

**STANDING COMMITTEE ON
ESTIMATES AND FINANCIAL OPERATIONS**

2019–20 BUDGET ESTIMATES



**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
TUESDAY, 18 JUNE 2019**

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

Members

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

Hearing commenced at 3.15 pm

Hon ALANNAH MACTIERNAN

Minister for Regional Development; Agriculture and Food, examined:

Mr RALPH ADDIS

Director General, examined:

Ms HEATHER BRAYFORD

Deputy Director General, Sustainability and Biosecurity, examined:

Mr NIEGEL GRAZIA

Deputy Director General, Industry and Economic Development, examined:

Dr MARK SWEETINGHAM

Managing Director, Research, Development and Innovation, examined:

Dr BRUCE MULLAN

Director, Livestock Research and Development, examined:

Mr BRUNO MEZZATESTA

Executive Director, Operations and Compliance, examined:

Mrs CAROLYN GIBBON

Acting Chief Financial Officer, examined:

Ms MICHELLE RODAN

Acting Executive Director, Biosecurity, examined:

Mr BRETT SABIEN

Acting Director, Investment Management, examined:

Mrs SUSAN WILSON

Chief Information Officer, Information Services, examined:

Mr COLE THURLEY

Chief of Staff, Office of Minister for Regional Development, examined:

The CHAIR: Good afternoon, members. On behalf of the Legislative Council Standing Committee on Estimates and Financial Operations, I welcome you to today's hearings with the Department of Primary Industries and Regional Development. Can the witnesses confirm that they have read, understood and signed a document headed "Information for Witnesses"?

The WITNESSES: Yes.

The CHAIR: It is essential that all your testimony before the committee is complete and truthful to the best of your knowledge. This hearing is being reported by Hansard and a transcript of your

evidence will be provided to you. It is also being broadcast live on the Parliament's website. The hearing is being held in public, although there is discretion available to the committee to hear evidence in private. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in a closed session before answering the question. Agencies have an important role and duty in assisting the committee to scrutinise the budget papers. The committee values your assistance with this. Minister, do you have an opening statement—a brief opening statement?

Hon ALANNAH MacTIERNAN: Yes, thank you, Madam Chair. We recognise that the Department of Primary Industries and Regional Development is still going through its machinery-of-government phase, and that this does present some challenges. But I do think that we are making significant progress. As members will be well aware, the old Department of Agriculture was very much on a downward trajectory, and numbers had been dramatically slashed over the last eight years and there was a trajectory into the forward estimates for those figures to continue to decline to a number of FTEs of I think 1 300. That clearly was not going to be a basis on which we could rebuild the research and development capability of the department, and it is that R&D capability—the enhanced biosecurity and some degree of improved outreach—that we think is necessary for the agricultural branch of the department to help the farmers of this state reach their manifest destiny. To that end, we held a capability review, which was a very tough document that went through the functions, structure and strategic priorities to really understand what really is the base load of what we need. I am pleased to say that we have received an injection of funds, when compared with last year's allocation, of a \$131.5 million increase in expenditure to help us set the bar under the FTEs within the department so that we can now get on with the job of creating permanent positions, and for many people who have not had permanent positions now for a number of years, we are able to really start filling those positions and developing confidence within the department and, as I say, working to help industry throughout this great state to reach its destiny.

[3.20 pm]

The CHAIR: Thank you, minister. We will start with Hon Diane Evers. As there is a cast of thousands, members have about seven minutes each, noting that the leads will have a little bit longer, but not much more.

Hon DIANE EVERS: The first question is on budget paper No 2, page 213, the efficiency indicators for "Agriculture and Fisheries Natural Resource Management". I note that the efficiency indicators demonstrate that neither the full amount expected to be spent as a percentage of the gross value of the agriculture production nor the full amount of dollars per hour of fisheries management services has been spent on NRM activities. What is the department doing to try to meet this target so that the targeted level of spending is met?

The CHAIR: Member, did you give a reference number?

Hon ALANNAH MacTIERNAN: Yes, I have the reference. It is number 7.

Hon DIANE EVERS: It says efficiency indicators. The target was 0.15 per cent, but only 0.09 per cent was spent on NRM activities.

Hon ALANNAH MacTIERNAN: You are saying the actual was less than the budgeted amount. I am not sure why that would be. I do not know who would be in a position to answer that.

Mr Addis: While I am not across the detail, I do know that the estimates in last year's budgets were based, necessarily, on what we would describe as high-level estimates, given the state of forming the new agency and trying to get the budgets landed. I suspect that would explain a substantial part of that underspend. Obviously, when you base an indicator on the gross value of production, production swings quite significantly from year to year, so that has an impact. Obviously, for the

year in question that formed the basis for that indicator calculation was quite a high base, which means the proportion spent is accordingly low. You will notice in the current budget year of 2019–20 the target is set at a much more, from our point of view, realistic target of 0.09 per cent.

Hon ALANNAH MacTIERNAN: Can I just thank the member for the question, because it does indicate that, perhaps, given that high level of variability that we do have in return, depending on the nature of the season, that maybe this is not the best metric to choose. But, fundamentally, last year was such a high level of production that we were not required to spend as much.

Hon DIANE EVERS: I guess that would suggest, though, that you could spend more on NRM activities in those higher years.

Hon ALANNAH MacTIERNAN: As I said, I will be the first to admit that we have an enormous amount to do with the specific KPIs. As you know, member, because we have had these discussions in question time, that we made very clear commitment that we were going to spend \$6.2 million a year on NRM. We added to that \$1.5 million or \$1.6 million on top of that for metropolitan activities. We are spending about \$7.7 million in NRM proper—that is in terms of grants that are given out. We are very keen to accelerate the rate at which those grants are going out.

Hon DIANE EVERS: My next question is on significant issues on page 207; significant issue 6 is climate impacts. I am interested to know that in addition to the information provided prior to hearings on this question, is the department exploring opportunities to increase the carbon content and water absorption capacity of agricultural soils?

Hon ALANNAH MacTIERNAN: Again, this was a target that we established. It turns out that the department subsequently has advised us that they do not, in fact, really have a very good methodology for determining whether that has been met. Can I say, member, that we are really looking at how we do this. We have had some proposals from one of the corporate carbon companies who have developed a methodology who want us to support them introducing that into Western Australia in a trial capacity. The feedback that we have got from our agricultural side is that they are concerned that that does not marry up with what we know about soils in Western Australia. I am getting two very different lines of advice on this and I have asked for us to move as quickly as we can getting the Soil and Land Conservation Council established so that we can get some really capable people around a table and get some resolution on how it is we will go about this. There is absolute clarity in my mind that we need to do more to develop the soil carbon, and to improve the general soil health in doing that, and the water retention. But I would acknowledge that, as a department, we are not there yet.

Hon DIANE EVERS: This is just on a question that was asked prior by Hon Colin de Grussa. On page 217 near the top of the page is the heading, “Agriculture Research Grant Allocations”, and it shows \$4.5 million in this year and the next, and then it shows \$16.8 million in the next two years. The answer came back saying that this was an error in the budget. If you also take into account that last year the budget was \$17 million and only \$4 million was spent, it shows a reduction in this line item from about \$55 million down to \$18 million over those five years. What is the intention of that? Why has it been decreased so much? Is there any interest in changing it?

The CHAIR: Member, could you give the line item again?

Hon DIANE EVERS: Page 217 and the line item is “Agriculture Research Grant Allocations”.

The CHAIR: So basically, what are the correct figures and what is the reason for the decrease.

Hon DIANE EVERS: Why it is such a significant decrease?

Hon ALANNAH MacTIERNAN: Significant decrease?

Hon DIANE EVERS: Last year the budget was \$17 million. Only \$4.5 million was spent, and then it has been kept at \$4.5 million for the next four years.

Hon ALANNAH MacTIERNAN: Perhaps I will get Mr Grazia or Dr Sweetingham to comment. Prior to us coming into government there had been some talk and some allocation made for a process whereby a grains institute would be established—that is what I understand this is about. There was going to be a new grains entity, but when we came to government, we found that that was no longer supported by the GRDC. What we then did was to restructure that arrangement. We now have a different arrangement with the GRDC. This now appears in different parts of the budget. I am happy to get a more comprehensive statement as supplementary information.

[Supplementary Information No C1.]

[3.30 pm]

Hon AARON STONEHOUSE: I refer to page 205 and the spending changes table. I note total spending changes of \$1.379 million for completing the Fitzroy River management plan. I also note a 15 March 2019 media statement and a reference to —

... a productive and sustainable mosaic of irrigated agriculture to enhance the pastoral industry in the Fitzroy River catchment ...

Can you tell me what will make up the mosaic?

Hon ALANNAH MacTIERNAN: Clearly, part of it will be the creation of opportunities for fodder production to support the pastoral industry. There are different formulations that people are using, whether it is growing—what are the different fodder crops that they are growing up there? Anyhow, the fodder crops that are being used to support the pastoral industry. We see that in place on Gogo, Pardoo and a number of stations. That will be part of it. There is the potential for some horticulture. Obviously, there would need to be some land tenure changes around that, but I think we do accept that there is some possibility of horticulture. There is also interest in having irrigated native foods. Plants like gubinge, for example, benefit from irrigation. Traditional owners are very keen for some of their water allocation to be able to be used to look at moving into harvesting and orcharding indigenous plants.

Hon AARON STONEHOUSE: Will it include weirs?

Hon ALANNAH MacTIERNAN: No. It depends what you mean by weirs. We have said no dams on the Fitzroy or its tributaries. There are some issues as to whether a leaky weir-type construction constitutes a dam or, indeed, is something that just slows down the flow of water and is highly beneficial. Some of the surface treatments are under consideration, but we have said very clearly no dams on the major river or on the tributaries. Whether something along the lines of a leaky weir might be acceptable is what is currently being negotiated as part of this process.

Hon AARON STONEHOUSE: What is the estimated return to the WA economy per annum of developing the Fitzroy?

Hon ALANNAH MacTIERNAN: I am not sure. I do not think that we have those figures. I think, member, it is very important for us to get very clear that we do not see the Fitzroy Valley as another Ord Valley. We have made a very clear commitment to there being a national park on the borders of the Fitzroy River. We acknowledge that there are real opportunities for the cattle industry if it is able to have access to irrigated agriculture to improve the quality and reliability of beef and increase value in that way. Likewise, we think that there is some prospectivity in terms of both horticulture and the cultivation of native high-value plants such as gubinge and wild rice et cetera.

Hon AARON STONEHOUSE: When do you expect the management plan to be completed?

Hon ALANNAH MacTIERNAN: I think we have that scheduled for some time—by next year. It is certainly 2020. I am trying to think of the date. We are working simultaneously; under Minister Kelly, the water allocation plan is being devised and we have, under Minister Dawson, the work that has been done on the boundaries of the national park. Those things will feed into the management plan. Really, our focus has been very much on trying to get all the significant players—the traditional owners, pastoralists and environmentalists—working together to come up with a plan so that the aspirations of each can most reasonably be met. Our aim of the structures that we have put in place is trying to get some consensus decision-making from those three groups.

Hon AARON STONEHOUSE: In that same media statement, you refer to the Fitzroy River management plan being based on sound science. I know that the government has earmarked 600 gigalitres per year, but the CSIRO estimated about 1 700 gigalitres per year for potential harvesting. That was based on sound science. What was the 600 gigalitres a year based on?

Hon ALANNAH MacTIERNAN: I am sure, member—I highly respect you—that you would not want to be verballing me, and you have read the entire media release.

We have always said that there are also environmental and cultural issues that have to be taken in place. I think there has been some misreading of the CSIRO report. The CSIRO's task was to match up where you had soil and water to give us the broadest possible picture of where it is possible that you could do irrigated agriculture. It was where you matched. It was not a recipe saying, "You should do this scale of development." It was saying, "These are all the areas where you could do irrigated agriculture and it would make sense because of that coalescence of water and soil types." What we are saying is that we believe that we need to, certainly, pitch low at this stage to bring all parties to the table. It would probably be fair to say that we are talking more 300 gigalitres per year in terms of what we see will be an acceptable amount. Member, I say to you that we have to bring those three players. We have got to make progress in this area. We have to come up with a plan that is going to be broadly acceptable to reasonable people that are in all of those three groups. We are talking maybe, say, around 300 gigalitres. At the moment, there is only six gigs.

Mr Addis: Of which only one is actually utilised, so we are talking a very substantial amount of water availability that would be brought into use under that sort of approach. That will take quite a bit of doing. Those things, clearly, are always—as they should be—market led and require commercial demand to be generated to make viable developments.

[3.40 pm]

Hon ALANNAH MacTIERNAN: That point is, when you look at the actual current use, it is about one gigalitre, so if we were to go up to 300, that is a massive expansion. As I said, I think we have got to be clear that we are not seeing the Fitzroy Valley, nor do I think the people of the Kimberley see the Fitzroy Valley, as another Ord River.

Hon COLIN TINCKNELL: My first question refers to point 2 on page 206, regarding additional funding. The main thing I am interested in with this question is, can the minister explain to us how much of this additional funding, such as what was promoted in a media release, over the four years, was funding cut from the annual budget by the current state government when it first came to power?

Hon ALANNAH MacTIERNAN: When we came into government there was embedded into the forward estimates—when you come into government, you have to work with the forward estimates that are there, and then you put your commitments and your changes on top of those—a predetermined continued cut to agriculture. We had some stopgap funding measures that we put in to help us manage through that, until we did our capability review. Treasury and the EERC determined that they could not change the trajectory of the expenditure that had already been committed under the previous government until we had done a root and branch examination of the

capabilities of the department. We started thinking about if this should be a department that is only about marketing and regulation, or is this a department that needs to have an R&D and an extension capability, to some extent?

We had a downward trajectory that was in the forward estimates that we came into. We were able to, with short-term funding, block those up, but we were not able to get a total cessation until we completed the capability review. Otherwise we would have seen this continue to decline by about 32 per cent. Many of the comments of those people within the agricultural sector that understood what was under happening to the department, understand what we have done. To quote David Stoaate from the KPCA, we have stopped the bleeding, and we have stop the bleeding. Instead of the number of FTEs continuing to decline, we have been able to stabilise that number. Would I like to see more? Of course I would like to see more.

Over time, we will look to see how we can put forward cases to build the capability in the department even further. I do not pretend that this is absolutely all completely without controversy or is absolutely optimum, but I think it has been a substantial achievement that we have got this extra \$131.5 million, and this is not all RforR funding. We have been able to take \$59 million from the consolidated account, which is really important, because we have got to get this not to be that short-term funding. What we are trying to do is to get long-term positions, so we can get the fantastic scientists like Daniel Real, an ag department scientist, who for 18 years has been working on perfecting a summer pasture for our sheep industry, and has developed this product called Teder, which is going to be a game changer in many of our sheep-growing areas. You cannot do that sort of detailed research on short-term funding.

Hon COLIN TINCKNELL: My next question refers to page 206, point 5, so just the other side. We are talking about grain research and development. Much of this \$48 million comes from the government. Is it completely new money, and how does this investment compare with the previous department's investment in grains research and development?

Hon ALANNAH MacTIERNAN: When we came to government, there was money for the first year or two years. There was some short-term RforR funding in the budget. What we wanted to do was to make sure that this is taken out through the forward estimates, which is what we have been doing. The \$48 million partnership—we would have liked it to have been a higher sum—is a joint partnership with GRDC. We had pitched to them for an \$80 million partnership, where we put in \$40 million and they put in \$40 million, but we were only able to get them to sign up to \$25 million. I have just met with the very delightful new Minister for Agriculture today and discussed our ongoing concerns with the GRDC's lack of—I do not want to be completely horrible, but compared to what we contribute in Western Australia into that grower levy, what we get back is not adequate, and our research needs are quite different because we are so export focused. We have to absolutely be understanding the needs of our markets and producing product that suits our partners in Indonesia, Japan and China, and that requires a very different focus. We have also got, obviously, a Mediterranean climate, and we have also got lighter soils. There is a whole range of factors that means that we need to have research funded that is tailor-made to Western Australia. We continue making that argument. We did make some progress, as I said. We got this allocation, but in total our commitment over the forward estimates I think is \$45 million.

Dr Sweetingham: I can add to that a little bit by painting a bit of a picture about how much the Grains Research and Development Corporation has traditionally invested in the department. Over the last five or six years they have typically invested about \$15 million per annum in the department, and to leverage that, we have had to put in the same amount of state government co-investment. In 2018–19, the figure was actually \$14.9 million in total that they funded. The current estimate for 2019–20, as it stands at the moment it is signed off, is only \$11 million.

Hon COLIN TINCKNELL: That was the other question—what is the reason for that?

Dr Sweetingham: We are constantly in negotiation with GRDC, and certain projects finish, or time out. They are typically three, four or five years and there are new projects likely to be picked up over the next financial year. The minister is right: we continue to put a lot of emphasis and, if you like, pressure on GRDC to match our investment. We respond to tenders that they put out. They call for tenders in areas that we believe are strategically important in WA, but we also directly negotiate on issues, and we are currently trying to directly negotiate a new farming systems innovation program with them, and probably with some of the other RDCs as well.

[3.50 pm]

Hon ALANNAH MacTIERNAN: Can we make it clear that that is on top of the arrangement of the \$25 million over five years. We would have liked that base level of agreement to be higher, but we have not.

Hon TJORN SIBMA: Bearing in mind the extensive gallery we have here today, I will make my questions short and sharp. I draw upon some of the testimony you have given up until this point, minister, in respect of the FTE allocation for your department. I note that on pages 210 through to 211, across three service lines, the department is forecasting to shed in the order of 47 FTEs for the 2019–20 budget. I want to confirm that my understanding is correct.

Hon ALANNAH MacTIERNAN: Where?

Hon TJORN SIBMA: Are you losing 47 people from your department across three service lines—regional industry and community development, regional technical and technological development, and regional skills and development knowledge? I want to understand that my reading of that is correct.

Hon ALANNAH MacTIERNAN: What page, sorry, member?

Hon TJORN SIBMA: Pages 210 to 211 inclusive.

Hon ALANNAH MacTIERNAN: Yes, there will be. Now, whether or not that is ultimately where the FTE reductions will occur—obviously, we are in a process and some of this is an estimate, a target. We are not pretending that there are not FTE cuts, and there are.

Hon TJORN SIBMA: I understand; I just want to clarify the actual specifics.

Hon ALANNAH MacTIERNAN: That is what is being proposed there. But, obviously, we are doing some very detailed work in trying to determine where exactly we can best make those changes.

Mr Addis: I would say that we are in the midst of a restructure that is moving resources from function to function. I would make the comment that the prior year estimates of FTE against certain services were best estimates at the time. As we move into the new structure, that will change, so you will see some volatility until we settle and have it clear.

Hon TJORN SIBMA: I appreciate that these are fluid circumstances and it is informed by future planning. But, on that basis, I want to understand, when compared with the 2018–19 actual, for the 2019–20 budget year, the department is forecasting the reduction of 47 FTE across the department, which I think has been confirmed. I just want to ensure that there will not be any other anticipated cuts for the remainder of this budget year above the 47?

Mr Addis: I think we have been fairly clear in the budget that overall there is a reduction in the FTE from the current state, which is about 1 640 or 1 650 to 1 593 next year and 1 583 the year after. In total, overall, it is a net reduction of about 60, but there is movement within the department from function to function as we restructure, so there will be some rebalancing.

Hon ALANNAH MacTIERNAN: There are some other areas in which we have business cases to make, which might see a slight improvement in that situation. But that figure and that amount was recommended by Treasury because that was the basis. That was based on the actual expenditure this year, because not all positions were filled, which was a bit of a chicken-and-egg thing. A lot of positions were not filled because it was uncertain what the position was and because we were undergoing MOG.

Hon TJORN SIBMA: In that global figure of approximately 60 positions, where are the bulk of those positions located, geographically speaking? Are they CBD positions or are they through the regions? Can you give an indication?

Hon ALANNAH MacTIERNAN: They will be spread. One thing that we have been seeking to do is to move some positions out of the city into regional areas. We want to improve the ratio of regional to city. There will be some across the board, but we have not determined that yet.

Mr Addis: Our expectation would be that the bulk of those positions would be in the metro area. There are further reductions in the corporate services area, which is planned, and that is primarily—in fact, almost exclusively—in the city. In fact, I think—I was just trying to do a mental calculation—there will be some regional impacts, but it is at the much smaller scale than proportionate to metro.

Hon JIM CHOWN: I am sure the minister would agree with me that state development carried out under proper process has great opportunity and potential to bring financial benefits to the —

Hon ALANNAH MacTIERNAN: The which; sorry?

Hon JIM CHOWN: Regional development carried out under proper process has the potential to bring financial benefits not only to the community, but to the government. I am sure you would not disagree with that statement. On 6 June, you would have received correspondence from the Walalakoo Aboriginal Corporation in relation to land clearing at Yakka Munga station. That clearing involves 1 600 hectares of native vegetation; direct clearing of 250 hectares; fringes and embankments of approximately three metres in depth and 70 metres wide over a length of 16 kilometres, each being four kilometres long; and levees and embankments two metres high and up to 70 metres wide over a length of approximately 20 kilometres. I am wondering what Aboriginal Heritage Act clearances have been approved, what Environmental Protection Act approvals have taken place, and what approvals have taken place under the Land Administration Act in regard to this matter?

The CHAIR: Member, that question is a question of a general nature. We try and focus our questions in the hearings on the budget. These are the budget estimates hearings. Nevertheless —

Hon ALANNAH MacTIERNAN: I can answer it very briefly.

The CHAIR: Minister, thank you. Nevertheless, if you have a budget page number, that would help. I will do the minister the courtesy of seeing if there is an opportunity for her to reply, but I am putting you on notice, no general nature questions.

Hon JIM CHOWN: Chair, may I clarify. I spoke to the clerk and under standing orders in regard to these estimates, I can ask any question of a general nature, dealing with the finances of the state.

The CHAIR: Thank you, member, but the clerk is not the Chair. If you wish to dissent from the Chair's ruling, there is a process.

Hon ALANNAH MacTIERNAN: Look, it is not directly related to the finances of this sector, but I appreciate the imagination that the member has utilised to try to connect it to a financial matter. But can I say, member, that I share your concern about what has gone on there. I think that, as far as we understand, this has occurred without any authorisation. It has been passed on to

Minister Dawson's department, and the issue is being followed up. It does seem to be of very considerable concern to us and we are seeking a response from the relevant agencies.

Hon JIM CHOWN: Will any sort of stop order be placed on what is taking place on this particular station, pending the proper approval process, minister, or will they be allowed to finish this operation—and the damage is done, of course?

Hon ALANNAH MacTIERNAN: Member, you have just made me think of something. Because it appears that this is unauthorised clearing, this has actually been passed to the Minister for Environment. But I am just wondering whether or not we could get the soil and land conservation commissioner involved in this as well, if there is an issue that this could be undermining soil conservation. I will have our deputy director general Heather Brayford take that up with the soil commissioner. But I do know that it is being looked at by the department of the environment and also by Lands.

Hon JIM CHOWN: In regard to the corporation's request to have something put in place legally to stop the operation, that is what you will be looking at, I assume, pending an investigation?

[4.00 pm]

Hon ALANNAH MacTIERNAN: I understand the PLB, which is under the Minister for Lands, is actually doing it. I might ask Ralph Addis to comment on this.

Mr Addis: The first, I suppose, layer of protection is with the Department of Lands and Pastoral Lands Board and the Minister for Environment in terms of vegetation clearances, so in terms of our soil land responsibilities, we would be a second layer of protection. I know that those agencies are well and truly looking into the matters that you raise.

Hon JIM CHOWN: We will leave that there, minister. Thank you for the response.

In regard to Yandeyarra and the costs involved there, you have stated that you will be trying to recoup those costs, up around \$850 000, excluding wages of DPIRD staff, and I assume those wages go over \$1 million.

Hon ALANNAH MacTIERNAN: I do not know whether we would include—because these are departmental costs that we would have incurred in any event. We have run a muster up there. I do not know whether we have any idea of those costs. Member, can I point out there is a particular difficulty here. I would not like members to think that Yandeyarra is the only station in this area that has had concerns, but we also do have this difficulty. It is a very real legal difficulty that it is really impossible to establish whose cattle they are, because these cattle are not ear tagged. This is going to create a problem, because the cattle do appear to be very feral. There is doubt about where they actually originated from, whose responsibility they are, and as much as we might like black-and-white answers on this, in relation to this part of the country, it actually is quite challenging. I think really what is most important is we are seeking to do something about the future. I do not know whether we have a subsequent piece of advice from anyone here. We have had a meeting with the community. Now, I understood that some of the community might have been of the view that they wanted to walk away altogether and not actually be pastoralists, but my understanding is that the group have agreed that they will go down a process of sublease. Now, I can seek to get some more information on that, but this is about trying to build the capability of the people on the station to make sure that they are in a position to properly manage it.

Mr Grazia: Member, the department has a number of units that are currently in dialogue with the Mugarinya Aboriginal Community Association Inc. The conversation includes options, as the minister has just pointed out, around sublease. We also have underway at the moment the compliance side of the department, which is also looking at the extent to which there may have

been animal welfare breaches that require a more direct regulatory response to the events that have occurred on the station. But, fundamentally, the objective is to try to get the station on a footing for sustainability into the future and to address some of the shortcomings that we have observed over the course of the dry season in the north. Those conversations are continuing. They include exploring operations with the governing body around sublease options. They include some conversations about contribution to costs that the department has occurred and those negotiations and conversations are underway, as is consideration of any regulatory response that may be required.

Hon JIM CHOWN: Thank you for that, minister. I would assume that charges will be pursued in regard to the breaches of the Animal Welfare Act in this matter.

Hon ALANNAH MacTIERNAN: As I have said, we have our livestock compliance unit investigating. I am just pointing out that there is this fundamental difficulty, so we just really have to be across this fundamental difficulty; in order to establish a person has responsibility for these animals, there has to be some sense that these animals —

Hon JIM CHOWN: Are you saying stray animals on a property are not part of your responsibility, minister?

Hon ALANNAH MacTIERNAN: I do not know whether Bruno can make a comment on that.

Hon JIM CHOWN: In this case, we are talking about over 1 500 cattle that died in the cruellest manner possible, regardless of who owns them on property owned by a corporation.

Hon ALANNAH MacTIERNAN: I am not sure what you want to have happen, but I assure you that what we are doing—you may want to pursue —

Hon JIM CHOWN: What I am saying is that this is probably one of the largest breaches to the act, as we understand it, in this state.

Hon ALANNAH MacTIERNAN: I am not sure about that, but anyhow.

Hon JIM CHOWN: Certainly in my time. Without pursuing and having a person or persons charged, there is hypocrisy here in regards to further possible charges against other people who breach the Animal Welfare Act.

Hon ALANNAH MacTIERNAN: Right. I am presuming you are talking about your friends at Emanuel's. Is that the point?

Hon JIM CHOWN: Not at all. I do not have any friends at Emanuel's, so I do not know where that claim came from.

Hon ALANNAH MacTIERNAN: Our advice is that there were approximately 1 100 animals that had to be destroyed.

Hon JIM CHOWN: That is on Yandeyarra. On Noonkanbah there were more.

Hon ALANNAH MacTIERNAN: No, only 85 cattle were destroyed at Noonkanbah. I will make this point, because I get a little bit concerned about an undertone that I detect amongst some of the people, some of the commentators in this area. I will point out that there is another station, and I will not name it, but it is a white-owned station, that exactly the same complaints were made about in the year before—the same people flying over and observing what was going on and reporting to the department. The officer at the time took the approach, notwithstanding several different complaints, similar to the complaints that were made about Noonkanbah —

Hon JIM CHOWN: Assure yourself, minister, I will be asking the same questions regardless.

Hon ALANNAH MacTIERNAN: They took the approach just to ring them and say, "Is everything okay there? Are you sure everything's okay?" More complaints came in. Rang again—"Are you sure

everything's okay?" I would not want a narrative to be emerging that these problems are isolated to Aboriginal-owned stations, although we do know some of them do have challenges and we are taking it on. We are doing two things —

Hon JIM CHOWN: Minister, let me assure you, I would be asking the same questions regardless of who the owners were on this particular matter.

Hon ALANNAH MacTIERNAN: I would love our livestock compliance unit to have completed their investigation and I would have thought that we had sufficient time by now to have completed that. Unfortunately, this is one of those operational things where I have to rely on what I am told. I am now told that they will not be finishing that investigation until the end of July, which will then go to the State Solicitor. So, that is one part. On the other part, the other portions of the department are trying to work with the groups and, in particular, Yandeyarra—as Mr Grazia has described—working with those groups trying to find a way forward so that we ensure that there is capable and competent management. We are out there looking at what we can. Perhaps we can get some description as to—I do not know, Heather, if you can talk about—why this is taking so long, but that is being pursued and it has been made very clear, and I think I have been very public in my statements, that these things need to be properly pursued, and they are. Yes, I would like them to have been wrapped up a bit earlier, but that has not happened. Then we are doing the other aspects of it, which is trying to ensure that this does not happen again.

The CHAIR: The minister is referring to Mr Mezzatesta.

[4.10 pm]

Mr Mezzatesta: Mr Grazia spoke about the broader responses happening with the northern cattle stations. My area of responsibility is looking at the investigation into potential breaches of the Animal Welfare Act. I do not want to go into a lot of detail, because the investigation is active, and I do not think we should be discussing what potential actions we may be taking. Our estimate is that in July we should be in a position to refer a brief to the State Solicitor's Office, and what happens beyond that will be dependent on what evidence the investigators can find with respect to the events that occurred on that station. There is a lot of information out there, but what the investigators do in their process is look at the elements of an offence that need to be satisfied for breach of the Animal Welfare Act, and they will be working methodically through that process, including the identification of who was in control of the particular animals at the time the cruelty took place. It is taking a while because it is making sure that we meet every element of the offence to reach a point where potential prosecution would be taken. That needs to be done thoroughly and properly; otherwise, you end up falling over at the end of the process. Yes, I have heard that June was a date promised for the wrapping up of the investigations, but these are in remote locations dealing with very complex issues and, unfortunately, despite the fact that we have committed additional resources to the process, we are looking at a time frame of July this year when we can have our side of the investigation completed.

Hon JIM CHOWN: Minister, on this particular matter, will your department be releasing a report about what was undertaken and carried out by DPIRD to rectify the situation on the two properties involved?

Hon ALANNAH MacTIERNAN: I just need you to clarify your thinking. There are two quite separate processes.

Hon JIM CHOWN: I am not talking about the legal process; I am talking about the report in regard to what has taken place and what should not take place and how to run these properties correctly, certainly in extreme conditions.

Hon ALANNAH MacTIERNAN: I think I have made numerous statements about what we are doing on those stations and how we have been proactive in trying to convene the Aboriginal pastoralists so we get in place structures that are more fit for purpose for running these sorts of operations. Can I just clarify that in relation to Yandeyarra, we think there will be substantial recovery of costs from future musters and also there will be a rate built into the lease arrangement that will be undertaken that will include some remuneration or reimbursement of the expenses.

Hon JIM CHOWN: So Parliament will not be doing a formal report, then?

Hon ALANNAH MacTIERNAN: I am happy to make a ministerial statement about the activities we have undertaken. I thought I had made quite a few of those, but I am more than happy to make another one. We have had now two conferences of Aboriginal pastoralists where we have introduced a whole range of different management structures that might be available to communities to assist them run these properties in a way where there is a high degree of accountability.

Hon JIM CHOWN: What legal instrument would you be exercising to get moneys out of future sales from the properties, especially when they are owned or run by a corporation under the Native Title Act?

Hon ALANNAH MacTIERNAN: I am not sure that —

Hon JIM CHOWN: All right, they are private corporations —

The CHAIR: Member, this is your last question.

Hon JIM CHOWN: — what legal instruments would you be using to recoup the money from future musters?

Hon ALANNAH MacTIERNAN: I have to say that I think our officers have established good relationships with Yandeyarra. They have put an enormous effort into this. There will be some contractual undertakings that we will seek. Then, of course, if necessary with future prosecutions, those costs can be claimed through that process. We think we are going to be able to deal with this in an amicable way with the community.

Hon JACQUI BOYDELL: I refer to water subsidies on page 181 of budget paper No 3 where we have \$1.1 billion in the budget towards water subsidies to deliver services to regional Western Australia to ensure that the subsidy covers the difference between the cost of providing water, sewerage and drainage services to regional customers and the revenue recovered from those customers, so the subsidy is being funded by royalties for regions. I was just interested in your comment to a question from Hon Colin Tincknell where you were talking about funding for the Department of Agriculture and Food moving away from short-term funding from royalties regions into consolidated revenue because there needed to be some long-term security around the funding. How does that correlate with water subsidies now being funded through the royalties for regions program and the ongoing longevity of that funding?

Hon ALANNAH MacTIERNAN: I guess what we thought was an important principle is that the fundamental agricultural effort be seen as a broad responsibility of the state, and we wanted that to be entrenched by allocations from the consolidated funds, so we wanted the basic FTEs of the department to be covered from the consolidated account. We thought that was an important principle as long as it was in RforR. We know that under the previous government the budget for the Department of Regional Development and the development commissions went into RforR, but we did think that that basic baseload of activity that is required for agriculture should be funded as part of the consolidated fund and, therefore, get locked into the normal business of government. You know, member, that we are engaging in budget repair, but we thought that that water subsidy,

which is assistance given to regional communities, rather than being the core activity of a government department is something that could appropriately be in the royalties for regions, because it is a cross-subsidisation, and a proper one, and one that we respect and want to keep going.

Hon JACQUI BOYDELL: Does that mean that that is at risk, minister, if you are suggesting that royalties for regions is not long-term funding?

Hon ALANNAH MacTIERNAN: No.

Hon JACQUI BOYDELL: What about the funding for subsidies for TAFE and education assistants, which also come from the royalties for regions fund by this government? How do they remain sustainable if you are suggesting that they have no long-term sustainability and they should be funded out of general revenue?

Hon ALANNAH MacTIERNAN: I am not saying no long-term—I am saying that in terms of the recognition of department having an ongoing role and being the responsibility of the state as a whole, we thought that was an important principle, whereas the RforR program tends to be a four-year program. We are committed across the forward estimates to all of those projects.

Hon JACQUI BOYDELL: What will you do if there is no funding available for those subsidies? What will you do if the royalties for regions allocation is not available for water subsidies, TAFE subsidies or education assistants in regional Western Australia?

Hon ALANNAH MacTIERNAN: What would we do if they were not available? I am sorry; I do not think this is a game of hypotheticals.

Hon JACQUI BOYDELL: You are suggesting, minister, that core responsibility of government should come from consolidated revenue; I agree with you. How does funding education assistants, water subsidies and TAFE subsidies provide sustainability for regional communities?

[4.20 pm]

Hon ALANNAH MacTIERNAN: We are saying that we wanted to see a reversal of this trajectory downward of total funding, including CA funding, for the department of agriculture. We wanted to get this on to a longer-term stable base. I think most people have seen that as a positive. You make your decisions about which things should go in for RforR, and which things should go into the consolidated fund. I think where we are making a statement that we want long-term employment of scientists and R&D staff that will continue across the decade, we think that sort of funding is probably more reliably put within the consolidated fund, and the RforR tends to be—there is no magic answer. As you know, you put schools in but you would not put roads. We put roads in. There is no particular science, but we do think that it is important. As you would know, with all of those RforR ag programs, they did tend to be short term. They were three or four-year programs. That meant that we were not getting necessarily that long-term ability to sustain —

Hon JACQUI BOYDELL: I actually agree with you, minister. That is why I am questioning why you would have education assistants, who I would consider to be employees of the Department of Education and should provide sustainability to regional education, funded out of royalties for regions, because you yourself said it is short-term funding.

Hon ALANNAH MacTIERNAN: I am saying there tends to be more flexibility in those areas. I am presuming that your government did not believe that a development commission saw the Department of Regional Development was only going to be a short-term thing; nevertheless, you put them into the RforR bucket. At the end of the day, you can have this debate about which bits should go into the RforR bucket and which bits should go into the consolidated fund. Having agriculture in the RforR fund does create a lot of problems. It creates problems such as how do you

deal with Wanneroo? Strictly speaking, if we cannot deal with agriculture that is occurring in Wanneroo or in Pickering Brook, we could not use people who were employed under RforR programs to deal with any of that peri-urban horticulture. We could not deal with any of the food processing, an important part of the agricultural sector that goes on in the metropolitan area, if that is funded out of RforR, because of the statutory requirements.

Hon JACQUI BOYDELL: I think that you are getting off the point of my question. You quite clearly made the decision that department of agriculture employees require long-term sustainability, so are funded through the consolidated revenue, and education assistants are not. That is what I take from that.

Hon ALANNAH MacTIERNAN: No, I am saying we now have education assistants —

Hon JACQUI BOYDELL: Madam Chair, I will move on.

The CHAIR: Member, you did ask the minister the question. Give her one minute to reply. Thank you.

Hon ALANNAH MacTIERNAN: Member, I do ask you to acknowledge that we need to see agriculture as a broader issue. Just some of the very practical problems we have, if these programs are funded out of RforR, there is a whole raft of agricultural endeavour that we cannot engage in. Our view was that that was not a particularly good idea.

Hon JACQUI BOYDELL: Minister, I am on the same budget paper No 3, page 192, under administration. I just wondered if you could give me a breakdown of regional resourcing of regional development commissions via regional development commission under that line item.

Hon ALANNAH MacTIERNAN: Sorry, what is the question?

The CHAIR: Member, we cannot find the page reference. Can you give it again?

Hon JACQUI BOYDELL: It is budget paper No 3, page 192, under “Administration and Administered Items”. Just the “Administration” section directly underneath that.

The CHAIR: What is the question?

Hon JACQUI BOYDELL: If the minister can give me an idea of the regional resourcing for regional development commissions through that administration?

Hon ALANNAH MacTIERNAN: That figure previously included the Department of Regional Development plus the development commissions, and now that is all incorporated into the one item.

Hon JACQUI BOYDELL: Can we have a breakdown of what that is, via FTE via the regional development commission?

Hon ALANNAH MacTIERNAN: Because the regional development commission personnel other than the CEO are all departmental staff, that is not separately accounted for.

Mr Addis: We do have what is called a section 40 budget allocation for each of the nine commissions—they are statutory authorities and therefore independent of the department—but that only covers a portion of their expenditure. Niegel will probably give you some more detail on the staffing arrangements. The staff are employed by the department and essentially allocated to work with them through the commissions under the day-to-day direction of each of the CEOs. I do not think we have the staff numbers at present. Niegel may have some further comments.

Mr Grazia: The only general comment I would make is that the financial statements for each of the commissions break out both the section 40 allocations for the specific financial resources under their control, and their financial statements also provide details on the resources provided by the department, but I do not have the breakdown across the forward estimates in relation to its staff.

Hon ALANNAH MacTIERNAN: There is a fundamental change in the fact that the staff are now employees of the department.

Hon JACQUI BOYDELL: Can we have that as a question on notice, a breakdown of what that actually is?

Hon ALANNAH MacTIERNAN: What I am prepared to do is to give you a breakdown of the number of positions in each development commission.

Hon JACQUI BOYDELL: And the funding allocated to each?

Hon ALANNAH MacTIERNAN: They are not allocated individually, because they are part of the department, and they are paid from the department, but I can give you —

Hon JACQUI BOYDELL: The department must have an allocation to what that is?

Hon ALANNAH MacTIERNAN: We will give you the details of the commission. Essentially, we will give you a list of the FTEs.

[Supplementary Information No C2.]

Hon RICK MAZZA: I refer to budget paper No 2, volume 1, page 214, under “New Works”. About three quarters of the way down the page, you have an election commitment to the Geraldton Marine Finfish Nursery, with \$2 million in the 2019–20 budget, \$4 million in the 2020–21, and then nothing in the forward estimates. Is this \$6 million that is going to be spent the establishment of this facility?

Hon ALANNAH MacTIERNAN: Yes.

Hon RICK MAZZA: If it is, is the establishment of the facility fully funded by the government?

Hon ALANNAH MacTIERNAN: My understanding is that it is, but I will pass that over to Heather Brayford.

Ms Brayford: Thank you. The funding is a large portion of capital, which is \$6 million of capital, and then \$1 million for operating for that facility, and that provides time for the facility to get in place its operations to provide or to produce the small fish for two years, and then after that period, for the industry then to purchase those fish to pay for the operating of the facility.

Hon RICK MAZZA: Has the location been identified for the construction of this fishery?

Ms Brayford: Yes, it is at the Batavia Coast Marine Institute in Geraldton.

Hon RICK MAZZA: On page 207, item 7 of the significant issues impacting the agency, it talks about the finfish nursery and the fact that they are yellowtail kingfish. Why has that species been identified as the species of fish that should be used?

[4.30 pm]

Ms Brayford: The work is linked to the work in the midwest development zone, which is a site for finfish aquaculture. The current interest of industry is in yellowtail kingfish. There is an existing operator in Geraldton that produces yellowtail kingfish. We have now allocated the remaining site to Huon Aquaculture, which wants to produce yellowtail kingfish. That is the main demand for the facility at this stage.

Hon RICK MAZZA: So the market research for customers is that they prefer the yellowtail kingfish.

Ms Brayford: That is the current species of choice of those companies.

Hon ALANNAH MacTIERNAN: Can I just clarify that? I think you are saying that this is basically led by private industry—commercially.

Ms Brayford: Correct.

Mr Addis: I would add a couple of points. This is in large part about the quality of yellowtail kingfish as a product, but also the yield in terms of weight gain per kilo of feed input is extremely high. The second point I would make is that Huon, who we hope and expect will become a very substantial player in aquaculture in the midwest have now withdrawn their previous trials in yellowtail kingfish in New South Wales and are now focusing that effort here, which I think is a terrific outcome for WA.

Hon RICK MAZZA: On page 205, in the third last line item, you have some recurrent spending changes. There is \$450 000 in 2020–21, then \$1.8 million for the next couple of out years. Is that the actual operating cost of that facility?

Ms Brayford: As I said, it is \$6 million in capital, with \$1 million recurrent for operating. The operating funds will cover the cost of the initial production of the fish for the years 2020–21 through to 2021–22. Then the sales of fish after that will cover the operating costs for the next period. That does include those operating costs.

Hon RICK MAZZA: Is it envisaged that the facility will eventually end up in private hands?

Ms Brayford: No, I do not think that is the current plan. Can I just add, once the industry matures and those operations get into full production, then there is capacity for industry to look at how it will supply its nursery services. There is also some expenditure for a breed stock facility at our site in Hillarys, which enables you to spread your risk, so you do not have all of your breed stock in one particular facility. Some of that funding is also for that facility.

Hon RICK MAZZA: Going back to page 207, paragraph 9, the last sentence says that the department is in close collaboration with the Department of Planning, Lands and Heritage in progressing pastoral lands reform. Where are we up to with that, minister?

Hon ALANNAH MacTIERNAN: The pastoral reform?

Hon RICK MAZZA: Yes.

Hon ALANNAH MacTIERNAN: We are making some progress. I was originally hoping that we would be able to have this completed by the end of the financial year. The difficulty has tended to be around developing the risk-based framework for sustainable pastoral management. As the member would be aware, what we were proposing is to enhance the various elements of the pastoral lease—for example, allowing diversification permits to run with the land rather than with the landholder—but there had to be some quid pro quo, and that was going to be establishing a better monitoring regime, because there is no doubt that the monitoring of these leases has been quite scandalous over the last eight or nine years, as the Auditor General has found. We have been trying to finalise with industry a risk-based framework for ensuring that we are properly monitoring and understanding what the conditions are and that we have mechanisms in there for ensuring that pastoralists are maintaining their properties to the required standard. I get the impression we are almost there.

Hon RICK MAZZA: On page 217, under controlled grants and subsidies, the second last item is “Water for Food —Myalup—Wellington and South Forest Project”. It is \$9.7 million in 2019–20 and then \$15.9 million in 2020–21. I just wonder, have we, as yet, determined a commencement date for the Myalup—Wellington project?

Hon ALANNAH MacTIERNAN: No. There are a number of challenges in that project, including a very significant requirement for private fundraising. There does seem to be some emerging concern by growers about whether or not the scheme is quite what they want. There are some challenges with this project. There is also a challenge that the federal government funding in part is of a loan. They

want recourse to the state government if that loan to the private sector does not work out. That is certainly not our vision of how things should work. There are a few challenges within that project.

Hon RICK MAZZA: Is that project at risk of actually commencing? If the growers are not happy with the current arrangement and with the challenges ahead of you, does that mean that this particular project is at risk?

Hon ALANNAH MacTIERNAN: It is probably a bit early to say that, but I think we should all understand that there are these difficulties. There are the difficulties of this unresolved issue of the federal government wanting to have recourse to the state government, which would effectively mean that we have to, for the purposes of our net debt, add another \$50 million or so to our undertaking. I am not sure I would be able to get that approved. At the same time, we have some reportage back from growers that they are concerned about where the project is going.

Hon RICK MAZZA: What I get from that is that it is probably unlikely.

Hon ALANNAH MacTIERNAN: Sorry?

Hon RICK MAZZA: What I get from that is that it is probably an unlikely project.

Hon ALANNAH MacTIERNAN: I would be interested to know what feedback you are getting, member, from your constituents on this.

Hon KEN BASTON: My question has been partly answered. It is about the Fitzroy River management plan. I just wanted to know who that it is actually going to sit under—whether it is regional development. We started off with aspects of the Ord and we kind of swapped away to a separate body from regional development. Is regional development going to take that over to pull it together? That is page 205. It was one of the first questions.

Hon ALANNAH MacTIERNAN: DPIRD is the responsible agency for the management plan and for, I guess, coordinating the engagement with the stakeholders. The water allocation plan is being done under Minister Kelly with DWER. Then the park boundaries are being done by Minister Dawson. But we all come together as a ministerial group, together with Minister Wyatt, to be an overall ministerial steering committee so that we have the agencies working together in formulating it. As I said, the key thing that we are trying to work towards that we see would be the best outcome, if we could get those three main stakeholder groups coming to a consensus on how we move forward.

[4.40 pm]

Hon KEN BASTON: On page 206 of the same document, the same volume, is the Gascoyne Aboriginal cultural centre in Carnarvon, which is the Gwoonwardu Mia. I think that is how you pronounce the new name. It used to be the Pilyardi Yardi. In the budget there is \$651 000 for 2019–20, \$478 000 for 2020–21 and \$614 000 for 2021–22. What are the intended outcomes of this expenditure? Who is going to manage it, bearing in mind that Fred Chaney failed when he tried to manage it, and he seems to have been able to manage other things in the past? I would like your views on that.

Hon ALANNAH MacTIERNAN: This is a challenging issue. I was quite horrified in coming to government to find that this fabulous centre had been closed for a couple of years. I think it was Gail Bellotti who raised it with me at my very first forum in the two weeks after we were elected. We have undertaken to try to get this thing back on track. At one stage, after we found that there was in fact no power to the site and no security—the place had been broken into—we actually had to take back the management order. The management order now rests with me so that we could at least maintain the property.

We have been working in particular with the Museum. It is our intention—the plan at this point—that the Museum will run this centre for the next few years. They are going to come together and do a proper audit of all the materials that are there, because some of them seem to have gone, but

there is still some valuable stuff there. The Museum will be very much involved in getting this up and running. We have funded it for the next three years. Then what we need to do is to work out whether or not it should stay with the Museum into the future or where there is another model where we can have some community involvement. I think the community has come to understand that at this point in time, and probably for the foreseeable future, we will not get enough stability within the local five language groups for this to be self-managed and that we will need to either keep it with the Museum or develop another model purpose-fit for this centre. I have to say that I think the Museum brings enormous capability and skill, and that might be the way to go forward. We are very clear that we want to see the cafe run by an Aboriginal business. It is a beautiful spot. We would very much like the council to keep considering bringing its visitor centre there, which at one stage it had thought it would do. We want to see a whole range of tourism operations moving out from that centre. I think it is Gwoonwardu Mia.

Hon KEN BASTON: Gwoonwardu Mia—okay, I have that. I look forward to it progressing.

Hon ALANNAH MacTIERNAN: I am hoping that it will be ready for NAIDOC Week.

Hon KEN BASTON: Very good. Under “Asset Investment Program” on page 213, I have looked everywhere but I cannot find the new premises for primary production anywhere in the budget papers. Can you tell me if they are there, please?

Hon ALANNAH MacTIERNAN: Unfortunately, it is not there. Although I do understand and I did hear on the grapevine that Curtin University is actually running a course on the redevelopment of the site. I thought: that’s interesting. We don’t know about that. You are quite correct. I have endeavoured with Mr Addis and Dr Sweetingham to persuade them that this building could be remodelled. Given that they are adamant that it is past its use-by date, we are working with LandCorp. I do not know whether, Ralph, you would want to give an update. I will just say that you will see in the budget that there is \$3 million for vital upgrades of some of the labs, but that, as I understand, is being done in such a way—it is being done sort of externally—they will be parked alongside the existing beautiful building and they can then be reused.

Do you want to tell us a bit more about where we are at with the negotiations with LandCorp?

Mr Addis: I think it is not yet a negotiation with LandCorp, but certainly we are working very closely with LandCorp, the Department of Finance and the Cities of Vic Park and South Perth to help get LandCorp clear about what might make a sensible approach in terms of staging the redevelopment of the overall site. It is a pretty important site in the context of that greater Curtin area. I think that is well accepted. LandCorp are proving very good to work with in terms of how the department might fit into future planning, although there are other site options that may come into consideration. I think we are still at the point of looking at our best options and making sure we are clear about our functional requirements ahead of some concept planning for a potential future facility. It is a long way to go and these are big and complex projects.

Hon ALANNAH MacTIERNAN: Member, do you have a view as to where they should go?

Hon KEN BASTON: I think you have an awful lot of land there that you could afford to build a very nice new building in the same place.

I have another question, going back to Carnarvon. On page 217, there is Carnarvon flood mitigation and \$2.828 million. Is this to finish off the levy banks in Carnarvon? It says, I think, it is stage 2. Is that enough to cover and finish it, bearing in mind we never finished it in the first place?

Hon ALANNAH MacTIERNAN: This is never ending; it is unbelievable. This is more expensive to preserve than Venice, but funding has been provided for the construction of four levies to protect

the town horticultural surrounds from repeated flooding. This has been re-cash flowed from 2018 to 2019. It is maintenance, is it?

Hon KEN BASTON: No. I think it is part 2.

Hon ALANNAH MacTIERNAN: You are talking about Carnarvon flood mitigation stage 2.

Hon KEN BASTON: The \$2.828 million.

Hon ALANNAH MacTIERNAN: Sorry, which number?

Hon KEN BASTON: It is page 217 and the Carnarvon flood mitigation. It is \$2.828 million.

Hon ALANNAH MacTIERNAN: Yes, that is right. I understand. This is for construction, not maintenance. I am getting conflicting views. I will take that on notice, member, because I am getting written notice that says one thing and I am getting verbal notice that says something else, so I need to get that clarified from the agency.

[Supplementary Information No C3.]

Hon KEN BASTON: You may not be able to answer this, but on page 220, in regulatory fees and fines, the budget is \$13.544 million. What are the fines for? Are they for fishing or agriculture? Is it possible to give me a breakdown of those fines?

Hon ALANNAH MacTIERNAN: Can I ask Heather to answer.

Ms Brayford: My understanding is that the increase in regulatory fees and fines is due to the increase of the rates and regulatory fees under the declared pest accounts and the addition of some new recognised biosecurity groups.

Hon ALANNAH MacTIERNAN: They are not all fines; some of these relate to the declared pest rates, which increase.

Hon KEN BASTON: Is it possible to get a breakdown?

Hon ALANNAH MacTIERNAN: We can provide a somewhat more detailed breakdown of that. We could work out how many of these are fees and how many are fines. We are happy to take that on notice.

Hon KEN BASTON: Thank you, minister. That would be great.

[Supplementary Information No C4.]

Hon COLIN de GRUSSA: Minister, I refer to budget paper No 2, volume 1, pages 210 to 213 inclusive, and looking across service areas at the FTE targets for 2019–20. Are you able to provide a split of that FTE across agriculture, fisheries and regional development?

Hon ALANNAH MacTIERNAN: Sorry; provide a what?

Hon COLIN de GRUSSA: A split. So you have a total FTE there across the seven service areas of about 1 592.

Hon ALANNAH MacTIERNAN: Yes.

Hon COLIN de GRUSSA: Are you able to split that into agriculture, fisheries and regional development?

[4.50 pm]

Hon ALANNAH MacTIERNAN: No, it is not really possible to do that, because some areas—for example, the fisheries and the ag compliance units really now have come together. I do not think that we could do that, but we could have a go at providing a rough breakdown of those things that were—I just do not want to commit ourselves to a line by line, but we could, I suppose look at—it is difficult, because in the corporate services, those things are now common across the departments.

All the corporate services, the administration, all of that, it is common. You cannot say that does not go into one particular department. At some point, we have to start seeing this as a merged entity, and we cannot keep going back and trying to look at what the structures used to be in the past.

Hon COLIN de GRUSSA: So you are at least able to tell me how many staff are solely working in agriculture, for example. You are not going to have soil scientists working in fisheries. Surely there must be an ability to break it down into some of those areas. I realise that there are some shared functions across the department.

Hon ALANNAH MacTIERNAN: If you can indicate, perhaps in a subsequent question, some particular areas that you would like us to provide numbers on, we could do that.

Hon COLIN de GRUSSA: I would like to know how many people are working in agriculture, specifically.

Hon ALANNAH MacTIERNAN: It is difficult to say, because we have people who are working at 140 William Street in agribusiness. They are both in agricultural development and regional development. We have people working out in the development commissions, like Mike Bowley, Terry Hill and Tym Duncanson, who are very much involved in agriculture. I would not want to do that, because we would have to go through it line by line for each person and say, "Are they agriculture?", and sometimes they are a combination of both now. When you bring an agency together—we got Terry Hill who was head of the development commission, to oversee the restructure of Northern Beef, because he was up there, and he had the skill sets to do it, so it is not clear-cut. We have got Tym Duncanson who is now the CEO of the Gascoyne Development Commission, who is overseeing coming to an accommodation on the fruit fly issue in Carnarvon. We just cannot segment them like that.

Hon COLIN de GRUSSA: The commentary is that you have stabilised or increased staff in agriculture, but how are we able to demonstrate that?

Hon ALANNAH MacTIERNAN: I guess you are going to have to look at the results that we get, the people that we have on the ground, and the work we are doing, and the new positions, for example, that we are creating. I have to say that one of the sorriest things that I saw when I came into government was going out to the Frank Wise centre. It was about one-third sown. The place was run-down. We had, I think, one staff member. We had a grape plant breeder there, but it was sort of being managed from Perth. There was a great deal of, I think, dispiritedness in that. We have now employed some early career scientists to be involved there. We will be soon appointing a very senior scientist to oversee the academic work there. We have put \$1 million or so into doing some basic work around the place like laser levelling, putting in some equipment. That has really now seen this place really taking off. I think, Bruce, we are about to appoint a new position.

Dr Sweetingham: We have appointed a new research leader in tropical agriculture.

Hon ALANNAH MacTIERNAN: That is right, and we are advertising for an entomologist and, Bruce, as we announced when we were down there two days ago, our new sheep feeding research facility, you have just appointed a new person. Can you describe that position?

Dr Mullan: Yes, it is a new research officer position, primarily for the sheep industry, and they will be based in Katanning.

Hon COLIN de GRUSSA: You are clearly not able to provide a level of staffing for agriculture.

Hon ALANNAH MacTIERNAN: It is not possible to break these things down, because the departments have merged.

Hon COLIN de GRUSSA: How you are able to make the statement that you have stabilised or increased staffing to agriculture if you are not able to demonstrate that?

Hon ALANNAH MacTIERNAN: It was going to 1 300. That was the trajectory. We have built that up.

Hon COLIN de GRUSSA: If you look at the budget papers, it is going down from where it is now towards 1 300, so it is still going down. Are there further cuts planned after 2019–20?

Hon ALANNAH MacTIERNAN: No, the whole point is that it has been agreed across the forward estimates that we now have a stable projection. We have a couple of areas where we are developing business cases, where we are looking to possibly recover some additional positions, but we have not got those through government yet.

Hon COLIN de GRUSSA: So that trajectory towards 1 300 was based on previous government figures, I presume, which would have been the old department, or three departments, so you are comparing essentially what was happening in the past.

Hon ALANNAH MacTIERNAN: But the difficulty is trying to allocate, in a merged department, that this person has got involved in agriculture and that person is not, because part of what we are doing, we have got a lot more focus, for example, in 140 William Street, in agricultural endeavours and agribusiness.

Mr Addis: In terms of the degree to which the department has become fundamentally integrated, so not this, or that, or that, is probably in the order of 40 per cent, and continuing to move into more and more integration as we go forward, so it really is —

Hon COLIN de GRUSSA: So 40 per cent of the staff, you are saying, are in kind of an integrated —

Mr Addis: Are doing things across boundaries.

Hon COLIN de GRUSSA: Across multiple areas?

Mr Addis: Yes. That is not a scientific answer. That is probably an issue that we should go back and have a look at, but that is a moving thing, and quite deliberately so.

Hon COLIN de GRUSSA: Are you able, then, to provide an FTE level where they are sharing their work across those areas or not, if you are saying there are 40 per cent roughly that are doing that?

Mr Addis: That is in very broad terms.

Hon COLIN de GRUSSA: So you cannot be any more specific. You cannot take it on notice.

Hon ALANNAH MacTIERNAN: We will take it on notice, but we just need you to understand that all of these activities are merged. In the old Department of Agriculture, for example, you would have had a particular administration. That administration is now shared across the three agencies. It is hard to say that those people were previously agriculture, but they are not agriculture now, but we will see what we can provide for you as clarification.

[Supplementary Information No C5.]

[5.00 pm]

Hon DIANE EVERS: I have one quick question regarding the southern forests irrigation scheme, which that shows there is still \$16.9 million in this project in royalties for regions. I would like to ask for this other irrigation schemes, given that there is still so much to be spent there: will an updated business plan be developed given that the original was created in 2015 or 2016 and based on significant different economic and climate terms than what we have now?

Hon ALANNAH MacTIERNAN: I am not sure it was based on different climate terms; I think it was that there was a consciousness that there was climate change in the south west that led to the formation of the scheme, so I do not think there has been any radical change in the last three years about the projections of climate change.

Hon DIANE EVERS: Rainfall has dropped in those three years.

Hon ALANNAH MacTIERNAN: Yes, but it has dropped in a way that we predicted it would drop.

Hon DIANE EVERS: Will a new business case be drawn up?

Hon ALANNAH MacTIERNAN: You are saying there should be a new business case. Member, I think the problem that we are getting at here is that there are some growers in the area who do not support this scheme, and whilst, previously, they were disinterested in the scheme, they have now become opposed to the scheme because they believe that it may impact upon them. This presents some challenges for the scheme, because at the time these people were not opposing the scheme because they had made a calculation that it would not affect them, so if it is not going to affect them but it would benefit someone else, they would not oppose it. This proceeded on that basis. A number of them have now taken a different view and now believe that this might negatively affect them.

Hon DIANE EVERS: I can go on to my next question.

Hon ALANNAH MacTIERNAN: I do not pretend that this is not a problem. It is a problem, because where we previously thought we had harmony in this, we have now got conflict. I think we are going to have to work our way through it.

The CHAIR: Sorry, minister, we need to —

Hon ALANNAH MacTIERNAN: I do not think that just drawing up another business plan is the answer here.

Hon DIANE EVERS: I will go to the next question. This is in regard to Hon Jim Chown's question about the land clearing that has gone on. I was wondering whether the minister is aware of a letter that has been sent to her, Hon Steven Dawson and Hon Ben Wyatt —

The CHAIR: Member, do you remember the fair warning I gave the honourable member?

Hon DIANE EVERS: It is related to that same question.

The CHAIR: I believe that it is unreasonable to refer to one letter, but go ahead with your question. If the minister can answer it, she will try.

Hon DIANE EVERS: With response to some of the answers given at the time, I understand that the Aboriginal corporation that has the Indigenous land-use agreement for the Yakamunga station are seeking urgent intervention to cease the ground disturbing works until approvals have been obtained because that ground disturbance is being done by Shanghai Zenith who had been assigned the lease by way of a deed of covenant.

Hon ALANNAH MacTIERNAN: Are you sure you have got the name of that company right? It is Shanghai CRED, I think, not Shanghai Zenith.

Hon DIANE EVERS: Shanghai Zenith is the company at Yakamunga station.

Hon ALANNAH MacTIERNAN: All right; it is trading as Zenith.

Hon DIANE EVERS: It is a company that has been signed via a deed of agreement, and they do not have the approval of the Aboriginal corporation.

Hon ALANNAH MacTIERNAN: Member, all I can say is all the relevant ministers are well aware of this. All the relevant ministers are concerned and the matter is being investigated.

Hon MARTIN ALDRIDGE: I want to follow on from the line of questioning by Hon Colin de Grussa and refer to budget paper No 2, volume 1, page 210. We have "Services and Key Efficiency Indicators". There we can see a breakdown of the seven service areas for the department. When I look at the 2018–19 estimated actual and the 2019–20 budget target, am I correct that there will

be a reduction of 47 full-time equivalent positions between this financial year and next financial year?

Hon ALANNAH MacTIERNAN: Member, I do not know whether you were here before, but we have answered those questions earlier.

Hon MARTIN ALDRIDGE: Really?

Hon TJORN SIBMA: I know time seems to bend in this chamber, but we have.

Hon MARTIN ALDRIDGE: I was here, so I will have to reflect back on *Hansard*.

Can I ask, on page 206, about community resource centre funding under “Spending changes”. I assume that is the restoration of the anticipated cut to community resource centre funding. I understand part of the CRC funding is to provide support to an organisation called Linkwest. What is the status of Linkwest’s contract with the department? Will there be ongoing funding for Linkwest or another organisation to provide support to community resource centres?

Hon ALANNAH MacTIERNAN: Member, I understand the Linkwest contract is coming up. I am not able to get clarity on when that is from the officers here; but, obviously, we will be considering it. We have not made any decision about what is happening with Linkwest; we just have not. I am not even sure when the contract expires.

Hon MARTIN ALDRIDGE: You do not know when the contract expires?

Hon ALANNAH MacTIERNAN: No. I will take that on notice and we will get that tomorrow. I would have thought that we would have had that, but we do not have that.

[*Supplementary Information No C6.*]

Hon ALANNAH MacTIERNAN: Can I just use this as an opportunity to say that I think that the work that has been done by the Wheatbelt Business Network in helping the CRCs to really re-imagine themselves and go out and get new work has been exceptional. I think we need to, obviously, look at different ways in which we can assist the CRCs to be effective.

Hon MARTIN ALDRIDGE: Minister, can I just say that that equally applies to the government in understanding the benefit of using community resource centres to its advantage. I think a good example of that was through the voluntary assisted dying consultations, in which government just completely ignored this resource that was sitting out there amongst all these communities to actually help it engage with communities that it was not going to be able to reach.

Hon ALANNAH MacTIERNAN: All right! Member, if you have an idea in relation to that, I would like to talk to you about it.

Hon COLIN TINCKNELL: My question is around regenerative agriculture—that is all on page 207, paragraph 6. But the answer is not on those pages. How much investment has been spent by the department on the regenerative agriculture network?

Hon ALANNAH MacTIERNAN: In the—sorry? Spent on what?

Hon COLIN TINCKNELL: How much has been spent on the regenerative agriculture network?

Hon ALANNAH MacTIERNAN: The actual organisation?

Hon COLIN TINCKNELL: Yes?

Hon ALANNAH MacTIERNAN: My understanding is—again, I will seek clarification if the officers have it—that any funding that we are giving the network is via the Perth NRM. We have the natural resource management grants. The Perth NRM, I believe, sponsors the regenerative agriculture network. I believe that any funding that we have for the actual region—the network itself, for the organisation—is coming through the NRM funding. My understanding—I do not know if anyone

here knows anything—is that the funding that has been provided to them is for a major conference to be run in September this year on regenerative farming practice. As a department, Dr Sweetingham will be, hopefully, overseeing at some point some longitudinal trials of regenerative farming practices. I think they are the only two areas where we are directly supporting that. We have some leverage fund applications and we have had some RED scheme applications that might involve something to do with regenerative agriculture, but not the actual network itself.

[5.10 pm]

Hon COLIN TINCKNELL: You cannot separate the proportion between, say, exploring the science and regenerative agriculture. You cannot break that down.

Hon ALANNAH MacTIERNAN: Sorry; your question was about the Regenerative Farmers Network.

Hon COLIN TINCKNELL: Yes, that is right—the total spend.

Hon ALANNAH MacTIERNAN: I am sorry; where are they mentioned here? It states —

The Department will work with Natural ... to explore the science and best practice ...

What I can do is to get you a list of the NRM grants that you might say relate to these issues. Only one of those grants will relate to the Regenerative Farmers Network, because that is sort of like a grower group, you might say, for regenerative. Of those NRM grants, we will pick out those NRM grants that you could say were involved in regenerative farming practices. Some of them will be a bit like funding to the Gillamii group, which is an approach to salinity, but I think we could also say that that included regenerative farming. We can give you that, but know also that at some point in time in the future, we, hopefully, will have some longitudinal trials of regenerative agriculture practices on our research stations.

[*Supplementary Information No C7.*]

Hon COLIN de GRUSSA: I would like to turn to volume 1, top of page 210, outcomes and key effectiveness indicators there, and the top one is “Percentage change in the spatial extent of the southwest cropping region that maintains sufficient year round ground cover for protecting and improving soil health”. I am wanting to understand how that will be measured and when, and what might constitute ground cover in that sense—just an understanding of how you are going to go about measuring and calculating.

Hon ALANNAH MacTIERNAN: I will give that one over to Dr Sweetingham.

Dr Sweetingham: The whole issue of getting a precise definition of “soil health” and measuring it is obviously complex; it is potentially difficult to conduct a large-scale and cost-effective measure on that. After a lot of consultation, we have decided to concentrate on monitoring two main factors that contribute significantly to soil health, as people generally believe it. One is soil pH, which is the direct measure of soil acidification. The one you are pointing to is ground cover. We are referring to vegetative ground cover, whether that is living plant, crop or pasture material or stubble. Vegetative ground cover at any point in the year is a surrogate measure for soil organic matter and the ability of rainfall to infiltrate without risk of water and wind erosion.

Hon COLIN de GRUSSA: Will that be measured multiple times a year or once a year at the same time?

Dr Sweetingham: What we are exploring at the moment—I do not have all the details with me, but I am happy to take it on notice—we are intending to use satellite imagery supported by ground truthing, and I imagine that will be done at more than one time of the year. Certainly, the idea is to look at it longitudinally over a number of years to monitor that trend. We will be able to apply that technology not only to the wheatbelt grain field areas but also into the rangelands as well. We are

in consultation with some national entities who have the ability to track satellite imagery for us to look at that.

Hon COLIN de GRUSSA: Would you be able to take the methodology there on notice?

Hon ALANNAH MacTIERNAN: I am happy to take that on notice.

[Supplementary Information No C8.]

The CHAIR: On behalf of the committee, I thank you for your attendance today. The committee will forward the transcript of evidence, which includes the questions you have taken on notice highlighted on the transcript, within seven days of the hearing. If members have any unasked questions, I ask you to submit them via the electronic lodgement system on the POWAnet site by 5.00 pm, Friday, 28 June. Responses to those questions and any questions taken on notice today are due by 5.00 pm, Friday, 26 July. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. Once again, I thank you for your attendance today. Thanks, minister. Members, the committee will reconvene at 9.00 am tomorrow.

Hearing concluded at 5.15 pm
