there today has been pretty tough because the industry has been going backwards. It has had a downturn in wool prices some years ago, and of course a drought. The wool industry and the meat industry for small stock units is now looking quite prosperous, and to get this land up and running I believe is worthy of this trial taking place now while they are still negotiating and putting through seeking that funding across the top. So that will coincide with it, and over that 12-month period one would hope that we are well advanced on the outside, of course, and the eastern side, and dogging as normal will still be going ahead with baiting et cetera and trapping.

Hon ALANNA CLOHESY: Minister, I would like to go back to biosecurity. Page 725 of the *Budget Statements*, which I am sure you are very familiar with, talks about our state's enviable biosecurity status. I would like to know what additional biosecurity mechanisms will be put in place to address the concerns of associations such as the Swan Valley grape growers association regarding the department's decision to amend its import conditions to allow Californian table grapes to be imported into WA.

Mr Delane: Mr Hill may be able to supplement what I say, but the change in the import conditions was made when we no longer had a justified scientific reason to exclude table grapes. Because of the exporters—in this case the US—and the protocol in place for those table grapes, we could not substantiate impeding the flow of those table grapes in Western Australia because all the biosecurity risks we had identified in relation to Western Australia were adequately addressed by that protocol, reducing the risk to an appropriately low level, which is the obligation that Australia signed up to many years ago under the WTO and the SPS, or sanitary and phytosanitary agreement. We have made a commitment to increase our staffing in this area, and we currently have a part-time staff increase to a specific grape biosecurity officer. We will continue to review the area to see if we need to increase our staffing, but much more broadly than in the Swan Valley. We would clearly not have agreed to a change in the protocol for import of table grapes if we considered there was a material risk associated with those imports. That being the case, we do not see a case for us to reallocate resources, or in fact for industry to reallocate resources to deal with the risk, whether in the Swan Valley or any other production area, for biosecurity reasons.

[5.50 pm]

Hon ALANNA CLOHESY: To be clear, has part of the response been to increase a part-time staff member to one FTE in the area of biosecurity?

Mr Delane: So that I am not misunderstood, I had asked that we boost our resources to biosecurity in the grape industry before this decision was contemplated and made, and so that is occurring at the same time as the decision to allow table grape imports from the US only under the protocols that have been agreed to by the federal department and on which our approval for them to come into WA is based.

Hon ALANNA CLOHESY: So that decision was made to increase the biosecurity FTEs to one full FTE in May, and then the decision to change the protocol was made a couple of weeks ago. But there are no other responses to the decision to change the protocol at all?

Mr Delane: Perhaps I will try to be clearer in my answer. The only resource increase we have made in recent time to the grape sector specifically is the allocation of a half-time officer as a grape biosecurity officer. We maintain our very substantial interstate quarantine measures and our other wide range of plant biosecurity activities. We have had a very strong commitment to this area for a very long time and have led a very strong technical argument against grape imports, and still against grape imports from many other areas, including import of grapes and grape material and grape machinery from other parts of Australia. I do not know that we have ever added up our total resource allocation over the years in protection of the state's important wine and table grape industry, but it would be long running and very substantial.

Hon ALANNA CLOHESY: Just to be clear, the Swan Valley grapegrowers association is in my electorate of Eastern Metropolitan Region, which is why I particularly highlighted their concerns. Have the department or the minister met with the Swan Valley grapegrowers association on this issue?

Mr Delane: I cannot confirm that. I am happy to follow up, but our officers have consulted widely either proactively or reactively when they have been contacted by members of the grape and wine industry. I would be very surprised if there have not been briefings to them and discussion with them.

Hon KEN BASTON: I certainly met with grapegrowers from that area when I first became the minister.

Hon ALANNA CLOHESY: About this issue?

Hon KEN BASTON: About this issue, yes; and prior to the decision being made to allow those grapes in, they certainly raised their concerns with me. I had concerns with it, but in what the director general is saying following the process through, the bar was met and those grapes were allowed in with, obviously, stricter controls than we had even asked for.

The DEPUTY CHAIR: Is that sufficient for Hon Alanna Clohesy or would you like the information as supplementary information as well? Are you satisfied with the answer or would you prefer to get supplementary information.

Hon ALANNA CLOHESY: Yes, given the time, but I may come back to the minister with some specific further questions.

Hon BRIAN ELLIS: I will try to keep my questions very brief. I am interested in the regional men's health initiative listed on page 723 of the *Budget Statements*. It has been a very important initiative, but there are no funds allocated in 2013 in the budget papers. The forward estimates indicate \$800 000 ongoing to 2016–17. I presume the minister wants to keep this initiative going; how do they operate this year?

Hon KEN BASTON: I actually looked at that today, honourable member, and do know there was some carry-on funding—I am just trying to find it.

Mr Delane: We will need to take that on notice. Like the minister, I have, with a lot of other information, read that. I think the carry-forward number is of the order of \$325 000, but I would confirm that through supplementary information, if it suits the member.

[Supplementary Information No C7.]

Hon KEN BASTON: So, what you are saying is that there is money left over from previous years?

Mr Delane: Yes.

Hon KEN BASTON: We actually have the information. It is \$541 000.

The DEPUTY CHAIR: That \$541 000 is what?

Hon KEN BASTON: It is \$541 000 that was carried over.

Hon BRIAN ELLIS: While I am on that one, how many staff are employed under that initiative?

Mr Delane: The wheatbelt men's health funding is allocated to that, so it is their staff. We do not employ staff to deliver that function.

Hon BRIAN ELLIS: Connected in a way is page 739 of the *Budget Statements*, I think, because there is a listing under the rural financial counselling services scheme. It is the opposite way around, we have got \$200 000 allocated in this financial year but nothing for the forward estimates. Does that mean that scheme is coming to an end at the end of this year?

Mr Delane: The rural financial counselling service is majority funded through the federal government. In 2013–14 we expect from the federal government to be at \$1.4 million. The Rural Business Development Corporation funding is \$560 000, which I think includes the supplementary funding under the state assistance package. The state assistance package boosted funding and enabled the employment of three more rural financial counsellors. I am aware that the federal program is opting for a longer period than that because Western Australia had some concerns about the level of its allocation and Minister Ludwig had locked it in for a list of three years. Regarding state funding of RBDC, we will need to take that on notice and refer back to our staff who support the RBDC to provide that information.

[6.00 pm]

Hon MARK LEWIS: I refer to the spending changes on page 723 of the *Budget Statements*. The 2013–14 expenditure for the Gascoyne food bowl initiative is estimated to be \$10.4 million. This is a pretty significant change from the previous year. What will be delivered for this amount?

Hon KEN BASTON: That is the \$10 451 000 for the current year. The food bowl is being developed. There is a bore field being developed north of the river and at present it has been operating on virtual generators for power. This funding will be utilised to connect that up. It has been very expensive water in the sense of using generated power. This will also go towards development of an extra 400 hectares of land and it will also go towards the development of where land can be added on to other properties. In the development of that land, of course, it will not be able to be released until we have the extra water and the water delivered in an economical way. That is what that funding will be utilised for. Once that water is there, as I understand it, that land will be opened up for interest for other growers or anyone else to put in bids. Of course, the security of water is the most important thing in that area. In the Gascoyne food bowl area there is also the need for further development and size. It is a large supplier to the domestic market, but the domestic market is very limited, so in the future this can give it some export legs so it can look to other markets. My trip to Indonesia was also very much, of course, looking at horticultural products that they need over there; so in the future areas like Gascoyne can be one of those providers.

Hon KEN TRAVERS: I have had a number of people raise with me the view that the department has a map that identifies the areas in the east of the wheatbelt that are unviable for farming. In fact, the reason I was hoping Mr Metcalfe was here was that one of the sources I was able to track down seems to have been a meeting where he referred to it. Has the department done mapping on those areas that are considered to be unviable in the wheatbelt; and if so, can we have a copy of it?

Hon KEN BASTON: I have inquired on this and about a line having been drawn. Many farmers and producers have asked me about that, and I have asked my department.

Mr Delane: I have heard those assertions and I have received them in writing. I have heard assertions that I have drawn up a map, allegedly through Kellerberrin, which is rather absurd. I was in Merredin yesterday and the day before, as Mr Metcalfe was, and we celebrated the 100th anniversary of the Merredin Research Station. There is no line drawn on the map and there never

has been a line drawn on the map. Our focus is on the success of individual businesses that need to deal with highly variable seasons, and not drawing such broad statements or claims. There has been a lot of tension in the wheatbelt—there is a lot less as a result of the rain of the last six weeks—and there have been all sorts of things asserted that have no foundation.

Hon KEN TRAVERS: In light of the Premier's comments earlier this year that there are areas that are no longer viable, have you been asked to do any work on identifying those areas that are not viable? I refer to the Premier's comments now and not yours. Are you looking at where the non-viable areas are?

Hon KEN BASTON: Picking out what viability is is just about impossible. I guess people say that because of climate change this land will be unviable et cetera. If you get a dry time, yes, it is tough; you do not make money. People will survive. Some people will elect to sell their properties, move off and go somewhere else; and somebody else will buy that property, come back and probably get an excellent season and make a lot of money. That is the reality of farming, unfortunately.

Hon KEN TRAVERS: I agree with you, minister. They were not my comments; they were the Premier's comments.

The DEPUTY CHAIR: Hon Ken Travers, since we have such unanimity of opinion, having the chair I will ask one last question and you might be able to answer very succinctly or take it as a supplementary question. On page 724 of the *Budget Statements* there are a range of factors around the cash flow. The second dot point outlines issues with the cash flow of agrifood business such as high exchange rates, issues relating to a variable climate and "an evolving capital environment", which is a lovely euphemism for "the banks are getting tougher". Unfortunately, if the banks are getting tougher now, they will be getting even tougher when the Basel III capital requirements are implemented over the next 18 months. My question is simple: has the department done any work about the implications for WA agribusinesses of the implementation of those new capital requirements; and has the department made any submission to Australian Prudential Regulation Authority in relation to those impacts?

Mr Delane: We have made no submission. I am not aware that we have done any detailed work on, particularly, the decisions made globally and how they flow through to regulation of the Australian banking system. We are in close contact with the banks and we formally meet with them quarterly. The banks are very closely involved in the work we do with industry, including a workshop I hosted in Merredin on Wednesday to work through those issues. There are many other factors, of course, going to the viability of farms and to bank assessment of finance. It is an issue, but it is not the biggest issue that is rolling out in Western Australian agriculture.

The DEPUTY CHAIR: Thank you to the minister, the director general and all the officers. The committee will forward any additional questions it has to you via the minister in writing in the next couple of days, together with a transcript of evidence that includes the questions you have taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee writing as soon as possible before the due date. The advice is to include specific reasons as to why due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. On behalf the committee, thank you for your attendance today. Thank you to all the members too, who showed great interest. Before we close, I will hand back to the chair of the committee to make some concluding remarks about the hearings.

Hon KEN TRAVERS: I think it would be remiss not to take this opportunity to thank all of the committee staff, to Kate, Andrew, Hannah and Samantha for all of their hard work this week; we very much appreciate it. To all of the parliamentary staff and the other Legislative Council staff who have assisted us throughout the week, we place formally on the record our thanks. To all of the Hansard reporters who once again have done a fantastic job throughout the week, to all the ministers, parliamentary secretaries and advisers who have come in, I record on behalf of the

committee our thanks. I also thank my committee members, who are all on their first estimates hearing and they have been very diligent; it has been fantastic to work with you. Thank you to everyone.

Hearing concluded at 6.09 pm