

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2025–26 Budget Estimates

Melbourne – Wednesday 11 June 2025

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch

WITNESSES

Ros Spence MP, Minister for Agriculture; and

John Bradley, Secretary,

Beth Jones, Deputy Secretary,

Phuong Tram, Head, Forestry Industry, Agriculture Victoria,

Dr Trevor Pisciotta, Executive Director, Regulatory Policy and Programs, Animal Welfare Victoria, Agriculture Victoria,

David Burns, Executive Director, Agriculture Policy and Programs, Agriculture Victoria,

Dougal Purcell, Executive Director, Agriculture Sector Development and Services, Agriculture Victoria,

Sharyn Williams, Executive Director, Biosecurity, Agriculture Victoria,

Sally Fensling, Deputy Secretary, Corporate Services, and

Etienne Gouws, Chief Financial Officer, Department of Energy, Environment and Climate Action.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the land on which we are meeting, the lands of the Wurundjeri people. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be joining us here today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, any comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is being recorded by Hansard and it is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything you say may be picked up and it could be captioned, even if you say it very quietly.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream and other committee members.

I welcome the Minister for Agriculture the Honourable Ros Spence as well as officials from DEECA. Minister, I going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you some questions. Your time starts now.

Ros SPENCE: Thank you, Chair, and thank you to the committee for your interest in the agriculture portfolio. I would like to begin also by acknowledging that we are on the lands of the Wurundjeri people. I acknowledge them as traditional owners and pay my respects to elders past and present and I extend this respect to any First Peoples joining us today.

Visual presentation.

Ros SPENCE: Before I talk to the state of the agriculture sector, I would like to acknowledge the challenges that many farmers and communities are facing statewide due to the current drought. Despite welcome recent rainfall, acute pressures do remain, and that is why the Victorian government is providing \$67.2 million in funding towards the drought programs and initiatives. This support includes the statewide \$5000 on-farm drought infrastructure grant program, increased to \$10,000 for the south-west, to help farmers manage current drought impacts and increase preparedness for future droughts; and statewide support services, including the Look Over the Farm Gate farmer mental health and wellbeing program, expansion of technical and decision-making support services and additional investment in partnerships with the Rural Financial Counselling Service and the National Centre for Farmer Health. In addition to this, a new dedicated Drought Response Taskforce led by the Premier has been established to help inform the development of further supports for farmers, businesses and communities.

In Victoria we have much to be proud of and to thank our agriculture sector for, as it leads the nation in food and fibre exports and is the backbone of our regional communities. Victoria's agriculture sector generated \$21.8 billion gross production at the farm gate in 2022–23, and this figure is an important indicator of the sector's overall output, reflecting the passion, efforts and innovation of Victoria's producers. The sector supports approximately 150,750 jobs in agricultural production and food manufacturing, with 21,300 agriculture businesses, big and small. Agricultural land covers 11 million hectares, or 48 per cent of the state, producing 27 per cent of Australia's total food and fibre exports by value in 2023–24 – an increase of 3 per cent of the national value from the previous year, and maintaining Victoria's position as Australia's largest exporter of food and fibre by-products by value.

Over the past year we have delivered a range of programs and initiatives to protect, grow and support the agricultural sector. Highlights include the value of food and fibre exports increasing by 3 per cent from 2022 to 2023 to a record \$20.1 billion in 2023–24, meaning that Victoria achieved our export target of \$20 billion in food and fibre exports six years ahead of our 2030 target. Our record export performance reflects the sector's competitiveness in global markets and includes value-added products like processed foods and textile products. Demand for Victoria's food and fibre produce is truly global, with products from Victoria now traded in 172 countries. Since 2019–2020 the share of export product going to destinations outside our top five export markets has increased from 39 per cent to 47 per cent, highlighting the growing and diversifying global market demand for our food and fibre produce.

Strong biosecurity underpins our sector. Agriculture Victoria has worked collaboratively with industry, the community and other jurisdictions in response to significant and increasing biosecurity risks, including avian influenza, tomato brown rugose fruit virus, Varroa mite and foot and mouth disease. We have worked with Victoria's apiculture and broader agriculture sector as they prepare for and adapt to impacts associated with the establishment of Varroa mite. Our dedicated program for emergency animal disease preparedness continues to deliver rapid uplift in government's response readiness. With foot and mouth disease on our doorstep in Indonesia and the H5 avian influenza strain spreading globally, it has never been more important that Victoria is ready to respond. Significant engagement continues with industry, community and traditional owners to inform implementation of Victoria's biosecurity strategy, with priority goals and actions driving shared responsibility.

We are investing \$120 million into the Gippsland plantations investment program. In 2024–25 this investment allowed Hancock Victoria Plantations to purchase over 2200 hectares of land and plant 1.1 million seedlings during the 2024 winter planting season. The program is expected to sequester 7.8 million tonnes of carbon dioxide over the next 25 years, contributing to the government's emission reduction targets. Through research and innovation, we continue to take meaningful action to mitigate and plan for the impacts of climate change on the sector. We have partnered with businesses, research partners and communities in delivering the first agriculture sector emissions reduction plan. The pledge has seen the delivery of a range of foundational initiatives, including research on methane emission reduction technologies and on-ground action through the on-farm emissions action plan pilot. Rollout of these initiatives has been shaped by the Victorian Agriculture and Climate Change Council, a group of industry leaders and internationally renowned climate experts providing significant insights and value to our programs. We continue to deliver a world-class portfolio of research and innovation to support climate action in the dairy, grains, horticulture, biosecurity and natural resources sectors. Agriculture Victoria has just been announced as a core partner in the new \$87 million cooperative research centre for zero net emissions in agriculture, leading key projects focused on methane emission reduction.

For the agriculture portfolio, funding is provided for the delivery of our important work program in 2025–26 and beyond. Biosecurity continues to be a focus of this year's budget, acknowledging the importance of ongoing investment to protect the sector from the increased threat of pests and diseases. This budget includes \$36.7 million to ensure we have the capacity and equipment needed to respond to biosecurity emergencies now and into the future, with a focus on maintaining the delivery of prevention, surveillance, preparedness and compliance activities. Regional fruit fly governance groups grants will support groups in the Goulburn Murray Valley, Sunraysia and Yarra Valley regions to adopt programs and strategies to manage Queensland fruit fly and protect valuable crops. Funding is also provided to the RSPCA to deliver critical regulatory services on behalf of the state and support animal welfare organisations working to care for and protect animals.

\$2.1 million will extend the fox bounty program to help protect livestock and wildlife across Victoria against fox predation. Protecting our agriculture sector and improving its resilience to climate change is critical to maintaining its productivity and longevity. This budget delivers \$6.1 million to continue research and development of emissions reduction practices and technologies for Victoria's dairy sector, including research into genomics and breeding values for lower-methane cattle and methane-reducing feed additives. \$1.6 million will be invested to support Victorian farmers and farming communities and the emerging industrial hemp industry. This will support the National Centre for Farmer Health to deliver essential farm safety, health and wellbeing services and help lift diversity in agricultural leadership through the Victorian rural women's leadership and mentoring program.

Finally, the government is supporting the emerging industrial hemp industry in Victoria by developing standalone legislation to help address regulatory barriers. The Victorian forest and wood products industry is an important part of Victoria's economy, and our government continues to provide record investment to support the transition away from native timber harvesting and the continued growth of Victoria's plantation estate. For more than a decade the Victorian forest and wood products industry has been Australia's largest, and this continues to be the case. In 2022–23 Victoria's total share of national plantation log harvest volume reached a record high of 29 per cent, valued at \$642 million.

Despite challenging conditions, our vibrant, diverse and exciting agriculture sector continues to adapt, innovate and flourish. We have important work ahead of us in 2025–26, including to support the sector as it grapples with drought. We will continue to use our strong and deep connections with industry and community to tackle issues and realise opportunities. We are unwavering in our commitment to supporting the growth of Victoria's agriculture sector and delivering thriving regional economies. Our program of work ensures our sector is well placed for the future. Thank you, Chair.

The CHAIR: Thank you very much, Minister. The first 8 minutes are going to go to Ms Benham.

Jade BENHAM: Thank you, Chair. Afternoon, Minister – wonderful to have you here. And you are right: there is a lot to be proud of in the agriculture industry and sector in this state. So why then is the funding remaining flat? It is a growing sector, and the funding for AgVic and biosecurity – fruit fly: is there increased funding there? It just appears that even though it is an incredibly important sector to this state and nationally and internationally with food and fibre security, the investment is just not there.

Ros SPENCE: I do not agree with the suggestion that the investment is not there. As we have both said, there is much to be proud of. There is a huge amount of really great work going on, and there is investment to back it. If you have a look at the agriculture output, the target for 2025–26 is \$40.6 million higher than the 2024–25 target. So when you do the target-to-target comparison, this is actually a year with greater funding.

Jade BENHAM: But the expected outcome in 2024–25 was higher. Is that because of the avian flu outbreaks and varroa mite early in the year?

Ros SPENCE: Say the start again, sorry.

Jade BENHAM: The actuals, the expected – that is higher again.

Ros SPENCE: Yes, that was because of the biosecurity responses that were undertaken and as well the first part of the drought relief package from September. Both of those meant that the actual was significantly higher. Again, I would expect that next year we will see the actual come back higher than the target, because we have

already had two additional drought packages which are not in this budget but they will obviously go towards the actual figures for 2025–26.

Jade BENHAM: Okay. Staying with biosecurity for a minute, given that lumpy skin disease is close, foot and mouth – these are all things that are putting more and more pressure on farmers – what measures are being taken? Last year on 17 May, in this committee hearing, it was said that there was significant work to enable surge resourcing as far as biosecurity goes. But the targets again – the number of properties inspected for invasive plants, for example, and animal priority species in 2023–24 was 1921, yet only 1440 properties were inspected in 2024–25. What is the explanation for this?

Ros SPENCE: I think you will find that the note accompanying that goes to how those resources were reprioritised to the higher need surge, where we had those incursions, and there had to be resources deployed to do that.

Jade BENHAM: Are those resources pulled from other areas within the public sector and even the private sector? What enables that surge capacity? Because –

Ros SPENCE: It is a mix.

Jade BENHAM: Yes, okay.

Ros SPENCE: Yes, there is an internal surge where AgVic staff will go often to where the incursion has occurred. Where the issue is, they will go there. Broader DEECA staff do as well. There are also a large number of vets that get brought in. So it really is a combination of AgVic, the broader department, other government resources and private.

Jade BENHAM: So if we have an outbreak of foot-and-mouth or varroa mite – and this might be a question for the Secretary – is AgVic confident that there is enough resourcing? Are we confident that there are enough resources, staffing, funding to be able to respond adequately so that we do not decimate this multibillion-dollar industry?

John BRADLEY: Yes. I think as the minister is alluding to, what we have seen is a significant uplift in the output for biosecurity during the course of this financial year against the original budget to respond to those diverse threats, including varroa mite and the tomato brown rugose fruit virus, and of course the threats of avian influenza and that outbreak that occurred there after we had just achieved our clearance from the previous avian influenza outbreak. We have done a lot of work in relation to our biosecurity strategy and particularly around emergency animal disease, looking at both workforce planning and also our capacity to manage the first day of an outbreak and subsequent planning. And then also the department has done a lot of coordinated activity, not only in the Agriculture Victoria space that would lead a biosecurity response in relation to a H5N1 outbreak but also bringing in our biodiversity capability as well, to make sure that we are ready for a range of biosecurity threats. So certainly I think our capacity is stronger than it has ever been as a department to respond to these issues, and we are confident that with the right cooperation working across industry and the veterinarian community as well and community awareness in relation to issues like H5N1, we are in a good position to manage those increasing range of threats.

Jade BENHAM: The ‘Department Performance Statement’ on page 20, the total output cost for agriculture industry development and regulation is being cut from a \$169 million expected result for the 2024–25 year to \$149.5 million next year. This is explained in the footnote as reflecting:

... the ...Government’s efforts to ensure spending is aligned with front line service priorities.

Is that restructure related to the Silver review?

Ros SPENCE: The Silver review is not completed. I will let the Secretary speak to that.

Jade BENHAM: There is an interim one out though, isn’t there?

Ros SPENCE: I will let the Secretary speak to that.

John BRADLEY: The minister’s answer is correct. It is not related to the Silver review.

Jade BENHAM: How many jobs and services then are being cut as a result of this funding cut?

John BRADLEY: Maybe the best answer I can give you is to talk to the level of Agriculture Victoria staffing at the moment. As reflected in the questionnaire, there are 1086 staff estimated as our final end-of-year outcome for the June period in agriculture, as opposed to 1032 at the end of the previous year. So there has been –

Jade BENHAM: What about moving forward into next year, given that funding cut?

John BRADLEY: In relation to the overall agriculture budget, the agriculture budget has increased I think by about 8 per cent, from memory, so the total expenditure for the agriculture portfolio, budget on budget, is actually higher. We are working our way through the preparation of our business plan for the 2025–26 year to reflect the total budget outcomes and to take into account savings opportunities and opportunities to work more efficiently and effectively across the department. But in aggregate terms across those outputs for agriculture the budget is actually higher than the previous year's budget.

Jade BENHAM: But for agriculture industry development and regulation it is cut from \$169 million as the expected result for last year to \$149.5 million.

John BRADLEY: Yes. The Deputy Secretary is probably best placed to answer that.

Beth JONES: Yes. Thanks, Ms Benham. I think that reflects – as the Secretary said – that is a sub-output of the entire output. In any one year across the different programs in agriculture we will have things that come on as new initiatives, like drought, as the Minister was saying before, and there are other projects that reach their natural conclusion. There have been a few programs in this particular sub-output in that boat – the horticultural netting trial scheme, some grant programs and some climate-ready agriculture initiatives – so it reflects that.

Jade BENHAM: So no job cuts?

The CHAIR: Thank you, Ms Jones. The time is up. We are going to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister and officials. As we just heard, there are a lot of resources that are required if there is an outbreak of disease. You can see on page 28 of budget paper 3 the initiative 'Safeguarding the future of Victoria's agricultural sector and supporting animal welfare'. How is that funding ensuring primary producers are able to protect crops and livestock from disease?

Ros SPENCE: Thank you for your interest in this area. Yes, you are correct in saying that Victoria has a lot of events, and we do need the resources for that. This requires an extraordinary amount of resourcing as the department works to comply with agreed national standards to test, to eradicate and, most importantly, to prepare any affected business for a speedy return to market access. So the \$16.6 million that is allocated over two years in this budget is provided to make sure that we are well resourced, properly equipped and ready to respond when and where necessary. This would typically require a significant number of Agriculture Victoria and sometimes broader DEECA staff to relocate to the affected area, as I was mentioning to Ms Benham, and they need to have those necessary tools at hand to deal with whatever the situation requires. This budget includes support for existing regional fruit fly governance groups, and it builds on the \$20 million already invested to protect Victoria's agricultural sector against varroa mite and the avian influenza biosecurity emergencies.

The funding will help us maintain that important current biosecurity surveillance that we undertake as a prevention tool, and that basically supports specialist technical capabilities and delivers important rapid-response diagnostic capabilities. An example of this type of innovation is a transportable rapid diagnostic kit that I have seen at AgriBio in Bundoora, and it basically fits into a suitcase. That means that officers can test onsite rather than transporting potentially infected materials to a laboratory. This means officers can test the materials immediately. They can receive the results quickly and in a way that does not potentially spread disease or virus beyond what is a control area. It is a type of technology that will ensure that when an outbreak does occur, we can work together with property owners to get back on track and back to business as quickly as possible. We know how devastating an outbreak is to a business, and it is really important that we work collaboratively but also effectively with those businesses to get them trading again as soon as possible.

Lauren KATHAGE: Yes, because I think the resources spent by AgVic and businesses are intense. I think we saw that with the avian influenza outbreak. A couple of pages later in BP3, on page 30, it talks about some investment there. How is that helping us to, I guess, prepare ahead of time?

Ros SPENCE: Thank you. I will just do a bit of background on the avian flu outbreak and then come to how that is helping us prepare. The avian flu outbreaks that occurred this year and last year were all H7 HPAI forms of avian influenza. That is not the H5 strain, which is the strain that is causing absolute devastation across the globe, and that is the strain that we continue to prepare for whilst doing this other ongoing work. We know that the H5 strain is north of Australia and Indonesia. It is south of us in Antarctica. It is on every other continent except Australia. So it is really important that we keep that preparedness work up whilst addressing other things that are going on.

This year alone in the north of the state approximately 8.5 million eggs and 51 tonnes of liquid egg were disposed of and around 600,000 bird carcasses were buried due to the avian influenza events in the north. Agriculture Victoria staff were deployed to four impacted properties to assist with the depopulation and disposal practices as well as with the cleaning and the disinfection of those premises. Now, the lessons learned from each outbreak help inform the work of the next, so Agriculture Victoria will keep working really closely with affected industries and businesses to help with their recovery but to also enhance our preparedness and to help those businesses build resilience.

H5N1, should it arrive or when it arrives, will require a more complex response, and it is something to be quite fearful of. The funding in this budget will help with the development of key policies for the whole-of-government response that would be required. We are currently purchasing equipment to detect, diagnose and respond to H5N1, with further assistance from the federal government. There is also a lot of work going into the development of pre-emptive programs to support the survival of some of our already really critically endangered bird species, like the helmeted honeyeater and the orange-bellied parrot. So a day one stand-up plan that has been finalised will help prioritise decision-making, and it will feed into the national plan as well as ensuring that we have the capability to respond to emergency events that may occur simultaneously, because we cannot rule that out, and it is really important that we have got the capacity to deal with more than one event at a time. So there is a lot of preparedness work underway. There have been a lot of learnings from the H7 events, and the investment in this budget will assist us in continuing that really important work.

Lauren KATHAGE: Thank you. I guess that is not the only threat; we have heard a bit about fruit flies already this session. So with that funding there on page 30, how is that helping fruit growers to prepare or to manage the pest, I should say.

Ros SPENCE: I know that there has been some concern that the funding provided to the Queensland fruit fly governance group was going to come to an end at 30 June. That funding was for a five-year managing fruit fly in Victoria management plan, and it was followed by Victoria's fruit fly strategy, which supported a transition to industry- and community-led fruit fly management. So we recognise that some fruit-growing areas have experienced more challenges than others with this transition owing to a number of factors, including their level of impact over the years. So this budget will provide further funding to help build that local resilience to the pest. The funding will support existing regional fruit fly governance groups, and they are located to cover the areas of Goulburn Murray Valley, Sunraysia and Yarra Valley, and I am pleased that the budget has provided that continued support, and further arrangements for this funding will be determined in consultation with the governance groups over the coming months.

Lauren KATHAGE: How does all this add up to supporting our economy in Victoria?

Ros SPENCE: Thank you. It is really important that it does have that connection to the economy, and I am very proud about the record \$20.1 billion worth of food and fibre products, which is larger than any other state or territory, so it is extremely important that we protect our overseas market access. It has been estimated that Victoria's collective biosecurity actions have prevented \$94 billion in avoided damages across agriculture, water and tourism over a 50-year period; this saves jobs, it saves the environment and it saves our rural and regional communities.

Lauren KATHAGE: \$2 billion a year, roughly – that is a lot.

The CHAIR: Thank you very much, Ms Kathage. I am going to Ms Benham.

Jade BENHAM: Minister, just back on the fruit fly really quickly, is that continued funding only for another year?

Ros SPENCE: No, it is over two years.

Jade BENHAM: Great. That was just a quick one I just wanted a quick answer to. Thank you very much. I want to go to drought response now, and in your presentation earlier you had said that you modelled the impacts of climate change on farming. Have you modelled the impact of the emergency services volunteers tax and other taxes that Victorian farmers are facing along with drought impacts? Have you done the modelling for that, for the liability of Victorian farmers?

Ros SPENCE: I will defer to the Secretary to talk about modelling, but what I will say is that it has been really apparent that at a time when farmers are doing it tough – and for some, the toughest they have ever done it, and they cannot see any end to this in sight – and they have been overburdened with pressure, this was one more thing that added a pressure to them, and I am really pleased that there was a decision made to not have that imposed on them at a time when they really need to be worrying about what is going on on property.

Jade BENHAM: It is only a stay of execution, though; it is only 12 months relief.

Ros SPENCE: Well, I do not know that that is correct; it has been said it will not be this year, but the Treasurer has also said that conditions will continue to be monitored. So I think that there are conversations to be had; the Treasurer made it clear that she was open to those conversations, so –

Jade BENHAM: So has any modelling been done on the impact of this tax and drought and other taxes that Victorian farmers are facing?

John BRADLEY: So I think in terms of the overall monitoring of the conditions in the sector we are taking into account that it is a dynamic process, and as the minister referred to the drought taskforce earlier, one of the reasons why it has been established is to make sure that we have got the highest levels of government meeting with peak industry stakeholders to take account of the dynamic management of the drought. In the context of the rainfall we have seen in the last seven days, there have been some areas, including some areas that needed it most, that received some rainfall, so we are monitoring that, but overall we certainly would not consider that that is game changing in terms of the drought status, and we are continuing to monitor pressures on the sector, including the cost of fodder and other inputs to farm businesses while recognising, as the minister said earlier, that over –

Jade BENHAM: Secretary, has any modelling been done on the impacts that this tax will have on Victorian farmers and their viability?

John BRADLEY: I think, as the minister alluded to also, the emergency services levy – the variable rate on primary production properties – will remain at the current level as it was in 2024–25. So the answer to that question is that no analysis of the impact of that –

Jade BENHAM: No modelling has been done?

John BRADLEY: No analysis of the impact of no change is needed.

Jade BENHAM: But it was. It was introduced first and then after an incredible public outcry it was paused. So has there been any modelling or is there any intention to do any modelling before that comes back? Minister?

Ros SPENCE: Can I just add to that. When it comes to our responses to drought, it is the drought preparedness and response framework, but that –

Jade BENHAM: Yes, but we are talking about whether any modelling has been done about this tax and the impact it is going to have on farmers.

Ros SPENCE: That framework takes into account not just seasonal conditions but also social and economic conditions –

Jade BENHAM: Which are getting worse.

Ros SPENCE: so if there is an economic pressure, then that is taken into account as to what response level will be applied to the drought.

Jade BENHAM: We will get into drought response in a minute. I just want an answer, yes or no. Has the modelling been done on the impact that this tax will have when it is introduced, or is there real consideration by government to keep it at the current level for primary producers?

Ros SPENCE: That would be a question for the Treasurer.

Jade BENHAM: Has any modelling been done?

Ros SPENCE: That would be a question for the Treasurer.

Jade BENHAM: Nothing by the department of agriculture? No modelling at all for the impact on primary producers?

John BRADLEY: The policy is the responsibility of the Treasurer, so our department has not analysed or modelled that change, recognising there is no change occurring to the rate in the coming financial year. It is going to be the same as in 2024–25.

Jade BENHAM: There was going to be an impact until two weeks ago. But no modelling has been done?

John BRADLEY: It is not our department's responsibility for the modelling.

Jade BENHAM: Well, the Treasurer said that there was very little modelling when she was in front of this committee last week. So that is a no.

In regard to drought response, page 18 of the department's performance statement indicates a 25 per cent cut to rural financial counselling services since last financial year. In the midst of a drought and so many taxes, with Victorian farmers again dealing with financial hardship, why are you cutting this essential service?

Ros SPENCE: Can you just give me that reference again?

Jade BENHAM: Yes. It is the department's performance statement, page 18, and the comparison is between 2023–24 when there were 2279 services and the 2025–26 budget, 1700 services, a 25 per cent cut. Why would we be cutting rural financial counselling services at, as you said, Minister, a time when Victorian farmers are doing it perhaps the toughest they have ever done it?

Ros SPENCE: We have added additional resources to them through the drought response. All three drought responses included the rural financial counselling service, so I think that you will find that the revised actuals for that will be different when it takes into account the boost in services that will be provided over the period since.

John BRADLEY: If I could just add to the answer, Minister, and it goes to your point that the target in 2024–25 was 1700 and the achieved result was 2100, so it was an outperformance against target with another 400 services provided. The target remains at 1700, but that is not an indication of our capacity to meet and respond to demand. As the minister said, we have extended that partnership by investing \$900,000 in the 2025–26 budget.

Jade BENHAM: There is a waitlist at the moment for rural financial counselling services of over six weeks, so how many Victorians are currently on the rural financial counselling waitlist across Victoria, and what is the department doing to bring that down? Six weeks is too long to wait. Banks will not wait that long.

Beth JONES: Thank you, Ms Benham. The rural financial counselling service triages its clients and that is a process that they run. We have invested through this drought response. There has been an increase in funding provided to the rural financial counselling service, not a decrease.

Jade BENHAM: So that will go up in resources?

Beth JONES: It has gone up in resources. That is correct.

Jade BENHAM: Because even they say they are so underfunded and under-resourced that they cannot keep up with demand, particularly now. Demand is growing for the rural financial counselling service that we speak to often.

Beth JONES: I am not hearing six-week waitlists, Ms Benham, and the triaging is done by the rural financial counselling service. We are actively meeting with them quite frequently around the monitoring of services to see what is required, but I have not heard a six-week waitlist. That has not been communicated –

Jade BENHAM: Do you know what the current waitlist, according to AgVic, would be?

Beth JONES: My understanding is that it varies depending on where you are in the state and which service you are working with.

Jade BENHAM: Obviously geographically, and after the rain, each area is different. Are you able to supply me with a breakdown?

Beth JONES: We would need to talk to the Rural Financial Counselling Service to obtain that, but yes, I would need to take that away.

The CHAIR: Thank you. Ms Benham. We are going to Mr Galea.

Michael GALEA: Thank you. Chair. Good afternoon, Minister, Secretary and officials. Minister, we have been discussing climate and its effect on agriculture already today, and I would like to draw your attention to budget paper 3, pages 28 and 29, which references specific initiatives when it comes to reducing emissions in the sector. Minister, how will this funding support the industry to do that, and what is the government doing to address this problem?

Ros SPENCE: Thank you, Mr Galea. In answering this question I think it is worthwhile to first recognise how important agriculture is to the Victorian economy. It is not just one of the key sectors of the economy, but Victoria's agriculture production is one of the key components of the Australian economy. The total output of agricultural production in Victoria, as we have mentioned, sits at around \$20 billion, and with more than 75 per cent of Victoria's 68,870 agriculture jobs being in regional areas we know that these areas rely on agriculture for their prosperity. Victoria, for instance, is Australia's largest producer of milk, sheep meat and horticulture and is Australia's largest food and fibre exporter by value. There are an estimated 21,300 farm businesses in Victoria, and they manage close to half of all Victorian land.

Agriculture is therefore the third-largest sectoral source of greenhouse gas emissions in the Victorian economy after electricity generation and transport. Victoria's agricultural greenhouse gas emissions have remained stable since 1990, fluctuating between 16 million and 17 million tonnes of carbon dioxide equivalent, and any material reduction in emissions has been due to times of significant prolonged drought that led to temporary destocking. In 2021 emissions from agriculture accounted for 20.5 per cent of Victoria's economy-wide emissions, though this portion will increase as other sectors of the economy successfully decarbonise. Those emissions can roughly be split as follows: 67 per cent of our agricultural sector emissions is methane produced by digestion in livestock; other major sources include nitrous oxide from the use of nitrogen fertilisers – that is around 18 per cent – and methane from livestock manure is around 9 per cent.

It is also worth pointing out that it is actually quite remarkable that agriculture's emissions in Victoria have remained stable, because we know that output has increased drastically during the years. So in many ways there have not only been tremendous productivity gains, but those gains have not come with greater emissions. This is one of the facts that points to some of the opportunities we can pursue in the future as we look to lower agriculture's emissions profile. We know that global and domestic agriculture markets are shifting, with increased interest in and expectations for environmental sustainability. For instance, Woolworths and McDonald's each have science-based targets initiative commitments, and Australia's big four banks have signed the net zero banking alliance. International trading partners in Victoria's five largest export markets have committed to net zero targets: China, the United States, Japan, New Zealand and Indonesia. Victoria's high trade exposure means it must keep pace with international expectations to maintain access to key markets, and meeting expectations for low-emission products, including consumer expectations and potential future trade

requirements, will enable Victorian agriculture's continued access to export markets and potentially open access to new markets. So that is important, as we are always working to diversify our export markets. It is not just about the number of markets that you are selling to. We know that Victoria's agricultural produce is of very high value; it is renowned as such, and therefore we want to make sure that Victorian farmers can access premium price markets for low-emission goods. Reducing emissions in agriculture is not a straightforward process, though. There are a lot of exciting options being explored in the research, and some of those solutions are starting to be implemented on a small scale, but it takes time to find the right solutions that can be implemented en masse to a point that makes a difference to the whole industry.

We acknowledge these lead times. That is why we continue to invest, as we are doing in the budget, with that additional \$6.1 million. I also just want to call out the important work of the Victorian Agriculture and Climate Change Council. This is a ministerial advisory committee that provides independent, expert and strategic advice to me as the Minister for Agriculture and to the department with a broader research and industry perspective. Their work is really crucial to ensure that, as we seek to lower emissions in agriculture, our work remains informed by industry perspectives. It will only succeed if we work together as partners.

Michael GALEA: Thank you, Minister. That is particularly interesting, especially the statistic on the large stabilisation over 35 years – drought notwithstanding – in terms of the emissions, despite the productivity gains. It is very encouraging, and obviously as the proportion might be increasing as we decarbonise in other areas very quickly, that still shows that significant work is being done. On that same budget reference, Minister, what other work is the government doing to support research into driving down agricultural emissions?

Ros SPENCE: Thank you, Mr Galea. AgVic has for some time been doing research that is focused on methane from emissions in dairy. It is worth noting that one of the most difficult emissions problems to solve is the dairy sector, where the emissions are some of the highest. Of course, as we know, dairy production is one of Victoria's strengths, so finding a solution to lowering emissions is really important, but it is difficult as we are basically looking at how can we lower the emissions produced by what happens in a cow's stomach. The additional funding we have provided essentially supports further investment in the research programs that are underway to ensure that we can accelerate the availability of a wide range of solutions for farmers. There are two streams to this research. The first is to look at if we can breed lower methane emitting livestock. For centuries we have bred livestock for many different qualities, and obviously genetics is a key determiner of methane emissions from livestock, which varies between animals. So this work will continue, and it is believed that work could lead to a livestock herd that produces 20 to 30 per cent fewer emissions by 2050. The second part of the research focuses on feed additives that can be added to a cow's diet to further inhibit their methane emissions. The additional funding in this budget will mean we can run a series of both short- and long-term dairy cow studies at the Ellinbank SMART farm. This research will focus on the effect of using multiple abatement technologies simultaneously and the long-term and product impacts of the use of those technologies. For part of this work industry co-investment will be actively pursued, and that will be of great benefit to Victorian farmers.

Michael GALEA: Thank you, Minister. And as part of that very interesting research, is there any commercialisation side of that as well that the government is pursuing to capitalise on the benefit of this investment?

Ros SPENCE: There is, because what we know is it really is a prerequisite to industry adoption of solutions: you cannot adopt something that is not commercially available. So there is work being done in that space, and this investment will mean that we can work with the sector to find the right market solutions that work for farmers. Our ability to do this is even strengthened by this budget.

Michael GALEA: Thank you.

The CHAIR: Thank you, Mr Galea. Ms Benham.

Jade BENHAM: Thanks, Chair. This time I want to go to animal welfare and pest management. In relation to managing the impacts of livestock predation, why has only the fox bounty been funded this year?

Ros SPENCE: There is existing funding from a previous budget. This budget provides \$9.2 million over four years to the vertebrate species management program to manage the negative impacts of foxes, feral pigs, feral goats and rabbits on agricultural production, biosecurity and biodiversity.

Jade BENHAM: So how much funding has been made available to manage dingoes in the north-west of the state, given the program is no longer there and the population is soaring and sheep and lambs are dying, coming into lambing season?

Ros SPENCE: It is very difficult for those farmers, I have absolutely no doubt.

Jade BENHAM: So is there funding allocated?

Ros SPENCE: There is \$2.078 million in the budget to support farmers to protect their livestock. Now, that is for a variety of programs, including dingo –

Jade BENHAM: That is not to bring back the wild dog program.

Ros SPENCE: No, it is not to bring back the wild dog program, because in the north-west of the state the dingo is protected.

Jade BENHAM: Shouldn't the lambs be protected and farmers, again, that are doing it so rough and losing –

Ros SPENCE: Absolutely, and that is why we are working with farmers to implement alternate non-lethal strategies that can go to protecting their livestock.

Jade BENHAM: Two million dollars is not going to put up much dog-proof fencing, though.

Ros SPENCE: Let me tell you a few of the things that are happening at the moment. There is –

Jade BENHAM: I have had a farmer call my office in the last few weeks saying that he loves his sheep – he is a shearer as well. He is having to put down one in every three lambs at the moment because of wild dogs, and you have only committed \$2 million.

Ros SPENCE: Plus the \$550,000 last year, so there are a number of things that are taking place. If what you want from me is to say the program will be brought back, you are not going to hear it.

Jade BENHAM: Something needs to happen, Minister.

Ros SPENCE: But I am not going to say that, because on the numbers that we have been provided with – and we can come to those numbers later, if you like – the risk to the dingo in the north-west of the state is that it is at a point of dangerous conservation levels.

Jade BENHAM: Are we still doing the DNA testing? There used to be a program. Is that still happening?

Ros SPENCE: I do not know if that one is happening, to be honest. And if it was, it would only be in the east of the state because –

Jade BENHAM: It used to happen in the north-west.

Ros SPENCE: Yes, it might have used to, but you asked me if it was still happening. It is not happening in the north –

Jade BENHAM: So we do not know whether they are actual dingoes or whether they are wild dogs is our point.

Ros SPENCE: This has been the absolute problem with this debate leading up to the expiration of the previous unprotection order, and that was there are so many diverse views about the data, whether it is in relation to predation, whether it is in relation to dingo numbers or whether it is in relation to 'Are they wild dog or dingo?' What we need to do, and this is why we have got time before the next order expires, and I know –

Jade BENHAM: The order has expired in the north-west.

Ros SPENCE: I know you want to hear about the north-west, but we need to get a way of monitoring all of those data points so that when the time comes to revisit the unprotection order, there is agreement as to what the data mean.

Jade BENHAM: As the Minister for Agriculture, though, what support are you going to offer farmers now that are losing lambs at the rate of one in three – that is 30 per cent of their new flock – to wild dog attacks?

Ros SPENCE: This is what I was going to before you got me on a different track. At the moment there are 11 projects across the state. Many of them are in the north-west. These include a camera monitoring project that is tracking dingo movements to see if the lack of water sources on public land is making dingoes seek water on private property. A proof of concept commenced in April –

Jade BENHAM: It is too late by the time –

Ros SPENCE: Do you want to know what –

Jade BENHAM: Sorry, Minister, in the interests of time – because I have only got one session left and I need to get through these – do you know what the cost is for dog-proof fencing?

Ros SPENCE: Part of this process at the moment is predator-exclusion fencing. It is underway on four properties across the north-west. It is adapting the existing fences to make them predator resistant. It is within the funding that has been provided.

Jade BENHAM: Do you know what cost it is per metre, per kilometre? Because they need a lot.

Ros SPENCE: It depends on what the fence is and what you are going to do to it. Is it a new fence, or is it putting the retrofitted hot wires onto an existing fence? You cannot just say, 'How much is it per metre?' because it entirely depends on what type of fencing is going to be appropriate in your circumstances. What have you currently got, what do you need and how can we make it work?

Jade BENHAM: Is there any outlook for e-collars for dingoes?

Ros SPENCE: The e-collars for dingoes that have been considered – yes, that is being looked at. But when we are talking about e-collars for dingoes, we are not talking about shock collars, we are talking about monitoring collars.

Jade BENHAM: Correct, so we can actually get a true idea of the population and movement.

Ros SPENCE: Correct. And this is where I go back to: we need to have consensus on the data to be able to have a proper conversation about what is –

Jade BENHAM: Are you comfortable that \$2.078 million is enough to battle wild dogs and dingoes in the north-west of the state?

Ros SPENCE: Plus the \$550,000 from last year –

Jade BENHAM: That is being spent to build fences now, isn't it? How much is also being spent on deer and pig management?

Ros SPENCE: Deer and pig – that is part of the vertebrate. It is the environment portfolio. I would not have that data.

Jade BENHAM: Secretary, you do not have any of that data?

John BRADLEY: As the minister said before, there is the \$9.2 million for the vertebrate species management program, which is an integrated approach to managing the impacts of feral goats, feral pigs, foxes and rabbits. But separately, in addition to that, as the minister was saying, in the environment portfolio we have also got significant investment occurring into our deer control measures. As part of that process there is also complementary work around deer as well. So you would have to look across the breadth of those programs to look at the total of it.

Jade BENHAM: Two hundred thousand dollars has been allocated for the kangaroo harvesting program – there is only \$200,000 for kangaroo harvesting – and I noticed that also has come up in a couple of other portfolios. Is that a funding cut as well? Given that we have heard V/Line complaining about hitting kangaroos on the Bendigo line in particular – they are in plague proportions – has there been a cut to the kangaroo harvesting program?

Ros SPENCE: That is not my portfolio.

Jade BENHAM: But you do not have any oversight?

Ros SPENCE: They are questions for the Minister for Environment.

Jade BENHAM: So no oversight whatsoever, even though they are a massive agricultural pest? Secretary, do you have any insights into that?

John BRADLEY: I think I would be guided by the committee's approach to the estimates of the agriculture portfolio. But what we can say is that certainly in relation to kangaroo pressures we have got a heightened awareness at the moment to support agricultural producers in dealing with requests for authorities to control wildlife, and there have been certainly an increased number of authorities to control wildlife granted in relation to kangaroos.

The CHAIR: Thank you, Secretary. I am going to go to Mr Hilakari.

Mathew HILAKARI: Thank you, Minister, and thank you, officials, for your attendance this afternoon. Minister, I would like to take you to 'Safeguarding the future of Victoria's agricultural sector and supporting animal welfare'. It is a line item on page 28 of budget paper 3. There is \$36 million-odd here, and we all know the challenges of animal welfare and how important it is to sustain a strong agricultural sector in Victoria. I am hoping you can talk to what some of this funding will support.

Ros SPENCE: Thank you. I know that this is an issue that is of great interest to you. Animal welfare obviously continues to be a big priority for us, and the 2025–26 budget commits \$16.6 million to help safeguard Victoria's agriculture sector from biosecurity threats but also support the RSPCA to deliver those critical regulatory services on behalf of the state. As part of the budget we will provide significant additional investment to the RSPCA with an almost threefold increase in their annual funding to help them continue delivering those critical animal welfare regulatory services, including responding to cruelty and welfare complaints, the care and rehabilitating of animals that are seized and surrendered, but also delivering those community outreach programs that they do. This increase recognises that the lack of feed due to drought conditions and general cost-of-living increases have really created additional challenges for families and for livestock owners. It also comes at a time when the RSPCA has flagged a change in the way that their inspectorate operates with the transition to a two-up model for the safety of the inspectors. It will help the RSPCA respond to the requirements within the memorandum of understanding with Animal Welfare Victoria and ensure that they can continue providing protection for animals and support to pet owners and other organisations through their education programs.

The funding will also support the Pet Exchange Register, which exists to make sure that bad players in the pet sales space can be identified. The pet register promotes responsible pet breeding, it improves the traceability of dogs and cats in Victoria and it gives customers added peace of mind when purchasing a pet. The funding will make sure that Animal Welfare Victoria is able to continue its regulatory and compliance activities with the pet breeding industry and allow for the revocation of recreational breeder licences where those breeders have been found to be noncompliant. The funding also sees continuance of the commercial dog breeder scheme, which gives Animal Welfare Victoria oversight of large-scale breeding operations and provides for the operation of our animal registry services so that pet owners have access to the microchipping and traceability services that are so crucial when our pets go missing. We will also be continuing on with the important work of implementing the standards and guidelines for poultry within this budget's funding.

Mathew HILAKARI: Thank you, Minister. I appreciate you covered a little bit of bird flu previously. We have got the second-highest number of bird species to Kakadu alongside the electorate that I represent, but we also have industry related to poultry, so I know that is going to be a challenge in the time ahead when that comes to Australia. The other challenge for the industry is the Australian animal welfare standards and how we

meet the expectations of consumers that animal welfare standards are met. I am just hoping you can talk through how some of this funding in this budget supports the industry to transition to that point.

Ros SPENCE: Thank you. Yes, it is a significant change for the industry in terms of providing a customer with a product that they have clearly indicated is important to them. The poultry standards and guidelines were endorsed on 13 July 2023 by Commonwealth, state and territory agriculture ministers, and with this endorsement the poultry standards and guidelines are now finalised. The department will complete the new poultry regulations required to fulfil the animal welfare standards for poultry through active engagement with producers and poultry owners, so that we have and we provide as much information and guidance as we can.

I do recognise that the requirement to transition away from conventional cage use will be quite challenging for some egg farms, particularly following the recent avian influenza outbreaks, which I mentioned earlier, but we will ensure that Victoria's regulatory framework is fit for purpose and provides certainty for future industry investment. We need timely implementation of standards into regulation to provide industry with the confidence to invest in new infrastructure, in technology and to attract new businesses. We will do this through the development of an implementation plan in consultation with industry, including a communications plan to inform stakeholders of the intended plan, the intended timeframes and the outcomes of implementation. We will make regulatory changes to replace the Prevention of Cruelty to Animals (Domestic Fowl) Regulations with the new standards and guidelines, including release of draft regulations for targeted consultation with internal government and external stakeholders. There will be delivery of education and advice to assist producers to transition infrastructure and practices to comply with these standards. The new standards are a step forward and will result in improvements in the welfare of farm poultry, but we recognise that it is important to support industry through those changes, and that is what we will be doing through those processes that I have just outlined.

Mathew HILAKARI: Thank you, Minister. I met with some farmers in Werribee South alongside one of the egg farms recently, but one of the things that we did not cover off was virtual fencing. There is not a lot of fences across the Werribee South growing area because there are lots of vegetable crops, but I understand the virtual fencing is about lowering emissions and improving productivity. Tell me more about that, because that is not something I come across in the community that I represent very often.

Ros SPENCE: It is pretty exciting, and it is something certainly that cattle producers and dairy farmers are really interested in. In May I announced that the department will begin the preparation of amendments to the current Prevention of Cruelty to Animals Regulations, and it would then permit the use of virtual fencing in Victoria by the end of this calendar year.

Agriculture Victoria has been undertaking a trial of virtual fencing at Ellinbank SMART farm. That has been going since July 2014, and it has shown some really impressive outcomes. I have been down and seen it in operation, and it is very impressive. We have found that the technology has many positives for farmers, not just around the cattle but also around workplace safety, productivity, animal welfare concerns – those considerations were all very positive. It was really compelling also the way that the technology allows a farmer to get the most out of their pastures by resting portions of a paddock and allowing the pasture to recover without being trodden down. The work at Ellinbank is about exploring the way this technology works, having a close look at the effects on the animals themselves but also allowing farmers to come and see it in action. It is really exciting technology. People are looking forward to it, and I cannot wait for it to be here.

The CHAIR: Thank you, Mr Hilakari. Mr Puglielli.

Aiv PUGLIELLI: Thank you. Good afternoon. I am on budget paper 3, page 114, agriculture output. The federal department of environment plans to introduce national controls for PFAS chemicals from 1 July this year. The controls will apply bans and restrictions to importers, manufacturers and users of PFAS chemicals. I understand Queensland and New South Wales have introduced legislation to implement the ban. Minister, can you provide a rationale for why Victoria has not yet done the same?

Ros SPENCE: I do not believe that is within the agriculture portfolio.

Aiv PUGLIELLI: Do we know who it would be with if not you?

Ros SPENCE: Environment.

John BRADLEY: Yes, it is the environment portfolio.

Aiv PUGLIELLI: Environment. Okay. I might look on to the next questions that I have. I will try this one. The Australian Pesticides and Veterinary Medicines Authority is about to finish a review of another chemical – this is second-generation anticoagulant rodenticides. These are available in supermarkets in Victoria and unlike first-generation rodenticides they kill both rats and the native birds that go on to then eat those rats. Minister, are you aware of this issue? What are you doing to see these products banned?

Ros SPENCE: I might refer to the Executive Director of Regulatory Policy and Programs from Animal Welfare Victoria.

Aiv PUGLIELLI: Sure. Thank you.

Trevor PISCIOTTA: Thank you, Minister. Thank you for the question. Certainly Agriculture Victoria is aware of the review by APVMA into those rodenticides, and within the regulatory framework within Australia there is both a role for APVMA at the national level and then a role for Agriculture Victoria, as the agricultural and veterinary chemicals regulator at a state level. Essentially, at this stage we will be waiting to see the outcomes of the APVMA review to understand if that necessitates any changes at a state level. So certainly we are watching the issue closely, and we will work with our Commonwealth colleagues once the review is finalised.

Aiv PUGLIELLI: Okay. Could we expect the state body to act should there be findings from that review that would indicate such?

Trevor PISCIOTTA: I think it is hard for me to speculate, with due respect, without knowing what the outcomes would be. If the Commonwealth were to make regulatory changes, it would depend on the nature of those changes and the recommendations whether any further changes would be needed at the state level. We will have to review that report when it is finalised.

Aiv PUGLIELLI: Okay, thank you. On to another matter: I just want to check a few things on native forest logging if that is okay. Can I just ask: does the government intend to ban importation of native forest timber from other states into Victoria?

Ros SPENCE: We cannot do that, sorry. There are constitutional restrictions on the restraint of trade, basically. Individual businesses such as sawmills are making the commercial decisions on sourcing log supply based on their specific circumstances. The Victorian government does not have jurisdiction to limit trade between states, as this is governed by the Commonwealth constitution, section 92, which stipulates that:

On the imposition of uniform duties of customs, trade, commerce, and intercourse among the States, whether by means of internal carriage or ocean navigation, shall be absolutely free.

So it is not within our ability.

Aiv PUGLIELLI: Okay. I appreciate the information you provided. Does the government have any intentions to ban logging of forests on private land?

Ros SPENCE: The private native forest resource is made up of many properties that are owned and managed by many thousands of landowners and/or private land managers, and whilst commercial native timber harvesting in state forests ended on 1 January 2024, harvesting on private land, including private native forests and plantations, is still permitted. Any harvesting on that private native forest must still be undertaken subject to relevant planning approvals and in accordance with the relevant regulatory framework, including the Code of Practice for Timber Production. Local government is actually responsible for administering the Code of Practice for Timber Production, issuing the permits and monitoring compliance of timber harvesting on private land, and it is the responsibility of the landowner to ensure that they have the relevant approvals and permissions prior to undertaking any planned works.

Aiv PUGLIELLI: Okay. Just following on from that, I understand there are complaints that have been raised from East Gippsland Shire Council back from March that state government basically delegated a proposal back to councils. Could you speak to what that proposal would have been?

Ros SPENCE: Just give me a moment. Do you want to address it?

Phuong TRAM: Thanks for the question, Mr Puglielli. The council stated that potential environmental impacts were addressed in a property vegetation plan prepared in accordance with the Victorian government's guidelines for removal, destruction and lopping of native vegetation, so this was endorsed by the department. In late August 2024 the previous council requested that the Minister for Planning decide on the application, and the minister responded in January 2025, rejecting this request. Private native timber harvesting is enabled under clause 53.11 of local planning schemes. Landowners must – it is their responsibility to – obtain the approval under clause 52.17, which mandates a planning permit for the removal of native vegetation as well as any other planning overlay clauses which may be relevant, so local government is the ultimate responsible authority for any native timber harvesting that is conducted on private land, ensuring the compliance of that as well.

Aiv PUGLIELLI: Okay. Can I also ask: does government have any plans to repeal the *Forests (Wood Pulp Agreement) Act 1996*? To whoever wants to answer.

John BRADLEY: I think the short answer is that at this stage we are continuing to liaise with Opal in relation to its activities and its operations in relation to that agreement, which covers their activity, and as part of our engagement with them we would give consideration to the relevance and the need for that agreement on an ongoing basis and provide further advice to government.

Aiv PUGLIELLI: Thank you. Moving on, Minister, can I get your assessment: looking forward in the agriculture sector, hemp, where does it fit in?

Ros SPENCE: Hemp is a really important addition to the sector. You would all be familiar with the upper house inquiry, and one of those recommendations coming out of the inquiry was to have standalone legislation to support the industry. Funding in this year's budget goes to that, but there is also the importance of the variety of uses that hemp has. You would have gone to the showcase at Parliament. Was it last year, I think, or earlier this year? I am not sure, but it really highlighted how diverse those uses are. Now, we want to remove what may be seen as barriers to entering, as well as making the process easier. As has been told to us, changing the language from 'cannabis' to 'hemp' – it is very important that that happen, to remove any perceived stigma but also make the application process more streamlined to get in.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you, Mr Puglielli. Mr Tak.

Meng Heang TAK: Thank you, Chair, Minister, Secretary and officials. Minister, as you outlined in your presentation, agriculture is one of the most important industries in Victoria. I refer to budget paper 3 on page 29, which outlines the initiative on that budget paper. Minister, can you please explain how this funding will support our industry to grow internally and externally in the market?

Ros SPENCE: Thank you for the question. Well, we know that Victorian farmers and agricultural producers grow and make some of the world's most unique and high quality food and produce. Victoria is Australia's largest food and fibre exporter, and I am sure that Ms Benham would say that Mildura is the best at all things food and fibre. There are growing challenges for our agricultural industries across the globe. There are uncertain global markets and complex environmental conditions, and they present really growing complexities. That is why it is important in this budget to bolster our workforce and support new industries so Victoria can continue to supply the high-quality produce that we all know and we all love. In this budget we are investing in the emerging industrial hemp industry so we can continue to be innovative leaders in agriculture. We are supporting the growth of our workforce by delivering the Rural Women's Network mentoring programs to support more women in positions of leadership in agriculture, and at a time of global uncertainty it is vital that we support the health of farmers by continuing to invest in the National Centre for Farmer Health. These initiatives build on previous investments, and they will address critical programs and bolster Victoria's \$20.2 billion agriculture sector as it continues to experience the cumulative impacts of high operating costs, skills and workforce challenges, complex environmental conditions and uncertain global markets.

Meng Heang TAK: Thank you, Minister. You mentioned the rural women's leadership and mentoring program, which is also in budget paper 3 on page 29. Minister, can you outline what it is that we have been doing to support maintaining growth in female leadership within our agriculture industry so that we can ensure

greater opportunities for women to come to the fore with all the diverse experience that they can bring to the table?

Ros SPENCE: Thank you for that question also. As we know, diversity does bring great strengths to industry, and farming in particular does tend to be male orientated. But I think we have seen a real change in that space, and our female farmers are really taking the lead in terms of being recognised for what they bring to the table. We know that this is a really vibrant industry with a wide range of roles within it, but if young women cannot see those roles and cannot see women in them, then it makes it even more difficult for them. So it is important that we support women into leadership positions so that young women can see a clear path for themselves in this industry as well as being mentored and then in turn mentoring others. That is why in the budget we are continuing to support the delivery of the rural women's leadership and mentoring program to support more women to get into leadership roles in agriculture.

The core program provides participants with the opportunity to learn with and from industry leaders and subject matter experts to accelerate their development as leaders, and in addition to the core program of study, participants can then undertake an individual program of study to support their unique leadership goals, be that to fill skill gaps or to expand an area of interest or expertise. The funding assists with associated expenses such as travel, accommodation and child care. The funding in the budget will assist in the growth of female leadership, and it will also provide the supports that are needed to make that happen.

Meng Heang TAK: Thank you, Minister. Staying on that reference, budget paper 3, page 29, and the skilled and healthy farming workforce initiative, something that concerns me when we are talking about the workforce is not just physical health but also mental health. Minister, with increasingly diverse challenges facing our farmers, can you outline how we are supporting the mental health and wellbeing of our farmers during this time?

Ros SPENCE: Thank you for that really important question, because we know that one of the great challenges of this industry is the increasing levels of uncertainty, and it is difficult enough running a business at the best of times without the extra level of anxiety that unpredictable weather can bring, along with the natural isolation that can occur in regional Victoria. Mental health is an incredibly important issue for our farmers, and I am really pleased that this budget supports the National Centre for Farmer Health again, with \$900,000. The National Centre for Farmer Health does some really important work. It identifies the disparities between access to mental health supports that farmers face, but it also tailors those supports so that they work for people in a really practical and meaningful way. The centre now has a brand new premises in Hamilton, which opened this year, as well as an online mental health hub, which is designed to bring tailored mental health information and resources to a central location. We are, again, very pleased to be able to support this unique organisation that works really hard to address a big issue in our rural and regional communities, and it is something that we need to continue to do.

Meng Heang TAK: That is a really good initiative. Minister, moving on to the fox bounty, with reference budget paper 3, page 28, we know that some areas of our state face a constant battle with invasive species. Minister, how does the fox bounty help us keep on top of this pest?

Ros SPENCE: Thank you again for the question. Yes, the battle against invasive species is insistent for Victorian farmers, whether it is plant or animal. Foxes in particular are a threat to livestock, particularly through lambing seasons, and they are not much help either with your ducks, your geese or your chickens. So I am delighted that this budget invests \$2.1 million to continue the fox bounty program, to be able to create a partnership with communities, which we know is always the most effective way to deal with pests. Importantly, in regard to the fox bounty program, we last year increased the scalp fees, and that is remaining. The fox bounty program fees per scalp have increased from \$10 per scalp to \$14 per scalp, and that is one really great solution to this problem that really does plague farmers across the state – and, if I can say, not just farmers. I think even backyard chicken keepers have to be particularly careful because the foxes are getting everywhere. So thank you for your interest in this really important topic, and hopefully we can see this investment have a really positive outcome right across the state.

Meng Heang TAK: Yes, indeed. Thank you, Minister.

The CHAIR: Thank you, Mr Tak. Minister and department officials, thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the portfolio of carers and volunteers at 4:30 pm. I declare this hearing adjourned.

Witnesses withdrew.