

STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS
ADDITIONAL QUESTIONS FOR THE 2014/15 BUDGET ESTIMATES HEARING
DEPARTMENT OF AGRICULTURE AND FOOD

FRIDAY, 13 JUNE 2014

THE STANDING COMMITTEE ON ESTIMATES AND FINANCIAL OPERATIONS ASKED –

1. In regards to Question on Notice Attachment 3 –voluntary severances. Five officers within the Geographic Information Service obtained voluntary separations and the Geographic Service is currently under review, and ask-

(a) Why did the five officers from the Geographic Information Service obtain severances before the review was completed?

Answer: An initial review of the service was completed late September 2012 which recommended a reduction in staff levels. A subsequent review and project initiation (May 2014) is occurring to address direction, form strategy, define capability, expose technology options and define an implementation plan for the Service

(b) How many staff are currently employed within the Geographic Information Service

Answer: 17.4 FTEs, 4 are currently allocated to other projects outside of the GIS service.

(c) Is this sufficient to meet the geographic information system needs of the department?

Answer: DAFWA GIS has reduced the amount of the work it once did for external parties which paid for that work. Less external funding has been available as of late and as a consequence, GIS has been more focussed on internal and essential business related tasks.

The current review (Spatial Information Direction and Implementation Planning) will identify and define a capability catalogue for the service and determine what the essential system needs of the agency are and define what services GIS provides for its customer and the agency.

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2. *In regards to Question on Notice Attachment 3 – voluntary severances. As a reason for voluntary severance being given, the Department repeatedly identified positions as being within low priority areas. Please provide the Committee with a list of low priority areas within the Department and the reasons for the classification?*

Answer: The assessment process identified non-core activities, roles and skill that were not aligned to DAFWA's strategic priorities: to grow markets productivity, profitability and people; and to boost biosecurity and sustain natural resources. The process also considered the extent to which each activity, role and skill contributed to:

- Western Australia's economy.
- Industry profitability, through measures such as innovation and adoption.
- Social outcomes (e.g. promotes regional infrastructure or population growth).
- Environmental outcomes (e.g. will lead to a reduction in the damage caused to the environment by a particular farming practice).
- DAFWA's profile with industry and the broader community.
- Addressing elements of the supply chain beyond the farm gate.
- Public as opposed to a private benefit (e.g. benefits the broader community and the private sector lacks the capacity of incentive to undertake the activity).
- Meeting legislative obligations.

Consideration was also given to functional or project areas where an efficiency review of staffing requirements had been recommended that the number of FTEs be reduced.

The above decision process was applied to each individual VSO application. As a result, the following changes occurred in work activity as provided in **Appendix A**.

3. *We refer to Budget Paper 2, page 569 and Budget Paper 3, page 153 – The Department will reduce spending by \$2 million per year over forward estimates from the abolition of quarantine fees on seed imports by individuals, and ask –*
- (a) *Is this the same fee that was introduced from July 2013, with the Department charging a \$56 inspection fee for all seed imports into Western Australia, not just for commercial importers?*

Answer: No. The title associated with the reduction of revenue is associated with a general decrease in revenue across DAFWA following review of service provision. Inspection fees will still be charged on all interstate seed imports. Charging for inspections for all imports was implemented as part of the Biosecurity and Agriculture Management Act 2007 (BAM Act), so that there was no discrimination between risk creators (commercial and private importers).

(b) If yes, why has this fee been abolished less than a year after being introduced?

Answer: not applicable

(c) Why will abolishing quarantine fees on seed imports by individuals lead to lower agency spending as shown in the spending changes table?

Answer: The reduction of \$2 million revenue was the result of an over estimation in the previous budget following a revision of estimated revenue. The reduction is in part attributable to lower revenue from inspection fees. Service provision will not be impacted.

4. We refer to Budget Paper 2, page 576, 578 - The income statement shows that the Department was in deficit in 2012-13 and was expected to be in deficit each year. The cashflow statement shows the Department running down its cash asset position from \$46.0 million in 2012-13 to \$4.6 million, and ask –

a) Given the number of deficits on the income statement, would you describe these deficits as 'structural'?

Answer: Yes. The cash assets of \$46 million held by the department relate to \$4.9 million of unrestricted cash carried over from prior year to fund existing recurrent and capital project commitments. The balance of \$30.9 million of restricted cash relates to industry funds held to meet contractual obligations and industry funding scheme programs that are earmarked to be delivered over the time of the forward estimates.

b) What planning has the Department undertaken to return its position to surplus?

Answer: The Department has planned to fulfil its industry contractual obligations and expend the carryover funds received in prior years. Based on current revenue estimates from industry bodies, the department expects that its ability to generate a surplus will be constrained.

HON KEN TRAVERS MLC –

5. I refer to the additional 53 FTEs forecast in 2014-15, but Employee Benefits (Budget Paper 2, page 576) do not seem to rise accordingly over the 4 years in the Forward Estimates, and ask –

a) How many of these additional FTEs are actually being filled?

Answer: Based on our 2014/2015 forward estimate budget, we aim to move to the budget position of 1170 FTEs during the course of the year by continuing to address priority areas. Of the 53 additional FTEs, 44 vacancies will be filled of which 12 are new positions.

6. I refer to Budget Paper 2, page 576, “Royalties for Regions Funds” are decreasing over the Forward Estimates, including the funding for Regional Community Services, and ask –

- a) *What are the implications for staff currently working in these Regional Community Services?*

Answer: The Regional Community Services Fund is a holding account under which a number of Royalties for Regions projects are funded. There are currently six projects under this fund, including the Regional Men’s Health, State Barrier Fence and Wild Dog projects.

As with all fixed-term work undertaken by DAFWA, staff members are assigned to one or more projects for their duration – or part thereof – and reassigned upon completion.

HON DARREN WEST MLC ASKED –

7. I refer to page 574, “Asset Investment Program (Works in Progress)” and Budget Paper 3, page 153, “Regional Natural Resource Management Program”, and refer to the \$3.185 million allocated in this year’s budget, and ask –

- a) *Whether any projects have been identified as yet, and if so, which projects will be funded?*

Answer: The budget estimate of \$3.185 million is allocated to the State Barrier Fence Project and will be used to upgrade and extend the fence.

The allocation is part of the project’s total Royalties for Regions funding of up to \$10.17 million; with the project due to be completed by December 2016. To date, lapwire has been fitted to the existing fence to prevent wild dog incursions and work is currently underway to construct the Yilgarn Gap to and finalise Esperance Extension approvals.

(b) Given this is a Royalties for Regions Program, will only those projects that are based in regional Western Australia be eligible for funding?

Answer: The State Barrier Fence plays an important role in minimising the impact of invasive species, such as wild dogs and emus and protecting the State's agricultural industries. The upgrade of the existing fence to wild dog standard and the construction of further fencing to protect additional agricultural areas will provide benefit to farm enterprises and regional communities. The project will enable improved pest animal management into the future which will further benefit all Western Australians.

APPENDIX A: Areas identified as being poorly aligned with DAFWA’s strategic priorities, offering insufficient public benefit, or over-resourced

Agricultural Resource and Risk Management

Land and Water Assessments	Less effort and focus is required in the following areas related to Land and Water Assessments: <ul style="list-style-type: none"> • Agronomy expertise • Research • Surface Water Management technical assessment and advice
Interstate Import Requirements for Livestock	The level of direct ‘one on one’ advice required by clients has reduced. Clients can access all protocols from the Biosecurity E Manual on DAFWA’s website.
Administration	A review of administration requirements across ARRM has identified that the required work can be completed with less staff.
Invasive Species Science Program	The technical support required within the Invasive Species Science program has reduced the need for operational support functions.
Biosecurity Operational Support	Changes in the work demands of Biosecurity Officers in the regions have reduced the need for operational support functions.

Livestock Industries

Officers Awaiting Placement (OAPs) and/or Substitution	There are long-term OAPs in the Directorate that have been resolved as a result of the VSO process. Further severances have been enabled by substitution processes.
Dairy Research, Development and Extension	Activities associated with one position focused on research, development and extension activities rather than transformational activities will stop.
Sheep Research	Activities associated with one part-time position that involves primarily long term research that does not directly provide tangible benefits to current or proposed supply chains will stop.
Operator and Management Skills – Vasse Dairy	The Vasse Dairy has been leased to a private operator. Managerial and operational activities associated with two positions will stop.

Grains Industries

Theoretical Soil Physics	Work in some aspects of theoretical soil physics is a low priority. Future work will focus on soil and root biology, and soil chemical properties.
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Project Monitoring and Evaluation	The project monitoring and evaluation framework now in place in the Grains Industry directorate has streamlined these activities to the extent that less staff is required.
Senior Research Skills	Pasture science leadership skills are well represented in Grains and Livestock Pasture Project, reducing the requirement for senior research skills.
Grains Development Officers	There are duplicated skills in Grains Development Officers across Wheatbelt locations. This presents an opportunity to reduce these activities at the closing of Wongan Hills office.
Wheat Molecular Biology Services	Wheat molecular biology services to InterGrain Pty Ltd are reducing the workload for the wheat molecular group based at Murdoch University.
Lupin Breeding	The Lupin Breeding program is being reshaped for more regional delivery and with a lower staff requirement. Lupin breeding will no longer require two breeders to meet ongoing business needs.
Plant Nematology	Plant nematology no longer requires two Research Officers in the southern agricultural region to meet ongoing business needs.
Regional Entomology	Regional entomology no longer requires two Research Officers in the southern agricultural region to meet ongoing business needs.
GM Compliance and Policy Support	GM compliance support requires less staff. The GM policy support skill set is available among other project staff. Additional business and legal skill is available to support this area.

Irrigated Agriculture and Diversification

Officers Awaiting Placement (OAPs)	Activities by staff with skill sets where currently no work exists will cease, including staff on OAP for some time
Entomology	There is a reduced need for Disinfection and Post Entry quarantine professional and technical skills.
Agronomy	A reduced level of agronomy activities is required, particularly in fruit and general field work.

Regional Operations and Development

Administrative Support	Some administrative support activities undertaken in small offices where client interactions are low will cease. Many of these activities, such as payments, accounting and timesheets have already been automated and moved away from these locations.
Regional Directors and Managers	The number of staff located in the regions has reduced over time as budgets have contracted. This means that fewer Regional Director and management positions are required.
Economic Analysis	Activities are changing from economic commentary and

analysis for academic publication and recognition, to business analysis and policy development aligned to economic development. As a result, activities associated with the analysis of agricultural supply chain computer modelling will cease and the collection of ABS and other data will be provided by the private sector. Remaining functions have been moved to other directorates. The industry directorates are now responsible for industry performance analysis.

Trade Development

The role of Trade Development is changing to develop close and effective relationships with key food manufacturers and processors with a focus on better understanding WA's product and supply chain competitive advantage. Activities not aligned to this change in role are ceasing.

Corporate Strategy and Operations**Officers Awaiting Placement (OAPs)**

A number of long-term OAPs have been resolved as a result of the VSO process.

Structural Reviews

Reviews have identified functions and/or skill sets in the following areas that not aligned to future requirements and will therefore stop:

- Geographic Information System (GIS)
- Finance
- Corporate Communications

Forrestfield Office

The Forrestfield office is closing which means that the activities associated with one position will no longer be required.

Support Functions

A number of support positions are no longer required and the skill sets are not aligned to future requirements.

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