

**STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2016–17 BUDGET ESTIMATES HEARINGS

**TRANSCRIPT OF EVIDENCE
TAKEN AT PERTH
WEDNESDAY, 15 JUNE 2016**

**SESSION FIVE
DEPARTMENT OF AGRICULTURE AND FOOD**

Members

**Hon Ken Travers (Chair)
Hon Peter Katsambanis (Deputy Chair)
Hon Alanna Clohesy
Hon Rick Mazza
Hon Helen Morton**

Hearing commenced at 7.00 pm

Hon JIM CHOWN

Parliamentary secretary representing the Minister for Agriculture and Food, examined:

Mr MARK WEBB

Acting Director General, examined:

Dr KEVIN CHENNELL

Executive Director, examined:

Mr PETER METCALFE

Executive Director, Grains and Livestock, examined:

Ms MANDY TAYLOR

Chief Finance Officer, examined:

Mr JIM EFTOS

Executive Director, Business Support, examined:

Dr MARK SWEETINGHAM

Executive Director, examined:

Mr JOHN RUPRECHT

Executive Director, Irrigated Agriculture, examined:

The DEPUTY CHAIR: On behalf of the Legislative Council's Standing Committee on Estimates and Financial Operations, I would like to welcome you to today's hearing. Can the witnesses please confirm that they have read, understood and signed a document headed "Information for Witnesses"?

The Witnesses: Yes.

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

Before we start, does anyone want to make an opening statement?

Hon JIM CHOWN: Yes, Mr Deputy Chair, I have an opening statement.

The DEPUTY CHAIR: Parliamentary secretary.

Hon JIM CHOWN: I want to make it clear that the agriculture and food sector is a priority for this government. It is a critical industry for the development of our state's economy and this government is committed to growing the value of the sector and enhancing its brand and biosecurity status to protect our world-class reputation. Advice from DAFWA is that the agrifood sector has the potential to double in value between 2013 and 2025. This will come about mainly through increased

scale, value-adding and exports. The industry has experienced strong growth in recent years with agrifood exports growing by 30 per cent per annum since 2013 and reaching \$7.8 billion in 2014–15. The 2016-17 state budget is good news for the agrifood sector and the ability of the Department of Agriculture and Food to support the growth of the sector. DAFWA will provide services totalling \$219 million in 2016-17, and I will go into that detail in a minute.

I will first point out three highlights that stand out in regard to DAFWA. The government has stabilised funding for DAFWA and, as a result, the department is currently not planning to offer a formal severance program to staff this year. The government has committed an additional \$4 million over four years to DAFWA to continue to lead and improve the administration of animal welfare, planning and functions. This follows an independent review last year of the investment in the administration of the Animal Welfare Act 2002. Of this, \$1.1 million will be allocated in 2016 so that DAFWA can get started immediately. The additional funding will be used in areas directed by the review. These include developing a comprehensive strategic plan for animal welfare in Western Australia; commencing a review of the Animal Welfare Act; creating a clear and consistent governance, training, standards and evaluation framework for inspectors appointed under the act; and employing more animal welfare inspectors in strategic locations across the state. This is good news for animal welfare outcomes in Western Australia. There is \$3.59 million of royalties for regions money, which is the third highlight. The government has allocated an additional \$25 million to DAFWA for each of the 2018-19 and 2019-20 years to ensure that funds are available for DAFWA to continue its excellent work in working with the industry to remove any barriers to the growth of the sector.

This budget, as I said, will provide services totalling \$219 million and will support the sector to reach its full potential. As per the budget papers, which I am sure you have all read, the government has allocated \$26.5 million to market development, investment and market access; \$38.7 million to productivity improvement and innovation; \$20.7 million to business development and promotion; \$26.3 million to productive natural resources; \$66.2 million to biosecurity and product integrity; and \$40.6 million to a business environment for growth. These six services cover all facets of the agricultural sector.

I come now to other activities. There is no doubt that the rising global demand for high value, quality food creates enormous opportunity for this state. The government, through DAFWA, will work with businesses across the sector to harness this opportunity. The focus will be on science and innovation, maintaining a strong research and development capacity, infrastructure, productivity and efficiency, and establishing and leveraging markets, for what, hopefully, will be a growing and productive agricultural area.

DAFWA is already delivering on high impact, transformational projects within the sector. These will include direct grants to industry for biosecurity research and development; to grower groups to stimulate research and innovation; and to agrifood businesses to improve their approach to exporting.

Through the Bureau of Meteorology, we will install three Doppler radars across the wheatbelt to provide producers with the latest in weather forecasting. The radars will be located in Newdegate and Doodlakine, and the final one will be installed at Watheroo by March 2017. This is an adjunct to the 155 automatic weather stations that DAFWA has installed across the wheatbelt and south west since it installed its first stations in 1983. As we all know, weather plays a very important part in regard to the agricultural sector.

In 2016, 11 stations were installed as part of DAFWA's e-Connected Grainbelt project, and a further 12 will be installed this year under the Doppler radar project.

I turn now to grains research and development. In terms of the grains sector, a government and industry working group was formed to develop a commercially focused grains research and

development institution with a focus on world-class science, research and innovation that everybody agrees on.

In 2016–17, DAFWA will continue to develop the Buy West, Eat Best brand. That is a very good program. Since 2007, DAFWA has been working with WA food producers to raise the profile and consumption of WA produce. Consumer awareness of the logo with grocery shoppers has steadily increased and is currently at 65 per cent.

With regard to headquarters, something that has been talked about for at least 20 years, the government has progressed the planning for a new headquarters and intends to house DAFWA at a co-located site with Fisheries, the Forest Products Commission and Parks and Wildlife at the existing Parks and Wildlife site in Kensington. It will be a cost-effective solution and will encourage collaboration. Cabinet has recently approved the planning to move to the next stage, and it is under a project definition plan.

Mr Deputy Chair, I can see you are not winding me up. The remainder of my address in regard to DAFWA, I am more than happy to table. I think we have some good, positive outcomes in the pipeline. In regard to the agricultural sector, I think everybody involved in it should take some great comfort in regard to where the department is heading.

The DEPUTY CHAIR: Just so that we can circulate that to members of the committee, are you happy to make that public?

Hon JIM CHOWN: Yes.

The DEPUTY CHAIR: Thank you. That was very comprehensive, parliamentary secretary.

Hon JIM CHOWN: My pleasure, as always.

The DEPUTY CHAIR: Some good work is happening in agriculture, one of the drivers of our state's economy. Can I have an indication of which members have questions? I will give the call first to Hon Darren West.

Hon DARREN WEST: It seems, parliamentary secretary, that we have a different interpretation of good news for the department in terms of the budget. The actual spend by the Department of Agriculture and Food in 2013–14, which was the beginning of this term of government, was \$166.362 million. This year's budget is \$118.198 million. That represents a reduction over the period of this government of \$48.164 million. Can you explain to us how this is good news for the department and how the department is able to continue? That is a 30 per cent reduction. I do not think that there would be another government agency anywhere that has had a 30 per cent reduction in its funding over the term of this government. Are you able to explain to us and to the sector how it is that the sector can expect the same level of service delivery and the same level of independence from the department with such a severe 30 per cent cut to its funding budget?

[7.10 pm]

Hon JIM CHOWN: There is no doubt that this government and previous governments have cut the budgets to DAFWA, including previous Labor governments. What I did say was under this current budget there have been no budget cuts similar to previous years.

Hon DARREN WEST: Parliamentary secretary, that is not quite correct, because if you look through the forward estimates, there is actually another \$9 million in reduction in the budget, so if we go through from, as I said to you, \$166 million budget in 2013–14 in this term of government, by the time you get through to 2019–20 we are actually going to have a \$57.6 million cut to the budget, which is about a 40 per cent cut to the budget. That is in real dollars, not CPI added dollars. So when you say there is not going to be further cuts to the department budget, the forward estimates say otherwise.

I will go back to my original question. Can you guarantee or can you give the sector some confidence that with these 30 to 40 per cent cuts to the budget over your term in office that we can expect the same level of service and independence, if not improved levels of service of independence, from the department?

Hon JIM CHOWN: As I said in my opening address, I make it very clear that the agricultural food section in regard to this government's intentions is paramount, and doubling production or the cost of agricultural food in regard to exports is an aim by 2025. As you would be fully aware, this is an industry that produces about \$8 billion a year. If you are talking about budget cuts in the out years, which are forecasts—I am not going to give any guarantee one way or the other, but considering that my opening statement said that under this government we are actually focusing on positives and not negatives in regard to DAFWA and the agriculture sector, that is the intention.

Hon DARREN WEST: Parliamentary secretary, efficiency or growth in productivity efficiency is increasing at about one per cent in agriculture per year. We lag behind countries like Germany and Brazil, which are increasing their productivity efficiency by five to seven per cent. It does not make sense to me that if we are going to try to increase productivity in industry—because these other countries are increasing their public support of agricultural agencies around the world. If we are going to have a 40 per cent cut over eight years, how does that line up with these increases? How are you going to try to double or 100 per cent increase the productivity in agriculture with a 40 per cent cut? It does not make any sense. I again go back to my question: can you give the industry some confidence and assurance that the department of agriculture will at least maintain or increase its level of service delivery to the industry and its independence to the industry with such severe budget cuts?

Mr Webb: Mr West, if I could comment, I cannot provide information on what other countries are doing in relation to their agriculture budgets. What I can say is that in the 2015–16 budget as compared to the 2016–17 budget, in fact, there has been only a very slight material decrease. The way that DAFWA has been managing its business in the short term is to look at what are the key activities that DAFWA needs to undertake. As part of that we have been doing a stocktake review; that is being chaired by independent industry member Mr Peter Cooke. That is going back and looking at every program and project within DAFWA from a zero-based budgeting system to work up what are the key activities that DAFWA needs to engage in to make sure that by 2025 we assist industry in doubling the value of the sector.

Hon DARREN WEST: It all sounds really good, but it does not make sense that if you are going to reduce budget funding by 30 per cent and with further increases to come, that we can do both those things. I just do not see how that can happen, but we will move on, Mr Chair.

I want to run through some particular sections. I want to refer to budget paper No 2, page 698, under the heading “Biosecurity and Product Integrity”. I will ask some more questions about biosecurity later because we had this discussion this time last year about how we thought we could guarantee biosecurity and the result was “We hope so”, so I hope that there has been some change there. I will move into these more specific parts of the budget. What has been achieved in negotiations with the federal government in respect to the incoming Biosecurity Act's potentially negative impact on WA's biosecurity protections, as raised in the media by the WA beekeepers and the department in May 2016?

Hon JIM CHOWN: I will ask the acting director general to respond to that and then probably Dr Kevin Chennell.

Mr Webb: If I understand your question correctly, you are asking about the introduction on Thursday of the new commonwealth Biosecurity Bill —

Hon DARREN WEST: Correct.

Mr Webb: — and its relationship to the protection of —

Hon DARREN WEST: How are you going to manage that?

Mr Webb: Since March this year, when we got the determinations from the commonwealth, which indicate the range of products that will be protected under the new Biosecurity Act, we have been working very closely with the commonwealth to try to make sure that the coverage by the new act provides for essential biosecurity for WA products. There are four main areas that we are particularly interested in. One is myrtle rust protection. The other ones are in grapes, bees and also in weeds. For the detail of that, I will pass to Dr Kevin Chennell and ask him to provide comment on the detail.

Dr Chennell: The department has been working closely with the federal department on this matter. The discussions related to the Biosecurity Bill have been ongoing since 2012. The main legal issue is that following the introduction of the Biosecurity Act in 2015, WA will not be able to control imports from overseas countries into this state. We will be able to control interstate movements through the Biosecurity and Agriculture Management Act, so that remains. We have a strong interstate movement system and we will continue to manage that. We have reviewed the BICON, which is the electronic mechanism that the federal government uses to administer imports, and we have reviewed the determinations. As our director general has said, we are in close dialogue with the federal government. We were completely satisfied in terms of livestock, so we felt there was no risk with livestock. The major issues were weeds, myrtle rust, grapes and honey. We have agreement from the federal government to maintain WA's weed regulations, if you like. The requirements for weeds entry into this state will remain in terms of imports. We have agreement from the federal government that our requirements for bees and honey will remain, and we are continuing to work with the federal government on myrtle rust and grapes. That needs to be a highly technical discussion which we will use expert people on. It should be realised by this house, through you, chair, that the game has changed with the introduction of this national act. WA will have to be really careful, study and work through each of those scientific issues in terms of maintaining area freedom. That is something we are committed to do, particularly on the current ones in terms of honey, grapes and myrtle rust.

Hon JIM CHOWN: We are not the only state with this issue, I might add; Tasmania has some issues with regard to the bill, and they will be addressed as well.

Hon DARREN WEST: Has any consideration been given to potential extra costs to the agency in terms of adhering to the act? You said you need to study and have expert people and these sorts of activities cost money. Has there been any consideration by the agency as to what this might cost and has there been any consideration or application for extra funds to cover these changes?

Mr Webb: The discussion between us and the commonwealth government is just part of our normal business. I am not anticipating there will be any additional cost once we get these negotiations sorted out.

Hon DARREN WEST: So any extra requirements will be covered under the existing budget?

Mr Webb: That is correct.

Hon DARREN WEST: I note with interest that there has been—I think the threat has lessened a little bit over the last few days—a breakout of the Russian wheat aphid in South Australia. Is that potentially going on your list? Do you have any contingencies in place should there be an outbreak of Russian wheat aphid in Western Australia, and what are they?

Hon JIM CHOWN: A program has been initiated in regard to monitoring possible incursions of Russian wheat aphids into this state. DAFWA is taking the threat extremely seriously. Kevin, please go ahead and explain exactly what is taking place in the program.

Dr Chennell: We have declared an incident. Declaring an incident enables us to move people around and apply the appropriate resources. We have several issues we are dealing with. Firstly, in terms of expertise, we have experts on aphids within the department. We have engaged

Dr Mehmet Cakir for six weeks to assist us to develop a response plan should we get the aphid. I should say at this point that we are free of the aphid in WA. We have put extra conditions on the introduction of machinery and particular weeds, grasses and grains through our borders. As you know, we have a border protection system. Machinery will be stripped and cleaned, if it is not already, before it can enter this state, so we are minimising the risk of that pathway. We are looking at how we would respond should we get the aphid. We have also instituted, as the parliamentary secretary has stated, a surveillance program and we are using Grainguard, which is an established mechanism of industry, to undertake that surveillance. If we need to introduce extra surveillance, we will, but at present the issue is under control.

[7.20 pm]

Mr Webb: Just to indicate or advise you: you indicated that the aphid is in South Australia; we were also advised in the last couple of days that it has also been found in Victoria.

Hon DARREN WEST: Just to Mr Chennell's point, if I may, once again, extra costs involved with this will be absorbed by the agency, or is there an application for you to source further funds from the state or federal government to cover these extra costs of monitoring, the hiring of the good professor and such things?

Mr Webb: These are normal business costs for the department and it would be managed through the normal budget process.

Hon DARREN WEST: Okay; thank you. I am just wondering if cotton bush remains a declared pest on the Western Australian organism list, and can the minister guarantee it will remain on the list for the next 12 months?

Dr Chennell: In terms of cotton bush, it remains on the current list. There is a three-stage process for looking at declared species in WA. Looking at the declared species, reviewing their nature and the requirement for them to remain on the list was a recommendation of the Office of the Auditor General and the Biosecurity Council of this state. With regard to the three stages of the review, the minister is advised at each stage. There is a technical review through a reference panel of experts, a formal stakeholder panel then looks at it and then a public consultation process takes place. At the current point, we are in stage 2 and cotton bush remains on the list.

Hon DARREN WEST: And will do so for the next 12 months?

Dr Chennell: That will be a ministerial determination.

Hon DARREN WEST: Could I have that followed up by the minister? What is the process for that? Can I put that question on notice to the minister?

The DEPUTY CHAIR: Can you just clarify what the question is?

Hon DARREN WEST: The question is: will cotton bush be left on the Western Australian organism list as a declared pest for the next 12 months?

The DEPUTY CHAIR: We will allocate that a number. That will be E3.

Hon JIM CHOWN: Mr Deputy Chair, this would probably be more pertinent as a parliamentary question as opposed to a question with regard to this committee, surely.

The DEPUTY CHAIR: The member has the right to ask for the information.

Hon DARREN WEST: That is reasonable. We will do it as a parliamentary question.

The DEPUTY CHAIR: Do you want to do it as a parliamentary question? Okay; we will not allocate that a number, then. It is good to see some bonhomie breaking out across the chamber!

Hon DARREN WEST: We are all in this for agriculture!

The DEPUTY CHAIR: Hon Darren West, if you want to continue for a few more minutes, and then we will hand it over to other members.

Hon DARREN WEST: Once again, related to biosecurity—sorry, Mr Deputy Chair; I am not picking on you today; I just have a lot of questions in this area! How many meetings of the Agriculture Ministers' Forum have been held in the past 12 months, and did representatives of WA attend? Have any biosecurity issues been raised at these meetings; and, if yes, which issues?

Dr Chennell: I can report that AGMIN meets twice a year. Approximately half of the last agenda was related to biosecurity matters, which included fire retardant contamination in New South Wales and included, I believe, a discussion on the Biosecurity Act and other biosecurity matters. So, yes, but in terms of a complete list, that would be better as a question on notice, but I can assure the member that about half of the agenda items for AGMIN are biosecurity.

Hon DARREN WEST: Will it be possible to have that as an allocated number and have the list tabled of what was discussed?

The DEPUTY CHAIR: Yes.

[Supplementary Information No E4.]

The DEPUTY CHAIR: If you want to clarify the scope of your question, that would be great.

Hon JIM CHOWN: Are you asking for the agenda of the meetings?

Hon DARREN WEST: No, what biosecurity issues have been raised; and, if yes, what issues were addressed? I am specifically asking about what was discussed about biosecurity; I am not really interested in all the other—well, I am, but this question is about biosecurity, and did we have representatives at both of those meetings?

Hon JIM CHOWN: I am not sure whether the minutes of the meeting are public or not. Are they?

Dr Chennell: I can provide further information.

The DEPUTY CHAIR: This is now on notice for further information and the agency will supply what it can supply, given the scope of the question and any restrictions relating to these ministerial meetings.

Hon DARREN WEST: Thank you; that is all I am asking for.

The DEPUTY CHAIR: I think everyone is cognisant of the fact that what can be supplied will be supplied and then there are other avenues in the house to pursue further inquiries.

Hon DARREN WEST: Just on that question, could I just have confirmation that we have representatives at both of those meetings?

Dr Chennell: Yes, Mark Webb attended AGMIN and also AGSOC recently. I can let the member know the main items that were on the agenda now if that helps. Red imported fire ant was discussed, as was the Biosecurity Act. The harmonisation of acts related to carp herpes virus and the rabbit calicivirus were discussed. The fire retardant contamination was discussed. They were the main ones in terms of biosecurity.

Hon MARK LEWIS: Good evening to my ex-fellow colleagues over there. It is nice to meet you —

Hon KEN TRAVERS: Do you want him back?

Hon DARREN WEST: I am sure we could strike some sort of deal!

Hon KEN TRAVERS: He is wasted here!

Hon MARK LEWIS: I refer to budget paper No 3. I know it is not directly relevant to the ag department's part 2 budget.

Hon JIM CHOWN: Member, is your mic on? You are a bit hard to hear.

Hon MARK LEWIS: It is now! In budget paper No 3, chapter 5, under the new recurrent spending, it highlights \$50 million over 2018–19 to 2019–20—funding from royalties for regions. Is that going to come into the ag department budget?

Mr Webb: Those two amounts that you indicated have been provided by the government on the expectation that the current R for R projects, which mainly finish in 2018–19 require some additional funding. They will still need to have a business case established and for those business cases to be approved through the normal R for R process.

Hon MARK LEWIS: Sorry; you expect that money to be allocated into the departmental budget?

Mr Webb: To be used by the department, yes.

Hon JIM CHOWN: To be managed by the department.

Hon MARK LEWIS: Do you sort of know now what those business cases will involve, what initiatives they will undertake and what the \$50 million will be spent on?

Mr Webb: We have commenced those discussions, but they will be discussions that probably continue for up to the next 12 months while we work out what programs will require additional funding when the current R for R projects cease in 2018.

Hon MARK LEWIS: I have a similar question again in budget paper No 3 about the potato industry adjustment package, with \$14 million in 2016–17. Again, is that going to come into the department's budget?

Mr Webb: No.

Hon MARK LEWIS: So one will only assume that that will go to the Department of Regional Development?

Mr Webb: I am advised that the answer is possibly, but can I maybe ask Mr Eftos?

Mr Eftos: The funding that is available will be available for the adjustment package. The \$14 million will be subject to the business case that will be submitted to the Department of Regional Development under the normal R for R funding arrangements. How that money is actually going to be distributed is yet to be decided, so I cannot say whether it is going to be allocated to DAFWA.

[7.30 pm]

Hon MARK LEWIS: I guess that makes my next question redundant, which was: do you know what the process is for the allocation of that funding at this stage?

Mr Eftos: The situation at the moment is that a working group has been established by the minister for agriculture to have a look at the allocation of the adjustment funding. That committee is due to report to the minister by the thirtieth of this month. It is at that stage at the moment.

Hon MARK LEWIS: Okay. We will wait and see.

The DEPUTY CHAIR: Hon Ken Travers, did you have a supplementary question on this issue?

Hon KEN TRAVERS: I am a little confused in terms of the answer that was given. Has there been any funding approved for the potato restructure or the deregulation of the industry? You said there is still a business case to go before royalties for regions. Has funding actually been approved?

Hon JIM CHOWN: No; \$14 million has been allocated and the process is still underway and it should be before the minister by the end of this month.

Hon KEN TRAVERS: If there is still a business case to be prepared, that suggests to me that there is still not an actual decision. There might be an allocation but there is not an actual decision on how much money and what it will be used for at this stage; is that right? If not, what is the business case going to do if we already know what it will be used for and how much of it will be spent?

Mr Eftos: The cabinet decision was to allocate \$14 million for that purpose, of which \$2 million was support for the growers. The actual process for securing those funds will be subject to a business case. The moneys have been allocated. It is just a matter of administratively going through a process of securing the funds.

Hon KEN TRAVERS: Is it possible then, as a part of that business case, that that funding amount might be reduced because the business case does not stack up? Surely, we must have some plan for how we will spend that money. I am trying to work out why you are doing a business case if you have already allocated the money and you know how you are going to spend it.

Mr Eftos: The recommendations will be going to the minister at the end of this month. There is a commitment by cabinet to allocate \$14 million, as I said, for that purpose. It will be subject to a submission, as I said before, of a business case. There is no expectation that there will be a reduction in that money. It is just the process.

Hon KEN TRAVERS: How was the \$14 million figure determined?

Hon JIM CHOWN: That is the maximum amount available.

Hon KEN TRAVERS: But it must have been based on an assumption that you will pay X amount to every farm or X amount to every licence owner or X amount for certain things to happen.

Hon JIM CHOWN: Correct.

Hon KEN TRAVERS: So what was that? How was that figure of \$14 million maximum calculated and is it possible that that could still change between now and the finalisation?

Hon JIM CHOWN: I do not believe the figure can change, but I understand that there is some work being done. It will be presented to the minister for applications in regard to —

Hon KEN TRAVERS: On what basis was the \$14 million calculated?

Hon JIM CHOWN: I cannot answer that.

Hon KEN TRAVERS: No; but maybe your staff can.

The DEPUTY CHAIR: It has been made clear that the decision of the \$14 million was made by cabinet, so we are actually getting into questions about deliberations of cabinet.

Hon KEN TRAVERS: Cabinet does not pluck figures from the air.

The DEPUTY CHAIR: We are not —

Hon KEN TRAVERS: I am sure that the department must have assisted in calculating that \$14 million. There was no basis to how that \$14 million was calculated; it was just plucked from thin air by cabinet.

The DEPUTY CHAIR: I actually will not allow that question.

Hon KEN TRAVERS: Can we just let them answer the question?

The DEPUTY CHAIR: I will not allow that question. It is quite clear that you are now asking officers and a parliamentary secretary to provide you information about the deliberations of cabinet.

Hon KEN TRAVERS: No, I am not!

The DEPUTY CHAIR: I am just not going to allow that question. I do not think that that is a question that can be appropriately answered by the people we have before us. I will move on.

Hon Mark Lewis, did you have any more questions?

Hon MARK LEWIS: No.

The DEPUTY CHAIR: The next person I have on my list is Hon Alanna Clohesy.

Hon ALANNA CLOHESY: I refer to eggs and the eggs shortage. Is there a shortage of free-range eggs in Western Australia?

Hon JIM CHOWN: It is a good question. I do not have the answer. Does anybody have the answer? Just eggs or free-range eggs? Could the member clarify whether she means eggs in general or just free-range eggs?

Hon ALANNA CLOHESY: Free-range eggs, but particularly after recent bans.

Hon JIM CHOWN: We might take the question on notice.

Hon ALANNA CLOHESY: Okay, and has the department done anything about the consideration of caged and other eggs, and free-range eggs recently?

[Supplementary Information No E8.]

The DEPUTY CHAIR: I will allocate number E8 for the question that has been taken on notice, or for further information, and I think the second question can be answered. Dr Chennell?

Dr Chennell: I can refer to the national process for the development of animal welfare standards, including poultry. There is a process looking at the model code for poultry as it stands and reviewing it based on the good science and judgement and so on, to develop a new set of animal welfare standards for poultry. This will include a review of the conditions and welfare of caged, barn and free-range poultry, and the available science and information related to that.

Hon ALANNA CLOHESY: What are the current prosecutions for producers that indicate that they are producing free-range eggs when they are in fact not?

Dr Chennell: Again, there has been a recent national ruling that free range is now related to 10 000 chickens per hectare—formerly it was 20 000. That condition exists. That is a requirement for people to enable them to market their eggs as free range; they meet that. That is not necessarily an animal welfare matter; it is a requirement under legislation for marketing.

The DEPUTY CHAIR: Just to clarify, though—sorry to interrupt—the member did ask whether there were any current prosecutions on foot for not meeting these requirements or labelling standards, or whatever.

Dr Chennell: Again, it is really a commercial issue and a marketing issue. Various matters on this have been taken to the ACCC, and yes there have been prosecutions on it, and fines imposed but it is not an animal welfare matter prosecuted under the Animal Welfare Act 2002, which WA administers.

Hon NIGEL HALLETT: Mark, I welcome you to the new role. Contrary to what the parliamentary secretary has said, I think you have picked up a pretty tough gig. We have never seen such a cut in funding for personnel. I think you have a ship that is going to take a while to turn around, and I wish you well.

One of my first questions is about the funding we had approved some time ago for the Doppler radar system. What has happened to the Doppler radar; where is it at; has the first one been finished, as it was indicated it would be finished by 30 June; and have we now progressed to getting people who now will be able to offer out the facility that the Doppler will answer? I think the parliamentary secretary should be able to answer this one.

Hon JIM CHOWN: In regard to the Doppler radar?

Hon NIGEL HALLETT: Yes.

Hon JIM CHOWN: I am just looking for my notes here. You wanted to know when the first one was going to be commenced; was that the question?

Hon NIGEL HALLETT: No, what I asked was, the funding was approved some time ago —

Hon JIM CHOWN: The funding was approved some time ago, that is correct.

Hon NIGEL HALLETT: The first one was planned to be operating by 30 June. Is that right? It is in your electorate.

Mr Webb: Mr Metcalfe can answer that this time.

Hon JIM CHOWN: Yes, go ahead.

Hon NIGEL HALLETT: It was for the parliamentary secretary.

Hon JIM CHOWN: It is all right; I am happy to have Mr Metcalfe answer.

[7.40 pm]

Mr Metcalfe: The initial date was 30 June 2016—you are correct—for the construction of the first Doppler radar. The construction of that will be finished in September, and it will be operational in October. The reason for the delay is that the Bureau of Meteorology wants to construct all three of them at the same time, whereas under the project proposal that DAFWA had put in place, the initial one was to be operational on 30 June and the other two on 30 September and 31 December. Under the arrangements through BOM, it will be September, December and March 2017, and all three of them will be online. Some of the challenges we have had with that on the way through have been actually to find sites where there was uninterrupted reception in terms of communications towers and a wind farm that we did not know was in the eastern wheatbelt, but, anyway, we found one of those 60 kays away. The other challenge was finding some sites; land tenure issues took a while to resolve. Two of them are on public or crown land; one is on private property. With the one at Watheroo, in particular, we went through four processes before we actually got that resolved, and that is now resolved.

The development applications for each of the shires were a fairly lengthy process, and power and Telstra or telecommunications to each of the sites. One site we had to reconfigure. The power was going to cost in excess of \$3.5 million to get to that site, so we relocated that on the basis of the advice from Western Power. All of that took a reasonable amount of time, but all three of them have been decided and land tenure resolved. The towers are under construction now; in fact, all three sites have had their initial meeting with the community and any interested parties at all through those sites. The good news is that they are going full steam ahead now and we are anticipating that that feed will come online in October and the first one will be up and running ready for the Newdegate field day, which is great.

Hon NIGEL HALLETT: The second question is: is DAFWA proceeding with GrainsWest? As the industry and GRDC are keen to progress the new arrangements from grains R&D in this state, I am just wondering what is the current position of DAFWA. Does the department have a directive called grains R&D transformation and what is its funding and what is its role?

Hon JIM CHOWN: Grains R&D is a very important role of DAFWA. The GrainsWest initiative has moved somewhat in regard to its outcomes. I will ask the acting director to actually expand on that question.

Mr Webb: GrainsWest as a term is no longer used. We are developing a new model that is more commercially focused that includes a number of other partners. It is a discussion that is quite active at the moment with GRDC, the grain growers and government, including the Office of Science and, of course, DAFWA through Dr Sweetingham.

Dr Sweetingham: I can expand on that and reinforce the realisation that the original GrainsWest concept that the department was talking about, say, 12 months ago is being totally rebuilt and revised from the ground up. As the acting director general said, we are working very closely with the Grains Research and Development Corporation, with Western Australian grain growers through a united force known as the Grains Industry Group and also, again as the acting director general said, through the Office of Science representing the broader interests of agricultural and science R&D in this state.

Hon JIM CHOWN: Are the universities involved as well?

Dr Sweetingham: Yes. The model that is now under consideration differs considerably in the following sort of features. I have made some notes here. Unlike the original concept, this will have a strength and commitment from the government and GRDC to partner over a longer term. There will be a tighter focus on the research scope into areas of agronomy, crop protection, soil management and farming systems. The strategic business plan will be developed in partnership with and endorsed by the WA industry, the WA government and the Grains Research and Development Corporation. There will be a focus on delivering commercial outcomes to grain-growing businesses in the shortest time possible. As the parliamentary secretary is alluding to, there will be a greater emphasis on effective collaboration channels with universities, CSIRO and the private sector, and, again, as part of that, a broader commitment of the new entity to engage with the broader agricultural research vision for Western Australia. Other features that are different from the original concept include an appropriate presence or headquarters node in the Perth metropolitan area.

Hon MARK LEWIS: In the original GrainsWest model, after RFR funding rolled down in the out years, there was about a \$20 million hole. Is that still there? What is plugging that hole in this new model?

Dr Sweetingham: Thanks, member. That is one of the issues that will need to now be under discussion between our new minister, the industry and the Grains Research and Development Corporation—that is, that issue has been quite a considerable concern with the implication in the past that the GRDC would have to fund the entirety of that program in the budget out years. That issue is acutely under investigation at the moment. I cannot say at this point in time that that is totally resolved, but the acting director general may wish to make a further comment.

Hon JIM CHOWN: The intention is to resolve it and that is why we have a new model. The proposal will be going to the minister by the end of September with a funding proposal attached to it. I assume that he will take it to cabinet for approval and then we will get on with it.

Hon MARK LEWIS: That is good news.

The DEPUTY CHAIR: Hon Nigel Hallett, you had the call. Do you want to ask one more question or do you want me to move on?

Hon NIGEL HALLETT: I have lots of questions.

The DEPUTY CHAIR: I will give you one more and we will keep going after that.

Hon KEN TRAVERS: You have gone all soft since last year.

Hon NIGEL HALLETT: We have a different DG.

Hon KEN TRAVERS: He must like you better!

Hon NIGEL HALLETT: We have a new DG and that is great.

I have a few questions. One of the commitments given was a new headquarters for the department. There are no forward estimates or commitments for the headquarters. I was wondering what the current proposal or plan is or is that all just gone?

Hon JIM CHOWN: As I said in my opening statement, a project definition plan for the new headquarters is going to cabinet, I think, in October, was it?

Mr Webb: Later this year.

Hon JIM CHOWN: It is later this year.

Hon NIGEL HALLETT: Yes; we had that seven years ago.

Hon JIM CHOWN: No, you did not.

Hon NIGEL HALLETT: Yes, we did.

Hon JIM CHOWN: I am not going to argue about it; I am just telling you —

Hon NIGEL HALLETT: I am just telling you; you are wrong.

Hon JIM CHOWN: I am just telling you what is going to happen. The new building will be in conjunction with other agencies, as I stated in my opening statement.

The DEPUTY CHAIR: If we get a chance we will come back again to you for some more questions. The next person on my list is Hon Ken Travers.

Hon KEN TRAVERS: Hon Nigel Hallett's last question was a perfect segue into my first question. I was interested in hearing the parliamentary secretary add something new to what was in the budget papers, that there is a proposal for a new DAFWA headquarters. I am interested in what funding there is in the budget papers for the development of that headquarters. You were saying there is a project definition plan; whereas, last year \$250 000 was allocated for the accommodation business case. What money is in the budget to progress the project definition plan?

Mr Webb: Member, that will be managed through the department's normal budget.

Hon KEN TRAVERS: But should it not still be listed under the asset investment program? Would it not be part of the capitalised assets? Why is it not listed as part of that or was the decision taken post-budget?

Mr Webb: Mr Chairman, I will seek advice from our CFO, but it is my understanding that this money is for the actual development plan and not for any construction. It is a project definition plan but I will seek confirmation.

Hon KEN TRAVERS: Sometimes you can capitalise the planning. I assume you were doing that with the accommodation business case because that is listed. The \$250 000 that you spent today is listed under your asset investment program. I am surprised that the next stage, which would be the detailed stage, is not part of your capitalised asset program.

Hon JIM CHOWN: I will let the CFO respond to your question.

[7.50 pm]

Ms Taylor: At this stage, we have not made the decision to capitalise it. We are taking it out of our CA budget. We may make the determination later and take it out of the CERP funding.

Hon KEN TRAVERS: Was the decision to proceed made before or after the budget cut-off date? Is that one of the reasons it was not mentioned in the budget papers, because it was taken after the budget cut-off date?

Ms Taylor: It possibly was after, yes.

Hon KEN TRAVERS: You indicated a site. I assume Dick Perry Avenue in Kensington is the site you are looking at, the current DAFWA site. I assume it is subsequent to DAFWA relocating to Bunbury. Is that correct or do you expect to be able to move there prior to DAFWA relocating to Bunbury? Sorry, not DAFWA, Parks and Wildlife—the current tenants of the site.

Mr Webb: This will be on the eastern side of the Parks and Wildlife building.

Hon KEN TRAVERS: It is a new building?

Mr Webb: It is a new building on the eastern side. That is one of the options.

Hon KEN TRAVERS: Sorry; one of the options? The parliamentary secretary said the decision had been made.

Mr Webb: It has, but in terms of the co-location, it is how we manage that co-location—what buildings we use and what Parks and Wildlife uses part of the project development plan. Some buildings are currently used by Parks and Wildlife and they may go as part of the new project and the co-location with Parks and Wildlife is part of that project development plan.

Hon KEN TRAVERS: To accommodate DAFWA, will it require a new building to be built at that location?

Mr Webb: Correct.

Hon JIM CHOWN: That is the intention.

Hon KEN TRAVERS: But there is currently no funding in the budget for the construction of the new headquarters.

Mr Webb: No.

Hon KEN TRAVERS: You still have to get the money, so in the current budget climate, it is going to be tough.

Did the accommodation business case identify what is required in the new building in terms of the amount of office space? Has the work been done for your department on the research facilities—the laboratories for biodiversity work? Has the accommodation business case identified what is required at that site and the rough cost of the new headquarters, so what is required and what it will cost to provide all of that?

Mr Webb: The short answer is yes. The business paper provided for a general costing and a general provision of space. The project development plan now drills down on that and provides the fine detail, which is part of the completion of the PDP.

Hon KEN TRAVERS: Noting in the parliamentary secretary's comments the proposal also for Fisheries, Forest Products and some of Parks and Wildlife, will they also need new buildings as part of this relocation?

Mr Webb: The intention is that all those agencies will be co-located in the building.

Hon KEN TRAVERS: Do we have any idea what the approximate cost of the building will be? Previously it has been up to \$240 million in the last estimate. Is it still in that ballpark, or is it significantly higher or lower?

Mr Webb: I would say that that is part of what the project development plan will provide.

Hon KEN TRAVERS: But what did the accommodation business case you have done today estimate the cost of the new building to be, approximately? I am looking for a ballpark figure; I am not asking for every detail.

Mr Webb: That information has gone to cabinet; I am not sure I am able to comment on it.

Hon KEN TRAVERS: Maybe you can take it on notice and the minister can decide whether he wants to be open and accountable.

Hon JIM CHOWN: That is fair enough; yes, we will take that.

Hon KEN TRAVERS: As part of that can you identify the key elements identified as part of that business case that are required in the new office development? Do we have a time frame?

[*Supplementary Information No E13.*]

Hon KEN TRAVERS: My next question is: do we have a time frame for when we want to be completing the project definition plan, starting construction of the building and the department actually moving into a new department? Were some of the DETs who were employed expecting a new department in there before —

Hon JIM CHOWN: I will have to take the question on notice.

The DEPUTY CHAIR: We will incorporate that in E13. I think that is probably the best way.

Hon KEN TRAVERS: Do we have any idea as to what the general plan is?

Hon JIM CHOWN: I certainly do not know.

Hon KEN TRAVERS: The Department of Lands I think is ready to sell your current site before you move out. That is why I am interested.

Mr Webb: I can say that the project definition of the development plan is being done by special projects and the aim is to try to get it finished by the end of this year. I think that will be a challenge.

Hon KEN TRAVERS: Then that will determine the rest —

The DEPUTY CHAIR: Sorry; I did not hear that last bit. You said you think it would be a challenge?

Mr Webb: Yes.

Hon KEN TRAVERS: I just had a quick question for the parliamentary secretary, who made the comment after his introductory remarks to the effect that both sides of politics have cut the budget of the Department of Agriculture and Food. Can the parliamentary secretary give me any indication of what basis you made that claim?

Hon JIM CHOWN: No; other than I believe there have been a number of governments that have cut the budgets of the department.

The DEPUTY CHAIR: I will point out to members—both the member asking the question and the parliamentary secretary—that I think we are now delving into areas that are interesting —

Hon KEN TRAVERS: You should have shut him up then before he made the claim. He made the claim; he should now justify it.

The DEPUTY CHAIR: They are interesting, but they are certainly not in any way involved in the current budget estimates.

Hon KEN TRAVERS: Yes, they are, because the parliamentary secretary made the claim, in trying to defend the current cuts, that both sides of politics had done it. I am asking him to justify that because I can show him the figures that show that in 2001 the budget was \$102 million, when Labor left office it was \$177 million and expected to grow to \$219 million. It is now \$118 million and going down to \$108 million. I think my friend Hon Nigel Hallett would probably agree with me. So do not make claims you cannot back up.

The DEPUTY CHAIR: I think we will take that as a statement, and that will be on the record. You have had the debate and the discussion, but I will move on through the list of questions.

Hon RICK MAZZA: I came a little late, but I know that Hon Darren West asked some questions on biosecurity. If I go over that ground again, I apologise. The Victorian government had an Auditor-General report on biosecurity a year or so ago that identified some major concerns in that state if there was an outbreak of foot and mouth disease. Do we have a program in place for any major biosecurity outbreaks in the state? Are you aware of that report?

Dr Chennell: Yes, the department is aware, and there has also been a Queensland review that we have had a look at and mapped the recommendations against our current activities. In the main, WA is responding quite well. In terms of foot and mouth disease, that is of serious concern to Australia generally. Following the Matthews report into Australia's exposure there were number of recommendations, including matters such as emergency response preparedness, swill feeding for pigs and so on. Some of these we have picked up in the royalties for regions Boosting Biosecurity Defences program, and there is a program to inform pig owners about swill. We are working on sheep traceability. In May, we conducted a major exercise in Bunbury called Exercise Apollo to test the department's preparedness for foot and mouth disease. There was an investment of approximately \$400 000 from royalties for regions into that. We have national support, and 180 people were engaged in Bunbury to test the capacity of the department, industry and the national rapid response team. The result was generally good. I can assure the house that should

there be an outbreak of foot and mouth disease in this state, we believe at this point, based on that exercise, that this department would be able to respond and stand up a response to the incident. We were particularly pleased with our response in logistics and planning. There are some examples, member, of our response to foot and mouth disease. The other responses are national and state surveillance for the disease, and other diseases that are of importance to our trading partners. This state has ruled out the presence of foot and mouth disease or suspect foot and mouth disease on a number of occasions over the past year, through abattoir sampling, blood testing and so on. I trust that answers the question. Foot and mouth disease is the most serious disease of animals, the most infectious and rapidly spreading, and it is the benchmark by which we judge our capacity to respond.

Hon RICK MAZZA: As I understand it, feral animals like feral pigs are a vector of foot and mouth disease. Since the dismantling of the Agriculture Protection Board through budget cuts, a lot of that is now being put to community biosecurity groups to deal with localised issues as far as feral pigs or even invasive weeds are concerned. What input has the department into those community biosecurity groups and what sort of funding are they giving them? In addition to that, because I went to a meeting not long ago in the south west with one of those groups, and I think more importantly, what direction is being given to some of those community biosecurity groups in being able to deal with the problems in their localised area?

[8.00 pm]

Dr Chennell: That is quite a complex question that you have asked, and I will try to address it in stages. Firstly, Exercise Apollo considered and built a scenario that was extremely extensive in terms of the possible tracing of a diseased animal from another state into this state and then the spread of that foot and mouth disease. The issue of wild pigs is not a major one in the spread of this disease in Western Australia as we have modelled it. Domestic piggeries would be of far greater concern than wild pigs. So, firstly, I must make that statement. Livestock movements and traceability is the number one issue. Should the disease enter the domestic pig supply chain, it would be very serious, as the pig is an incubator of the virus. We do not believe the feral pig population is a major issue with foot and mouth disease spread in this state.

Hon RICK MAZZA: The biosecurity risk of foot and mouth disease with feral pigs is one issue. The other issue is the damage they do to agricultural land, which is a major concern of the farmers who I spoke to down south. So, again, I ask: what management or direction is the department giving those community biosecurity groups in being able to deal with that issue?

Dr Chennell: There are a number of sources of funds and a number of activities. The federal government has allocated to Western Australia recently funds to deal with feral animals. The total that will be invested in WA is about \$4.3 million. Feral pig preparedness and community response is included in that allocation, but obviously not the whole amount. About \$2.5 million is being applied from royalties for regions, boosted by security defences, to support the formation, management and development of regional biosecurity groups, and environmental and management groups in the south as well. Another \$2.5 million is currently raised through matching funds and local levies that goes to RBGs, so considerable funds are currently being applied. The direction of the state, if you like, is to support community groups and industry, and RBGs, to develop appropriate responses.

Hon RICK MAZZA: A lot of biosecurity issues or invasive pests are around now that were not around 20 years ago, like cotton bush, feral pigs, and other invasive weeds. Is it fair to say that the department maybe has lost control in dealing with some of those things, like fruit fly?

Dr Chennell: I do not think so. My view would be that WA has an excellent biosecurity system and is free of many pests and diseases that are present both internationally and in other states. For example, WA has 574 prohibited weeds under the BAM act that were not listed in the commonwealth act and regulations that were discussed in this house a few minutes ago. We are free

of many weeds and pests, including starlings, codling moth and coffee bean weevil. The list goes on and on. I think the data backs it up. We intercept prohibited plants and animals that come into this state through our border system. We confiscate 450 kilos of material each quarter and so on. So, no, I do not believe—this is an opinion—that the statement can be backed up by data.

Hon RICK MAZZA: All right. Just to finish on biosecurity, wild dogs are obviously a major problem for our northern agricultural areas. I see in the budget papers that only \$750 000 has been allocated in the 2016–17 year. Is that enough to deal with the problem?

Dr Chennell: I am sure the member would be aware that there has been a year-long process of a development of a Western Australian wild dog action plan, which has had considerable industry and community input. That plan recommends a whole range of strategies, with a potential budget of up to \$20 million to deal with wild dogs in this state. I think it is fair to say that DAFWA and industry have worked on this plan and recognised that to control wild dogs will take considerable funding and transition to industry management, and this plan sets out a pathway for that. So, our minister is aware, and what will happen with this plan will be based on ministerial and cabinet determination, but a lot of work has been done, and some of those federal funds, as I mentioned earlier, the \$4.3 million, will also be applied to the wild dog issue.

Hon RICK MAZZA: The \$750 000 is for the plan and you are saying that some of that \$4 million will be used to actually try to manage the wild dog issue.

Dr Chennell: The \$750 000 in the budget is to employ doggers or wild dog technicians. They have been highly supported by the RBGs and others. That is to fund the extra ones that we need. The plan itself covers a whole range of issues which will go towards the minister and cabinet in due course, and some of the \$4.3 million that the federal government has applied will also be used for wild dogs.

Hon RICK MAZZA: On page 694, under “Significant Issues Impacting the Agency”, in the second dot point you talk about —

Independent analysis has determined that doubling the value of the State’s agrifood sector is achievable.

Who undertook that independent analysis and how much did it cost?

Mr Webb: I will ask Mr Metcalfe to answer that question.

Mr Metcalfe: Thank you. The analysis was conducted by Coriolis, a New Zealand–based company that recently moved to Perth, and they have had a great deal of experience of looking at peer countries and experience in New Zealand as well. Peer countries include places like Chile, Ireland, Denmark, Israel and how those countries have managed to substantially increase the value of agrifood. Over a period of time they conducted the analysis here based on the export codes and projected growth based on additional land to be opened up, productivity improvements, intensification, and then also moving from a commodity base to a product base, and so increasing the value of the product going forward across all of those export codes. Out of that they concluded that it was possible to double. In fact, they were of the view it was conservative. In terms of the amount of money that was invested in undertaking that, I am happy to take that on notice. It was a contract on its own but I cannot recall the exact amount.

[Supplementary Information No E18.]

Hon RICK MAZZA: The last part of that dot point talks about the fact that it requires a contribution from both industry and the government. What coordinated approach has been undertaken to involve industry in achieving the doubling of the agrifood sector?

Mr Metcalfe: We started it back in 2012 with industry consultation across all of the industries and discussion around how to improve productivity and increase the value of production. It has been interesting that a number of those industries have moved forward and developed their own strategic

plans. So the grains industry through GIWA developed its own industry plan across the entire supply chain. The sheep industry has done a similar thing and also the beef industry. The irrigated agriculture sector is dispersed and struggled a bit with that process. That engagement process has been really useful in terms of getting industry involved in that and recognising that they could make that contribution. Of course, it is not just built on increasing the volumes. It is about increasing the value, recognising that we have to open up new markets and higher value markets and reposition some of that product going forward. There is general agreement across those large industries that that is achievable.

[8.10 pm]

The royalties for regions' Seizing the Opportunity program provided the chance for us to put together programs that would enable that to be realised and support those industries to move forward in achieving that. I think there are nine RFR projects—I am happy to be corrected on that—that are funded under that that DAFWA directly controls. Those include analysis of competitive markets, both looking at the Mediterranean and temperate environments and seeing what Asia is importing from those environments and having a look at what competitive advantage Western Australia might enjoy out of those and then looking at opportunities to reposition some of our product out of the commodity-based arrangements into premium streams. We are developing integrated supply chains to be able to achieve that outcome. One of the examples of that is the recent work that has been done with V & Walsh with Grand Farm. The minister will be invited to an opening of the Grand Farm operation in Inner Mongolia in the middle of August. That will demand an extra 500 000 head of lambs through that process. Others include live cattle export into China but also heifers into places like Thailand in particular. We have been working in Indonesia as well with Great Giant Livestock in terms of shifting and repositioning product there into high-value streams as well. They are some of the examples of the type of work that we have been doing—industry engagement all the way through to changing the production systems and supply chains to be able to deal with those outcomes.

Hon RICK MAZZA: In the third dot point you talk about sophisticated product integrity, tracking and biosecurity arrangements. What diseases or pests do we have in Western Australia that prevents the export of any products into different countries?

Mr Metcalfe: There are a range of those. It depends on which country. By way of example, blue tongue is a good case study into China and it is around where the vectors are located in China and the protocols that the officials determined are keen to put in place with or without the scientific evidence to support them, so they end up as a non-tariff trade embargo. What we are doing with each of those is identifying irrigated agriculture products, for example, where those constraints might exist and then working with the commonwealth. If they are high priority, high-value markets for those products, we are working with the commonwealth to gain market access on those, so we have prioritised those and we are working nationally to resolve those issues from a state perspective. The other jurisdictions are working in conjunction with us to achieve that outcome as well. If it is citrus, for example, Victoria would work with us to resolve mandarins into Korea.

Hon RICK MAZZA: This is my last question. In the sixth dot point down, you talk about the government's \$350 million Seizing the Opportunity initiative, and that has been in the last two budgets. How much of that \$350 million has been spent and what opportunities have we actually seized?

Mr Metcalfe: I am happy to be corrected on the number but I think we have in the order of about \$240 million. For this financial year, \$55 million has been allocated. Given that this financial year is the first year for most of those projects, there is a substantial amount—\$200 million—left to work through over the next four years, which is the length of most of the projects. I have given you a couple of brief examples of the opportunities that have been seized and I think there are a lot more to come. Perhaps I might share with you a little bit more that might give you some confidence that

perhaps we are on a different tack from where we have been previously. With one of the projects, Asia Market Success, we did some in-depth market analysis around where some competitive advantages might exist for Western Australian product.

We had a look at 20 of those opportunities. In the process of identifying those 20, we worked with 30 of the largest exporting companies in Western Australia; in fact, we worked with 42, but 30 of them had three one-on-one sessions over the last six months to ensure that the analysis that we were doing was of value to them and provided them with an opportunity to actually grow their businesses going forward. We did not want to do a whole pile of market insights, generate a report, and then leave it on the shelf; we wanted to actively engage the people most likely to use the results to grow their businesses and make informed decisions, and reduce the risks to their businesses. That analysis has been conducted and we have also put in place research grants that run off the back of that, and that is allowing the CEOs of those companies to realise those opportunities that we have identified. That is just by way of example of the sort of work we are doing; it is quite a different approach than driving it from a productivity base, as we have done previously.

Hon RICK MAZZA: Are we able to get a list of those opportunities?

Mr Metcalfe: Yes.

Hon RICK MAZZA: Could we take that on notice, please?

Mr Metcalfe: I can provide them to you now if I can find them in these notes. It will be apples, avocados, carrots, oranges, mandarins, beef, sheep, pork, liquid milk, yoghurt, honey, rolled oats, wine, processed ham, sausages, beer, chocolate, prawns, rock lobster, virgin olive oil, and animal pellets—pet food, effectively.

Hon RICK MAZZA: All right, thank you.

The DEPUTY CHAIR: I might take the opportunity to ask a question. I pick up on the opening statement of the parliamentary secretary who said there is an aim for the agrifood sector to double in value between 2013 and 2025. That is a laudable aim, obviously, and I hope we get there. Part of that is going to be—this is a shameless plug—the agrifood sector within the North Metropolitan Region. Many of the public do not know—obviously people here know—that there is a thriving agrifood sector in the North Metropolitan Region. One of the things I pick up as a real challenge when I speak to the producers in my area—I know this is across Western Australia—is access to labour; access to people who are prepared to do the work and can do the work at the time the work is required. One of the sources of labour that is used to fill any gaps is what is ubiquitously known as the “backpacker market”. I wonder what representations the department has made through either the Agriculture Ministers’ Forum or the Agriculture Senior Officials Committee processes, or directly to the federal government, in relation to the proposed backpacker tax that is likely to cause significant problems in attracting this ready source of labour.

Mr Webb: That information was provided directly to the minister and via AGMIN to the federal government.

The DEPUTY CHAIR: Has there been any indication of what the federal government is proposing to do beyond the suggested six-month pause that it has introduced?

Mr Webb: I have no knowledge of that matter.

The DEPUTY CHAIR: Is there any intention to continue those representations when a new federal government is established after the election?

Mr Webb: There certainly is.

The DEPUTY CHAIR: This is a comment, but I would hope that it is prioritised because quite clearly it is going to be an issue that impacts on every producer that requires access to seasonal labour.

Mr Webb: I have just been reminded that we have weekly meetings with the minister and, as required, we bring these issues before him for his noting as well.

The DEPUTY CHAIR: I take it that is so the minister can make representations at a ministerial level, I hope?

Hon JIM CHOWN: That is probably the best process, as you would be aware.

The DEPUTY CHAIR: Yes, definitely.

Hon LYNN MacLAREN: I have a few questions. I want to start by asking about provisions for the repeal of the Genetically Modified Crops Free Areas Act 2003. I note in a letter from the minister that Co-operative Bulk Handling Ltd has noted that the segregation of other GM and non-GM commodity types will require the development of unique handling systems and conditions that may result in cost differentials for both products, depending on requirements and volumes. I do not, however, note anything in the budget that reflects a preparedness on the part of the Western Australian government to support these new handling systems. Is there anything in this budget for that?

[8.20 pm]

Hon JIM CHOWN: I would not expect anything in the budget. CBH is a commercial entity and they supply, whether it is GM or not GM, dependent on the market demands, and if the market requires segregation, they put in their own initiatives and their own protocols in regard to that segregation of crops.

Hon LYNN MacLAREN: So the government has no intention, once it repeals the act, of assisting industry to cope with the changes that it is going to have to deal with?

Hon JIM CHOWN: No, because even under the exemption canola is segregated at receivable points by CBH and that cost is carried by CBH or any other exporter.

Hon LYNN MacLAREN: So farmers just have to do it themselves. Okay, fair enough.

In a similar vein, I note you might have covered this in the very comprehensive overview of export industry research, but is there anything in this Western Australian ag and food budget that is helping to prop up the live export industry?

Hon JIM CHOWN: Prop up? Do you mean subsidise? Can you just expand on the term “prop up”?

Hon LYNN MacLAREN: It could prop it up in any way. It could provide inspectors to assist it with the ESCAS requirements, or could look at ways to improve animal welfare. There are a range of matters, including any training that is provided—anything at all to assist the live export industry.

Dr Chennell: I am happy to kick off and then my colleague Peter Metcalfe can respond. In terms of animal welfare, our inspectors inspect aggregation points where animals are prepared for export. We also inspect saleyards and other aggregation points, so that is a normal part of business and the public can be assured of proper animal welfare at those aggregation points. In terms of the development of policy for animal welfare standards for export, this department is not investing any money in those matters. I will hand over to Peter Metcalfe.

Mr Metcalfe: Under the ESCAS system the commonwealth places the levies or fees directly involved in that with the exporters, so they incur the costs. There are no allocations in this state budget to subsidise those.

Hon LYNN MacLAREN: What about the development of the live export industry to Vietnam? Are there any efforts being put into expanding that market?

Mr Metcalfe: There are efforts to ensure that we spread the risk. Previously, we were dependent on the Indonesian market totally. We have diversified that risk now into eight alternative markets,

which include Vietnam. However, in the process of diversifying those, the ESCAS system is maintained all the way through and accredited facilities have to maintain that process. We have expanded those markets and put effort into developing those, including opening up opportunities to export productive heifers into Vietnam and also Thailand going forward.

Hon LYNN MacLAREN: Do you have any specific detail about our efforts to expand the market into Vietnam? I can take that on notice if you would like to provide me with that on notice.

Mr Metcalfe: The efforts at the moment are working directly with the exporters in those companies, but I am happy to provide you with the detail around the individual efforts in that regard. It is mostly through the existing supply chains in increasing the volume of product that is going through those existing supply chains. Vietnam is an interesting one in that the animals go through the ESCAS system and are controlled all the way through to the point of slaughter. Then after that they move into a supply chain where food safety is the single biggest issue and it goes into the wet markets from there.

Hon LYNN MacLAREN: I would appreciate —

The DEPUTY CHAIR: Just one moment. I think Mr Metcalfe indicated he will take some of that on notice. I will allocate that E24.

[Supplementary Information No E24.]

Hon LYNN MacLAREN: Thank you, Mr Deputy Chair; I appreciate that. That was what I was going to do.

I wanted to finally ask about the animal welfare review allocation that is spread out over the forward estimates, around \$900 000 a year in the years 2017–18, 2018–19, and \$1.1 million this current financial year. Can you give us more detail about what is intended to occur in each of those years in regard to the animal welfare review?

Dr Chennell: I can provide some detail. We have a project plan for the out years. The plan commences in July of this year when the funds of \$1.14 million extra, I think it is that cabinet has approved, come into the department. The plan includes commencing work on the strategic plan and overarching policy framework in the coming financial year. We will start work on codes of practice, local standards and guidelines for small and companion animals this coming financial year. We are looking to establish a ministerial advisory council in the latter part of this calendar year. We will commence working on the inspector governance framework in the coming financial year and we will also be working on other issues, like the animal ethics committee. We will probably develop an options paper for that issue later this year. Those ones I have mentioned are seen as high priority and should be initiated straightaway. We have also developed a recruitment plan and a structure to expend some of the funds of the \$1.14 million on increasing the number of inspectors and some high-level policy and legal staff to deal with the inspector governance and so on. All that will happen in the next financial year as priority work.

Hon LYNN MacLAREN: Then we have \$900 000 in each of the three years following. How is the review continuing into those years beyond this financial year?

Dr Chennell: Obviously the inspector and the staffing appointments in terms of policy will need to be ongoing. There is the notion of a help desk and communications officer. All those positions will be ongoing and will continue on.

Hon LYNN MacLAREN: It is not actually a continuation of the review; it is operationalising the outcomes of the review. Is that what you are telling me?

Dr Chennell: The aim of the project plan and the expenditure is to deal with all the recommendations of the review into the out years and make it core regular business.

Hon LYNN MacLAREN: Finally, what amount has been allocated to grant to the RSPCA for them to continue their animal welfare work?

Dr Chennell: The current proposal is to continue the \$500 000.

Hon LYNN MacLAREN: That is not in your budget, is it?

Dr Chennell: Yes, it is.

Hon LYNN MacLAREN: Where is that in the budget?

Dr Chennell: It is not in the \$1.14 million; it is in our core budget. It is an ongoing expectation that we will continue to fund it.

Hon LYNN MacLAREN: I do not see it in the budget papers; that is what I am saying. Where is it?

Dr Chennell: I can assure the member it is budgeted for and the CFO can speak, if needs be.

Hon LYNN MacLAREN: Maybe you could give it to me on notice; just point out where it is in the budget papers.

The DEPUTY CHAIR: That is probably easiest.

Hon MARK LEWIS: It is not a line item in the budget paper.

Dr Chennell: It is not a line item. There is no intention to remove that \$500 000.

Hon LYNN MacLAREN: Which section does it fall under, so I can track it in the forward estimates?

Dr Chennell: If I may, chair: it will be allocated under biosecurity and regulation.

Hon LYNN MacLAREN: Thank you.

[8.30 pm]

Hon NIGEL HALLETT: I will probably come back to Peter with this one. Peter, I may have misinterpreted, but you talked about —

The DEPUTY CHAIR: You are directing the question to Mr Metcalfe, so through me.

Hon NIGEL HALLETT: We talked about the amount of DAFWA work supported by royalties for regions funding, and you said you had nine major projects, but the majority are four years out in the budget. Did I get that right?

Mr Metcalfe: They are run over a four-year period, yes.

Hon NIGEL HALLETT: If the royalties for regions funding was discontinued, how many staff would this affect?

Mr Metcalfe: The bulk of the projects finish on 30 June 2018. In the funding, there is capital and also a range of grants, so it comes in and goes out. I am not absolutely clear on the FTE allocation. It depends on how it tracks through. Jim Eftos has probably got a pretty good idea. We have had this discussion, so he can give you an approximation of that.

Mr Webb: I can say that the bulk of the royalties for regions projects are ongoing so, while Mr Metcalfe is right that many of the current projects finish in 2018, as I said earlier, from 2017 onwards there will be development of new royalties for regions projects. That, again, is just part of normal business.

Hon NIGEL HALLETT: The forward estimates show a reduction in funding over time. How many FTEs will be affected over the next one or two years, and what areas of operation will be reduced?

Mr Webb: It is not anticipated that there will be any change in staff numbers in the next two years.

Hon NIGEL HALLETT: No changes to staff over the next two years?

Mr Webb: No material change.

Hon NIGEL HALLETT: That probably leads on to the next one. Is there any proposal for the closure of research stations or district offices?

Mr Webb: I might have to ask someone else to answer that. My understanding is that there will be no new closures.

Mr Metcalfe: Vasse research station will be interesting, because it is listed for sale. It is currently leased at the moment. It will be interesting to see what the time frame in clearance is for that. I am not anticipating any outside of that one. Mt Barker is currently leased, so there will not be any additional closures. The research stations will be leased that are currently leased, and the Department of Lands is going through the process of readying them for sale.

Hon NIGEL HALLETT: With the money that is coming back into the lease, is that just going into general revenue or back to the Department of Agriculture and Food—or is it used for research?

Hon JIM CHOWN: Asset sales under the asset sales program go back to Treasury.

Mr Metcalfe: Sorry, member, I thought the question was in regard to the lease payments. Is that right?

Hon NIGEL HALLETT: Yes, we just got interrupted for a moment, but what I said was, the money from the lease for the sale of a research station, is that coming back into agriculture, and putting up a business case to keep that money within the area of agriculture, or is it just going back into general revenue and being lost to agriculture?

Mr Metcalfe: The lease payments come back into the Department of Agriculture and Food, and we leave them in the research and development area. The proceeds of the sale of the assets go back to Treasury, and they run through the usual process.

Hon NIGEL HALLETT: Would it not be a good outcome for agriculture to keep the asset, even if it is leased?

Mr Metcalfe: We are moving back down to where we are focused on our core business, and we have critical masses around the research stations that we have got now, and the research stations are focused on the work, and reflect, I guess, the districts and the areas in which we think the greatest potential is. The benefit of the resources coming back, I guess, is that if the land, the property, is sold and the resources came back to agriculture that would be incredibly helpful. There is a cost associated with maintaining the leases in terms of the fixtures on the properties and maintaining fences and water supplies and pumps. The lease rates do not always cover all the larger capital items in terms of fence replacement, road upgrading and the building and maintenance-type work. There are some inherent risks that come with having those leases operational. There is an opportunity to reduce some of those properties going forward and not having a significant impact on our efforts.

Hon DARREN WEST: About a year ago, I think your predecessor, Mr Webb, declared the department was in some level of crisis and ordered an internal review to report in about this July, I understand. There was going to be a review of all operations of the agency. Is that review ongoing? Is it on track? Where are we at with that review?

Hon JIM CHOWN: The acting director general is happy to respond.

Mr Webb: The preliminary report has been provided to the minister. The key findings of that are now being tested by the independent panel with a range of industry participants. The expectation is that the final report will come back to the minister by about mid-July.

Hon DARREN WEST: I have just a couple of quick ones because we are running out of time rapidly. With the entry for kids to both the Perth Royal Show, which I believe was pulled last year,

and to regional shows, are either of those in this year's budget? Will there be subsidies to regional shows or the Perth Royal Show for entry for children to those shows?

Hon JIM CHOWN: No, not at this stage.

Hon DARREN WEST: For neither? So the regional shows have been pulled as well? I am going to run quickly through some of these. What about the areas that are not going to be covered by the Doppler radar? It was generally accepted that we might have needed five Doppler radars to fully cover the state. Are there any time lines for the introduction of the other two radars? How long will people in the northern ag region, for instance, have to wait for that technology, or is there no plan to increase the Doppler radar network?

Hon JIM CHOWN: Peter.

Mr Metcalfe: We are having an interesting series of banter with the commonwealth. We are of the view that the state has done a pretty good effort in building three new radars and encouraging them to upgrade the others to the same specifications as these three new ones will be. That has had a series of letters. I am not sure that we are making a great deal of progress in that space. Part of the arrangement there is that, under the DRD agriculture and infrastructure audit, which was recently conducted by EY, upgrading the existing radars to the same specification as the three that are in construction is ranked amongst the top three priorities for that, and there is \$75 million allocated, with business cases and implementation plans to accompany those. We are in the process of developing that business case for an upgrade of those and a relocation of the Geraldton one from down the bottom of the hill to the top of the hill so it covers the rest of the wheatbelt.

Hon DARREN WEST: Briefly, again, I am ripping through these a little bit quicker than I would like, but we need to. I understand that Fruit West has been chosen to commercialise the black apple. It has only got two part-time staff for the first 17 months of the commercialisation process and it added a third part-time staff member in November 2015. Is there a view among the department as to why the department is not overseeing the commercialisation of the black apple?

Mr Ruprecht: We are working very closely with Fruit West. We worked on and assessed who would be the most viable partner to work with for the ANABP 01 apple variety and the Bravo apple that comes from that. We deemed that Fruit West were best for the domestic market and we are working closely with them. As the number of trees planted grows, they will be looking at potentially expanding their efforts. It is critical in the Western Australian market and it is also expanding into the eastern Australian market. We are working with them on the development plan and helping them revise that each year.

[8.40 pm]

Hon DARREN WEST: To the lay observer it would appear that we have two organisations doing a job that perhaps the ag department could quite happily handle itself. Is there a view on why ag is not taking the lead on that, given that the agriculture and food department has not taken the lead on the black apple?

Mr Ruprecht: We have taken the lead in the breeding of the apple variety.

Hon DARREN WEST: Sorry, I am referring more to the commercialisation.

Mr Ruprecht: But commercialisation is not really one of our areas of expertise. We are working with partners, and we have also had further discussions with APAL, the apple and pear company, about how we can look at commercialising the variety in export as well. It is not our area of expertise, so we work with those where there is that level.

Hon DARREN WEST: In a similar vein, could the Water for Food program not be handled within the department? There are hydrologists on your staff. Is there a view why that program is not being run by the Department of Agriculture and Food instead of the Department of Water? Would it not be more efficient that that be brought back in-house?

Mr Webb: I can only advise that that is a decision by government to allocate it

Hon DARREN WEST: We will ask the government.

I briefly touch on the pain that is in the dairy industry at the moment, as I am sure you are aware. With the end of the financial year approaching a number of dairy suppliers are set to be left with nowhere to send their milk. What do you expect to happen with the excess milk when those contracts end? How are affected suppliers expected to manage the need to fulfil contracts to the deadline when they suddenly cease supplying? Broadly my question is: what strategies do you have in place to assist those producers who have nowhere to sell their milk? Are you working with the industry and in what capacity?

Mr Metcalfe: We are working with industry, particularly with the four affected producers at the moment that do not have a contract going forward, in trying to find a commercial outcome as opposed to any form of subsidy. One of the challenges amongst it is that I guess with a good start to the growing season, we anticipate about another 40 million litres of milk in surplus production to come out of this season. Finding a home for that is challenging, with Brownes having their cheese process closed down at the moment as a result of the whey not being able to be disposed of. We are working to see if there is an opportunity to resolve some of that going forward so that surplus milk can go into cheese. Having said that, even if it does go into cheese we are still not competitive even on an interstate basis, so it is a short-term fix and it will not result in a longer term solution. When the cheese is processed and manufactured it is in the order of \$6.50, yet the stuff that is currently coming in and/or produced locally is \$4.50 in the marketplace. It is not competitive. We are trying to work our way through that in a comprehensive way to ensure that the resolution is going to work in the longer term as opposed to just plugging holes in the short term.

Hon DARREN WEST: There are two new entities—looking from outside it was all very confusing—to boost trade overseas. The Department of State Development under the Premier has set up a special measure to expand Agribusiness Western Australia to be in a better position so that producers can meet growing interest from overseas. That agency is being headed up by your predecessor Mr Delane. There is also another entity. Mr Redman is also establishing a trade office to support agrifood investment as part of WA Open for Business. Could I ask whether there is a view that now that we have two separate trade offices doing the work that we would perhaps expect the Department of Agriculture and Food to do, why would there be a need for either of those offices when I would have assumed that was something that the department might have taken carriage of?

Mr Webb: Those issues are really a matter for government. What I can say is that we are working very closely with both DSD and DRD to make sure we get the best outcome we can.

Hon DARREN WEST: Is that creating challenges and duplication of services for the department?

Mr Webb: Again, that is just part of normal business to have those communication processes really clear and to make sure that where DAFWA is the best-placed organisation to deliver the outcome, it does so.

Hon DARREN WEST: We can perhaps look at it another way. Given there is an agency under State Development and an agency under Regional Development, would it not be a good idea if the Department of Agriculture and Food kept right out of that space given there are now competing interests, if you like, within the government?

Mr Webb: Can I make the general comment that the decision by government to create those other entities is a matter for government and we are trying to work very closely in the best way we can with the services we currently have to make sure the outcome is the best one we can get for WA.

Hon DARREN WEST: It seems a little bit odd to me that now you have to deal with these two agencies. Anyway, I will move on from that.

The DEPUTY CHAIR: You are treading a fine line—you have not crossed it yet—of almost verballing the officers, so I ask you to pull back on that.

Hon DARREN WEST: Point taken, Mr Chair; it certainly was not my intention. I was pressing to try to find whether there was a view.

The DEPUTY CHAIR: I had no idea what your intention was but I am telling you that is where you were heading.

Hon DARREN WEST: I am finished on that subject, Mr Chair. I have a question on another subject. The Potato Marketing Board is to be abolished and the industry is to be deregulated. I wonder what role the Department of Agriculture and Food has in that transition process, if any; what resources will be required; and what cost to the agency could be incurred as a result of that decision.

Mr Webb: There are two-parts to that. We are assisting in the deregulation protocol—I cannot remember the right term—to repeal the act. The second part is that Mr Eftos is chairing a committee. That comprises a number of players, including industry representatives, to provide the outcome that is going forward for consideration by government by the end of June.

Mr Eftos: That is right the recommendation is to go to the Minister by the end of June.

The DEPUTY CHAIR: I am sorry; there is a bit of chatter. I did not hear that and I am not sure whether Hansard did.

Mr Eftos: The working group will be making recommendations to the Minister for Agriculture by the end of this month.

The DEPUTY CHAIR: Thank you.

Hon DARREN WEST: Are you at liberty to tell us who is on that committee?

Mr Eftos: Myself as the chair; Vaughan Carter from the Potato Growers Association; Simon Moltoni, also from the PGA; Dexter Davies representing the Minister for Regional Development's office; Mr Luke Morgan from the Minister for Agriculture's office; and Peter Evans, the CEO of the Potato Marketing Corporation.

Hon DARREN WEST: Thank you.

Hon KEN TRAVERS: I turn to page 696 of budget papers, the “Outcomes and Key Effectiveness Indicators”. I think they are the overarching ones for the department. Your footnote there reads —

All targets and actual key effectiveness indicators are amended to show businesses that rate the Departments influence as at least 50%, representing a moderate or significant influence. These were previously reported as scores of 60% or above, representing a significant influence only.

Correct me if I am wrong, but these are measured by surveying participants you deal with in industry in the different categories. Is it the people you have a relationship with and you surveyed farmers and consultants and a range of different groups? Is that correct?

Mr Webb: Yes; that is correct. This is an independent survey done of about 400 respondents.

Hon KEN TRAVERS: My recollection is that the survey questions are sort of on a scale of one to 10, or is it one to five, whereby 10 is you strongly agree and one is you strongly disagree; and how would you rate the agency?

Mr Webb: It is zero to 10, but the same principle applies.

[8.50 pm]

Hon KEN TRAVERS: Am I correct that under the old measurements, where you talk about 60 per cent, that was anyone who gave you a 6, 7, 8, 9 or 10 were recorded as giving you a positive

rating? Now what you are saying is that if they give you a 5, 6, 7, 8, 9 or 10, they are recorded under this new measurement. Am I right in understanding that that is the change that has occurred—you have added in the 5, effectively?

Mr Webb: That is my understanding; correct.

Hon KEN TRAVERS: Who did you consult with about that change to your performance indicators before you adopted it?

Mr Webb: I am not aware of that. Can I take that on notice? I do not know the answer to that.

Hon KEN TRAVERS: Does the CFO?

Ms Taylor: It would have been that we consulted with Treasury and the Office of the Auditor General, as per the process required of government agencies.

Hon KEN TRAVERS: Surely, 5, though, when those surveys are done, is almost the agnostic number—I neither agree nor disagree or I do not know. The fact that someone gives you a 5, they are potentially saying, “I don’t know what the answer to this is”, or, “I really don’t want to give a view about whether you’re doing a good job or not.” Is that not a reasonable assumption, or is there something in your survey that prevents that from happening, because that is normally what happens with those surveys?

Ms Taylor: I do not have the data in front of me, but I believe a 5 would represent a moderate response. It goes from “moderate” to “significant”—from 5 to 10. I do not have the detail in front of me, but we can take that on notice.

Hon KEN TRAVERS: My experience of those surveys is that 5 is the agnostic “I don’t know” or “I neither agree nor disagree”. It is not a positive rating; it is a zero rating, effectively, in that sense. They are not saying you are bad, but they are definitely not saying you are good. The way this performance indicator is written it is suggesting that they are giving you some sort of positive rating. Am I wrong there? Correct me if I am right or wrong.

Ms Taylor: I do not actually have the rating scale in front of me, and I was not involved in the process so I cannot answer it tonight. But we could certainly take that on notice and provide you with feedback on it.

[Supplementary Information No E38.]

Hon KEN TRAVERS: If one was to look at the previous figures when, even though you had a target of 33, you were getting 24 and 25 per cent and around that in terms of the rating in some of these areas, considering we have now gone to including that 5—I would be interested in knowing whether or not the 5 rating, in terms of the number of responses, sits as the median point so that the number of people who give you a 5. Normally, again, in a lot of these surveys you would get a big number in that 5 because of that middle ground where they do not want to really express an opinion. Does it concern the director general that even when you have changed this performance indicator to allow for 5 to be included in that scale, you are still, firstly, not meeting your target of 45, 42 and 42 per cent and you now are reducing your budget target; and, secondly, that you are not even getting half of each of the participants in the survey saying the department is doing a good job? They are not even giving you a positive ranking, even when you include that middle ground of 5. You did not have a positive ranking of 6 and above before, and now you still do not even have a 5. Does that concern you?

Mr Webb: Again, without looking at the data it is hard to make that assumption. But I understand your question, and if we were only at 5 and that was the consistent response, then, yes, I would be concerned.

Hon KEN TRAVERS: Yes. These sort of questions are something we have asked about in the past. I look forward to getting a positive response from you next time you come before us in terms of

how you have been able to uplift the department in the way in which your key stakeholders are viewing you. Certainly for me, if I was running an organisation where I could not even get people to give me a 5, I certainly would be worried a little bit.

I just wanted to turn to the performance indicator for resource management. In fact, the next question I have is that it seems to be that you have changed your performance indicators, because as a department you have changed and expanded the number of service delivery areas compared to previous years. Is that correct?

Mr Webb: We will take that on notice, member.

[Supplementary Information No E39.]

Hon KEN TRAVERS: One of the things that has been raised with me is I have always thought performance indicators were supposed to be taken in a way that gives you measurements that survive things like the way in which you deliver a service. That is a function of how you deliver it. The way in which the industry records your performance, or your performance indicators, should be independent of that yet you seem to have it very much linked to your service delivery areas. Is that something that concerns were raised about when you had discussions with Treasury and the Auditor General? Part of the problem with that is, as we know too often, that government agencies change their service delivery model and that means that you cannot cast back about how you are performing over time. What are we doing to try to get a standard set of service delivery and performance indicators for the department that will stand the test of time and the internal restructures that you may or may not have to go through on an ongoing basis?

Mr Webb: Again, I am not sure that I can answer that question, given the time I have been in the role. Can we take that on notice and come back to you on that?

Hon KEN TRAVERS: I am happy to do that.

The DEPUTY CHAIR: I think we will incorporate that in E39. Can I ask a supplementary in this area? This may be one of the questions that you have on your list to ask. Why is it that in all four of these key effectiveness indicators you have adjusted your budget target for 2016–17 downwards compared to the budget target that you had set in 2015–16?

Hon KEN TRAVERS: You changed the methodology, and then you made it even easier again, and you still cannot get them to like you! I accept that you are a new DG, and I know that in agricultural terms you are cleaning out the shed!

Mr Webb: I do not have the answer to that, so we will need to take that on notice.

[Supplementary Information No E40.]

The DEPUTY CHAIR: We will make that E40 and see how you go. I understand that you are new. I also understand that sometimes figures are changed—I think they were changed in the last budget, from memory; I do not have that in front of me—and then they get adjusted.

Hon KEN TRAVERS: The point is that you are supposed to try to get performance indicators that can expand so that you are not changing, because they become nonsensical if every time you change the service delivery you change your performance indicators. That really does not help you or us.

The DEPUTY CHAIR: You changed the goalposts, and then you changed the umpires! That is what we are both saying.

Hon KEN TRAVERS: You changed the goalposts and you still cannot get it right!

I know that a range of changes are being proposed by the Minister for Lands to the Pastoral Lands Board. Is that something that the department has had a look at in terms of the potential impact on the agency? Does the department have any concerns around the proposed structure of the new pastoral act and the way in which pastoral lands will be managed and the impact on the ability of

pastoralists to deliver for the agricultural industry? I realise there is an element of policy in that question, so I am happy for it to be either the parliamentary secretary or the DG who answers that question.

Hon JIM CHOWN: I am happy to respond. At this stage, our party room has not debated that particular proposal, and, until that happens, I am not prepared to make a statement. But I would say that there is some concern by members from that region in regard to the issues raised by pastoralists, and the minister has mentioned to me that he has been lobbied quite hard by a number of pastoralists on this issue.

Hon KEN TRAVERS: Is the department looking at the impact on the ability of the pastoral industry to deliver? You talked very positively about your expectations about the outcomes for agricultural delivery. Is the department doing any work on the impacts of those changes?

Hon JIM CHOWN: I will get the director general to respond to that. I am unaware of any input from DAFWA, but there may have been.

Mr Webb: I am not aware of any input by DAFWA on that matter. I am in regular communication with the Department of Lands, including as recently as today.

The DEPUTY CHAIR: That brings us to the conclusion of this evening's hearing. On behalf of the committee, I thank you for your attendance today. The committee will forward any additional questions it has to you in writing after Monday, 20 June 2016, together with the transcript of evidence, which includes the questions you have taken on notice highlighted in the transcript. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet this due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of the hearing. Once again, I thank you for your attendance today.

Hearing concluded at 9.00 pm
