

PAEC Inquiry into the 2017-18 Budget Estimates – Questions taken on notice and further information agreed to be supplied at the hearing

Minister Pulford, Agriculture, Thursday 1 June 2017

Question 1

Regarding performance measures reference BP3, p.125, 'Clients engaged with agriculture productivity services', please explain why the number of clients engaged with agricultural productivity services decreased from 5078 in 2015-16 to 3910 in 2016-17?

(Page 21 of the Agriculture portfolio transcript)

Response

The lower 2016-17 target reflects the transfer of dairy productivity extension services from the Department of Economic Development, Jobs, Transport and Resources (the Department) to Dairy Australia (DA).

Effective from 1 July 2016, the Department and DA agreed to new service delivery arrangements which included the transfer of dairy productivity extension service delivery from the Department to DA. The performance measure target was reduced accordingly.

The Department continues to invest in services to support economic growth and jobs in the dairy sector. Over the past 14 months these services have included:

- Coordination support for the three Regional Leadership Groups established to support a multi-agency response to the April 2016 milk price reduction;
- Delivery of eight young dairy farmer focused Bootcamps, engaging more than 70 people, to support business planning and decision making;
- Delivery of 151 on-farm effluent management plans to support farm businesses better utilise on-farm nutrients and reduce the potential impact of dairying on the environment - this program has recently been expanded to include an additional 19 farm businesses;
- Support to 25 farm businesses who are undertaking on-farm infrastructure developments with a combined value of approximately \$150 million;
- Upskilling Rural Financial Councillors on dairy farm risk management and the drivers of dairy business profitability;
- Delivery of a range of programs to support improved on-farm irrigation practices across the north and south eastern regions of the State, including the delivery of state-wide seasonal updates to assist dairy farm businesses plan ahead.

A related performance measure was referred to during the hearing regarding client Interactions with Land Health Services. With this performance measure the target for 2016-17 was increased to 3500 due to demand for drought support services. Due to improved seasonal conditions, the 2017-18 target has been revised back to the previous year's target of 1700.

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Question submitted to the Chair by Ms Pennicuik, who was absent from the hearing.

Question 2

- a. Does the 2017-18 budget continue the 'Guaranteeing Victoria's Food Future - Funding for biosecurity', which was funded \$20.6 m in 2016-17?
- b. Was all that money spent and if so, where and how?
- c. What is the role of the Department in protecting key food growing areas in peri urban and regional areas from urban development?

Response A

The 2016-17 initiative, Guaranteeing Victoria's Food Future, provided \$20.6 million in 2016-17 to support the continued implementation of measures to better prepare Victoria for an incursion of a serious plant and livestock disease. This work is continued with the provision of \$44.4 million over the next two years through the future of Victoria's biosecurity services initiative.

Response B

Victoria's biosecurity program delivered by Agriculture Victoria manages significant biosecurity risks to the economy, environment and community, and is fundamental to growing the state's \$12 billion food and fibre sector. These biosecurity risks are increasing due to growing trade and travel, intensification of agriculture, climate change and changing consumer preferences. The increasing incidence of new pest and disease incursions is already evident.

The Guaranteeing Victoria's Food Future initiative sought to restore funding to strengthen Victoria's capacity to prevent, prepare for and respond to a major livestock disease outbreak such as Foot and Mouth disease. This funding is in response to the Victorian Auditor-General's Biosecurity: Livestock report, tabled in Parliament 19 August 2015, which found that funding for core livestock biosecurity activities was cut by 49 per cent between 2009-10 and 2014-15, while the number of key animal health officers and veterinary officers decreased by 42 per cent since 2010.

The initiative has been fully expended with a focus on re-building the capabilities and efficiency of our biosecurity systems to provide services to industry and respond to biosecurity emergencies. Key outcomes include:

- Maintaining our advantage in global markets through continued market access by maintaining (and demonstrating) pest and disease free status and meeting consumer preferences, here and overseas, for high quality, safe and traceable products.
- Minimising impact of new pests and diseases by improving our emergency response capabilities, for example by the filling of critical capability gaps in authorised officers and incident management team roles, testing and refining emergency response arrangements through simulated exercises, and development of the State Biosecurity State Emergency Response Plan Sub-Plan.

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- Better engaging with farmers, landholders and the community in meeting our shared responsibilities for biosecurity and animal welfare.

Response C

The Minister for Planning is responsible for the *Planning and Environment Act 1987*, and local government is typically the responsible authority that administers and enforces planning schemes.

The Department of Economic Development, Jobs, Transport and Resources (DEDJTR) has no formal role in protecting key food growing areas from urban development.

However, DEDJTR works with the Department of Environment, Land, Water and Planning (DELWP) and local government to ensure the needs of the agriculture sector are understood and addressed in planning for Victoria's peri urban and regional areas.

A current example is the Planning for Sustainable Animal Industries (PSAI) work program, jointly led by DEDJTR and DELWP. PSAI is the government's multifaceted approach to improving land use planning by making the planning system easier to use and understand for animal production industries and local governments.

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Question submitted to the Chair by Ms Pennicuik, who was absent from the hearing.

Question 3

In 2015, the Government established a \$220 m fund for agriculture, infrastructure and jobs (p.23 Rural and Regional Budget Information Paper).

- a. How is this fund used?
- b. Is the fund used in intensive animal farming activities and if so, how is animal welfare factored into any actions undertaken under the fund?

Response A

The \$200 million Agriculture Infrastructure and Jobs Fund (AIJF) invests in enabling economic infrastructure and agriculture supply chains to boost productivity, increase exports and reduce costs so farmers, businesses and industries remain competitive. Funds are available until 30 June 2019.

AIJF is a commitment to farmers and agribusiness to strengthen the performance and resilience of the agriculture sector, and a key component of the government's strategy to drive economic growth, create jobs and boost exports. Examples of projects the Government committed to fund that are underway include:

- \$20 million contribution towards the \$60 million Macalister Irrigation District (MID) Project Stage 1b. This will convert around 85km of manually operated earthen irrigation channel to 38km of pipe and 32km of automated channel in the Southern Tinamba supply area. Around 9,700ML of water savings will be generated for farmers.
- \$3 million for the Cattle Underpass Scheme (CUPS) being delivered by the Victorian Farmers Federation. CUPS provides grants up to \$50,000 to dairy and beef farmers to construct underpasses to safely move herds between pastures separated by local or arterial roads.
- \$8.5 million for GrainCorp's Project Regeneration. This will upgrade state-owned rail siding assets at nine Victorian grain terminals. Grain farmers will benefit through up to \$5 per tonne savings on rail freight charges.
- \$5 million to develop a Doppler weather radar station in the Wimmera Southern Mallee. Currently farmers in this region are in a radar blackspot and this project will lead to significant savings to farmers through better crop management.

Response B

No.