

# VERIFIED TRANSCRIPT

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2010–11

Melbourne — 17 May 2010

#### Members

Mr R. Dalla-Riva  
Ms J. Graley  
Ms J. Huppert  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr J. Helper, Minister for Agriculture,  
Mr R. Bolt, Secretary,  
Dr J. Skerritt, Deputy Secretary, Agriculture and Fisheries Group,  
Mr L. Wilson, Executive Director, Agriculture and Natural Resources Policy,  
Mr C. O'Farrell, Chief Financial Officer, Finance Division,  
Dr H. Millar, Executive Director, Biosecurity Victoria, Agriculture and Fisheries Group,  
Mr A. Hurst, Executive Director, Fisheries Victoria, Agriculture and Fisheries Group, and  
Prof. G. Spangenberg, Executive Director, Biosciences Research, Agriculture Research and Development Group, Department of Primary Industries.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2010–11 budget estimates for the portfolio of agriculture. On behalf of the committee I welcome Mr Joe Helper, Minister for Agriculture; Mr Richard Bolt, secretary; Dr John Skerritt, deputy secretary, agriculture and fisheries group; Mr Luke Wilson, executive director, agriculture and natural resources policy, and Mr Chris O’Farrell, chief financial officer, finance division, Department of Primary Industries. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee’s proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. In accordance with past practice, the transcripts and PowerPoint presentations and any other material circulated will then be placed on the committee’s web site.

Following a presentation by the minister committee members will ask questions relating to the budget estimates. Generally, the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of agriculture.

#### **Overheads shown.**

**Mr HELPER** — Thank you, Chair. I would like to start with a short presentation on the achievements and challenges of the agriculture portfolio as encapsulated in the Department of Primary Industries, covering the key sectors of agriculture, fisheries and forestry. Today is an opportunity to highlight the strong productivity performance and adaptability of Victorian farm businesses, to reaffirm the government’s commitment to our farmers and primary producers through the Future Farming strategy, and to demonstrate the success which can be achieved when government — local, state and commonwealth — work together with business, industry and communities. This presentation is a snapshot of how we continue to meet a range of challenges with responses that achieve outcomes that ensure Victoria has a productive, competitive and sustainable agricultural sector.

The first challenge I would like to mention today is the challenge of supporting primary industries and improving productivity, and closely linked to that is the challenge of building stronger regional and rural communities. Several critical factors presented challenges and opportunities to improve productivity for rural and regional communities in 2009–10 including input costs; skilled labour; capital; stock; fuel and fodder, and the effects on the cash flow of farm and timber businesses as a consequence of variation in those input costs; prospective changes to water entitlements; allocation and reliability arising from the Murray-Darling Basin plan; competition and trade and effects on market access nationally and internationally and export market volatility; climate change and its effect on primary industries productions systems; bushfire recovery for primary producers and timber industry; demographic and social change shifts in land use; social diversity; and rural and regional economic drivers.

The responses: the Brumby government’s response to these challenges has been informed by the understanding that new knowledge and technologies are needed to help our primary producers to adapt to climate change, to water scarcity, to volatile markets and to increased production costs. We have delivered better targeted, accessible and relevant services which are helping farmers make decisions, be adaptable, capture opportunities and manage risk.

This is the second year of implementation of the \$205 million Future Farming strategy. Research and development and practice change are essential to the delivery of future farming. The graph you see highlights our investment in agricultural research and development with \$8.57 million over four years, which has been committed from the Future Farming strategy for information and technology to boost productivity. In the past

year the Brumby government has allocated \$40 million to the Dairy Futures CRC; \$288 million to the agribiosciences research centre — a public-private partnership on track for a 2011 opening, and \$2 million for the horticulture industry network initiative aimed at strengthening the working partnership between DPI and the horticulture industry to deliver better services to farmers amongst others.

We are also leading with new services to Victorian grain growers and beef and sheep producers, new research and development to reduce greenhouse emissions from dairy farming at DPI's Alamein dairy research facility, and DPI is also consolidating its position in the national research and development framework through leading at the prime ministerial and ministerial council meeting.

Outcomes: although Victoria's agricultural industries have faced, and continue to face, significant challenges, the overall performance of the sector remains impressive. As the graph shows, Victoria's agricultural sector is in a strong position. The estimated value of our agricultural production in 2008–09 was \$10 billion. This is a fall of \$1.7 billion from 2007–08 when prices were very strong for major commodities.

The figure of \$10 billion is a preliminary number based on principal commodities; the number is lower than the previous year due to different seasonal conditions and lower commodity prices, but this does remain impressive given the fact that Victoria's performance comes from only 3 per cent of Australia's arable land.

Challenge: our dairy farmers face several difficult challenges, including climate change; water availability; costs of production; low milk prices, including GFC impacts; and industry confidence. The dairy industry is Victoria's largest rural industry. Its gross value of production is around \$2.4 billion. Victoria is responsible for around 86 per cent of Australia's total dairy exports, valued at around \$1.9 billion, strongly connecting Victoria's farmers to world dairy commodity and exchange markets.

Response: I would like to give you a brief introduction to Colac-Otway dairy farmer, Mark Billing. Mark has recently been featured in regional television advertising about the Future Farming strategy. He has a 520-hectare dairy property, with approximately 415 Holstein-Friesian cows, and he produces multiple varieties of home-grown forage. With advice and support from DPI, Mark is using the latest technology and best practice feed management techniques. As a result, the herd is now constantly averaging above their target production levels per cow, and he has larger feed surpluses each spring. Mark is living proof that the Victorian dairy industry is going from strength to strength.

Our response to the challenges outlined in the previous slide includes Victoria taking the lead in dairy research and development under the national research and development and extension framework; a \$40 million government contribution to the Dairy Futures Cooperative Research Centre, Dairy Futures CRC, in partnership with the commonwealth government and industry Dairy Australia; and the DPI Ellinbank research facility, which is the result of a joint funding agreement between Dairy Australia and the Brumby government that was announced in June last year. We will continue to invest in research and development to improve feeding systems and feed efficiency, which we know can make significant impacts to a farm business bottom line, like it has to Mark Billing's farm.

**The CHAIR** — You will need to move on.

**Mr HELPER** — That was 5 minutes.

Outcomes: the diagram above shows that Victorian dairy accounts for 86 per cent of Australia's export total. Despite the challenges to the dairy sector, exports in 2009 were valued at \$1.9 billion, a decrease of 21 per cent over 2008, largely due to the GFC. However, there is growing optimism in the sector because of improved water allocations, low grain and hay prices, a strong domestic market and improving international markets. Continued sound investment in research and development through such facilities as the Dairy Futures CRC will help achieve any productivity improvements needed to maintain Victoria's dairy international competitiveness.

Further challenges: — the scope of biosecurity threats is broadening, posing threats to both the environment and human health. The Victorian government is committed to protecting the state from biosecurity threats, which have the potential to have such impact on our primary industries, environment, social amenity and human health. A number of biosecurity incidents occurred in 2009 and have in 2010 so far. These include Queensland fruit fly, Mexican feather grass, anthrax, fire ants, potato cyst nematode, and, most recently, Australian plague locusts.

Response: the response is driven very much through a set of actions in the budgetary response: \$7.4 million over the past two years for Queensland fruit fly, \$5.1 million for fire ants over five years, \$2.7 million to combat potato cyst nematode and \$4.7 million in 2008–09 for Australian plague locusts. And we are currently monitoring the situation around the state to bring an appropriate response to the plague locusts in spring.

Return to focus area of drought: seasonal conditions for Victoria were reasonably good over the first few months of 2010, for much of the state. However, the rainfall outlook shows a mixed pattern, with wetter than normal seasons favoured over eastern New South Wales while a drier than average season is indicated for much of South Australia and adjacent western parts of Victoria and New South Wales. Unfortunately the DPI drought hotline continues to receive a lot of calls, with 126 calls received in February. In addition to the hotline, there is a range of government initiatives to support farmers in times of need. These include exceptional circumstances provisions; at all times, of course, farmers have access to free personal and financial counselling; and the guide to services for individuals, families and farmers provides an overview with specific contact details to aid people accessing drought-related support in Victoria. DPI also produces valuable communication tools, such as the *Break* and the *Fast Break* to assist decision making.

The Australian government in partnership with the Western Australian government, by way of information to committee members, has recently announced a 12-month pilot of drought reform measures to be conducted in Western Australia. The pilot will not affect current exceptional circumstances arrangements in Victoria.

Focus area on fisheries: the Ernst and Young report estimates that there are 721 000 recreational anglers in Victoria. I have since joined their ranks, so you can add 1 to that. The government's 2006 recreational fishing and boating policy statement committed \$13.5 million to enhance recreational fishing. A 30 per cent increase in fish stocking is targeted out of this, with three new reefs in Port Phillip Bay, and construction of the new native fish hatchery at Snobs Creek is under way. The Victorian government is implementing a new framework for consultation with fisheries stakeholders, including a new fisheries consultative body, a new recreational fishing grants working group, a new statewide round table forum and regional round table forums and more secure funding arrangements for VRFish and Seafood Industry Victoria to help present fishers view.

DPI is engaging in culturally and linguistically diverse communities through appropriate resource sharing also. As part of the Victorian government's Future Farming initiative, the Victoria agriculture strategy, a joint Fisheries Victoria and mussel industry project has overcome a problem threatening the industry's viability. Fisheries Victoria is also assisting with the bushfire recovery efforts, through enhancing Victoria's trout fishing with a stocking of trout into the Goulburn River. And we are rebuilding drought-affected waterways in communities through the stocking of recovering waterways, such as the 50 000 Goulburn perch into the Wimmera River.

In relation to the timber industry, the Victorian timber industry strategy was released in December 2009. It provides a framework and long-term direction for the Victorian timber industry for the next 20 years. Development of the strategy involved extensive consultation processes engaging industry, environment and community stakeholders. As Minister for Agriculture, I have recently taken on responsibility for VicForests. VicForests is a state-owned enterprise responsible for the sustainable harvest and commercial sale of timber in native forests in Victoria. Of the 7.8 million hectares of native forests in Victoria, VicForests harvests approximately 5500 hectares each year, or around 0.07 per cent of the total native forests area. I am pleased to report that the Victorian government's substantial upgrade of the state's national parks and conservation reserves in eastern Victoria, as outlined in the government's 2006 election commitment, is now complete.

In relation to the research and development focus area, as stated earlier, the DPI leads in the national research and development framework. Taking a further into that lead will be AgriBio, the centre for AgriBioscience, formerly known as the Biosciences Research Centre, or BRC, which is a \$180 million investment in the future of research and development.

Chair, if I do not get the award for the most animated and best slide presentation — —

**The CHAIR** — No, we have heard that one before from the Minister for Major Projects.

**Mr HELPER** — It is your scheduling that is at fault there. AgriBio will attract world-leading research scientists; foster collaboration across scientific disciplines to provide solutions for industry problems; enable the

sharing of leading-edge technology, high-tech equipment and facilities; and provide a flexible facility capable of rapidly adapting to future requirements.

In relation to new initiatives, DPI staff provide critical services during and after natural disasters, including fires on private land, floods, storms, hail, frost, drought, as well as associated threats to animal welfare and emergency supplies. Also looking to the future, the 2010 budget has allocated funds to ensure a fast and efficient response to natural disasters across Victoria; \$5.1 million has been allocated to establish new systems and technology which will strengthen DPI's ability to better prepare for and respond to emergency incidents; and a further \$3.6 million over four years will support ongoing operation and associated business improvements relevant to natural disasters and emergencies across DPI. This investment will ensure we have the best staff in the right place to help farmers and communities in need as quickly and as effectively as possible.

A further new initiative is advance scientific computing, which has become a vital tool of trade for successful research. The faster that teams of DPI scientists across the state can analyse data using this equipment, the faster it can be applied to the challenges and threats facing our farming sector and rural communities. New, powerful, advanced scientific computing systems will be established at Bundoora in Melbourne and in Bendigo at a cost of \$4.4 million to drive innovation in science and technology. This advanced computing power will also be used by DPI scientists to address a range of challenges facing our primary industries, such as improved productivity, addressing climate change, water scarcity and the risk of biological incursions. Over four years, \$7.2 million will ensure both the ongoing operation of the system and extend its reach to establishing research connectivity between the Bendigo centre and other DPI research facilities in Rutherglen and Parkville.

A further new initiative relates to weeds and pest animals, which continue to present high and increasing risks to Victoria's agricultural productivity, its unique biodiversity and natural environment as well as human health. New funding will ensure Victoria's preparedness to deal with new incursions, and this is enhanced by better decision making in response planning. That is why \$5.4 million over four years has been allocated to continue to help Victoria deal with the most threatening new incursions of weeds and pest animals, and improve surveillance for new threats.

As a stated at the beginning of this presentation, the Victorian government believes research and development and practice change are essential to the delivery of the Future Farming strategy, which in turn remains our blueprint for innovation in farm practices and systems, increased productivity and competitiveness, and stronger Victorian communities, businesses and industries.

**The CHAIR** — Thank you for that presentation. The budget provides funding, not only for next year but also the out years, for government programs and initiatives against stated outcomes. The committee is interested in what is underpinning what you have got in the budget. What are your medium and long-term strategies or plans? You mentioned one of them in your presentation. Could you tell us about the medium and long-term plans or strategies on which your portfolio is based, and have there been any changes since last year?

**Mr HELPER** — I will come to changes in a moment. I think our strategies are informed very much by the Future Farming strategy. Also arising are the timber industry strategy, the biosecurity strategy and the aquaculture strategy that I also mentioned in my presentation. So you can see we have a number of strategic approaches that we take forward. Those strategic approaches are always arrived at in close consultation with stakeholders, be they industry or other stakeholders in the community, so that we do get our strategies pretty well lined up. I think the way that the Future Farming strategy has been received in the broader agricultural community is a sign of a strong engagement with stakeholders into the future.

Within the department we also have a pretty extensive and thorough process for re-evaluating our strategies and our priorities and driving our investment decisions. There are investment conferences — and I might ask Richard Bolt to elaborate on that in just a moment — which engage industry and, obviously, other potential investors and the Department of Primary Industries in a real priority setting of where we take our investment decisions in the future, and align those with industry expectations and industry priorities as well. I hope I have painted a picture of a pretty thorough investment process that of course then interfaces with the government's priority setting as is demonstrated through the budget process. Clearly we interact with that priority setting as well.

We have a strategic plan. We have a number of very key plans, and Future Farming is key amongst them, that drive our forward direction, that drive our decision making and that drive our budget submissions within government so that government can have a level of confidence that it does meet its overarching strategies, such as, for example, the Growing Victoria Together strategy, and that we have measured and continue to measure our forward directions and our priorities against those overarching government priorities. I might ask Richard to elaborate, if you wish, on the internal process through the investment conferences, et cetera.

**Mr BOLT** — Thank you, Minister, Chair and committee. The way we take our strategic documents and turn them into a set of funded programs is to establish an investment conference for each of the groups within the department. They vet and filter a range of different projects that are brought up from the constituent parts of those groups. They compare them to strategy, they seek to synthesise them into a set of larger work areas and they ensure that where there is a need to collaborate across divisional boundaries that that is actually factored into the planning. This goes on for a significant period of time, culminating in presentations by every divisional head and every deputy secretary to a conference in which they lay out their plans. That conversation, that discussion, then informs final decisions by my executive team as to where we put our money.

This is simply a means to take a top-down, strategic approach and ensure that our staff are able to give their best view as to how to deliver that strategy. So you have this bottom-up process that then culminates in a very transparent and we think quite structured approach to making best use of public money.

**The CHAIR** — Thank you very much, Secretary. Dr Sykes.

**Dr SYKES** — Minister, my question relates to preparedness for the locusts that seem to be coming our way in vast numbers. I am interested to understand the level of preparation that the government is making. In your introductory remarks you made reference to I think something like \$4.7 million spent on locust control last year. What is actually in the pipeline this year? Are you simply waiting for the coalition policy and you are going to adopt that, as you have done with various other policies in recent times? For your information, Peter Walsh has put out the media release today, so the policy is now on the table.

Specifically, what work is the department carrying out to determine the magnitude of the locust incursion? As a result of this work, what level of funding does the department believe needs to be allocated as a Treasurer's advance to tackle the incursion? Is the department proposing to use a Treasurer's advance to supply chemical free of charge to both land-holders and local government for locust control?

**Mr HELPER** — The first point I would make is I think strange things occur in election years. I guess I have not attended PAEC during an election year as a minister. I find it incredulous to think that The Nationals put forward a policy statement on treating or responding to a particular threat on the basis that it would take certain actions, when it knows it will never have to implement those actions. It will never have to — —

**Mr WELLS** — What are you talking about? We are running into an election; of course we have to have a policy regarding locust control.

**The CHAIR** — Without assistance please. Minister.

**Mr HELPER** — For the information of Mr Wells — —

**Mr WELLS** — What are you saying?

**The CHAIR** — Mr Wells, thank you. Everyone, simple questions and the same with the answers. We want to have a process whereby questions are asked about the estimates and answers are given rather than necessarily having argy-bargy. The minister, to answer, please.

**Mr HELPER** — Certainly, on cutting the argy-bargy short but just as a point of explanation to Mr Wells, and I can understand that he may not be familiar with the life cycle of a locust, if we waited until after 27 November to respond to locusts or if The Nationals waited until after 27 November, presuming they were to be in government — —

**The CHAIR** — Ignore Mr Wells's interjections, please.

**Mr HELPER** — Locusts would have overrun the state in its entirety, so we need to act somewhat earlier than that. Putting out a policy which is unlikely to be acted on — —

**Mr WELLS** — That is why you put out a policy.

**Dr SYKES** — So what action are you taking, Minister?

**Mr HELPER** — The policy is likely to kill a single locust?

**Mr DALLA-RIVA** — Your ears must be painted on.

**Mr WELLS** — No, it puts pressure on you to do something.

**Mr HELPER** — Is that what it is about? Let me just — —

**The CHAIR** — The minister, to answer the question, please, without assistance.

### **Members interjecting.**

**The CHAIR** — We have the questions; let us have the answers, please.

**Mr HELPER** — Apart from the faux pas by The Nationals, let us focus on what the government's track record is. In 2005–06 the Department of Primary Industries in response to a locust outbreak then spent \$4.4 million on locust control. In addition to that there was an approximately \$300 000 in-kind contribution from the Department of Primary Industries, and 36 879 hectares were sprayed in response to that outbreak. Again in the 2008–09 season we had available \$7.2 million to respond to the locust outbreak that occurred then. I think the public can rest assured that the Brumby Labor government has a track record through Treasurer's advances — to go to part of your question — of matching resources to the circumstances that threaten Victorian farmers and Victorian landowners.

In that sense I can assure the member for Benalla that preparations for a locust outbreak are well advanced. In a physical sense what we have done is undertaken significant mapping of locusts that have come predominantly from New South Wales but south-eastern Queensland as well so that we know where they are landing and laying eggs in Victoria so that when the response becomes appropriate — before the election — sometime in October, in spring, we can direct that spraying effort most appropriately to those areas where the maximum number of eggs have been laid. I want to put on the record my understanding and my sympathy with Victorian landowners and farmers, many of whom have already experienced the impact of locusts. Early sowing has been put on hold because those that did sow early unfortunately had their crops, as they emerged, devastated by locusts.

It needs to be pointed out that the locusts that we are experiencing first off are adult locusts; they are on the wing and very difficult, nigh impossible, to treat, to spray because of their mobility. They fly around and you are hard pressed to fly after them with an aeroplane, so on that basis the treatment of locusts occurs when the generation of eggs that this current generation of locusts is laying when they hatch turn into hoppers, are ground bound, and that is the time when one responds, and I regret to say for the spin doctors of The Nationals, that that occurs prior to the election.

**Dr SYKES** — Chair, can I, through you, get my questions answered. You have said, Minister, that you have been carrying out some work and that that included mapping. Would you make a copy of the map available to the committee as part of your report — take that on notice?

**Mr HELPER** — Yes, I presume we can make that available.

**Dr SYKES** — Secondly, can you provide the committee with an estimate of the number of hectares that these locusts have laid their eggs in?

**Mr HELPER** — I will make that available to the committee along with the maps.

**Dr SYKES** — And I will continue — I'm on a roll here. The amount of spray that is going to be required and the availability of that spray?

**Mr HELPER** — The other part of the preparation we are clearly undertaking is exploring the availability of chemicals, obviously, for when they become necessary as well as ensuring that there is availability of aircraft and other suitable delivery vehicles for when the hatchlings come about.

**Ms GRALEY** — Minister, I would like to ask you a question about roadside weeds. I know they are a real thorn in the side of the farmer; they look really ugly, and I know they are a real problem for the environment as well. I know from past experiences elsewhere how it often becomes a demarcation dispute between authorities and different parties, so I would like to refer you to budget paper 3, chapter 1, page 23, where we talk about the provision of \$6 million over four years to tackle weeds and pests on public and private land. I would like you, if you can, to advise the committee what the government is doing to resolve complexities around the management of roadside pests and weeds.

**Mr HELPER** — I would like to start by outlining what those complexities are, just to give an overview of it. The issue that has perplexed some during this complexity is who is responsible for the control of weeds and pests on roadsides. It is quite easy in terms of national roads that the national government is effectively responsible for contracts let to VicRoads.

With state roads, it is quite straightforward also. VicRoads is responsible and lives up to its responsibilities of controlling roadside pests and weeds. When we come to local government it becomes more complex, and there is some policy discussion at a local level between, I guess, adjoining landowners and local government as to who should be responsible and who is responsible.

It is relatively simple when it is a council road, albeit some councils are arguing that it should still be the adjoining landowner, but think of the problem being exacerbated by, for example, private roads which ultimately turn to being council-controlled roads and where the issue becomes a little bit complex.

Suffice to say that as far as I am concerned we need a practical outcome. We need a solution to this which is about the most effective and most efficient way of treating roadside weeds, no matter who is the responsible authority. Certainly we need a greater degree of clarity in that space, and that is why I have recently established a working party to work together between the MAV on behalf of councils, the Department of Primary Industries and other key stakeholders to work out what changes may be necessary, if indeed they do become necessary, and introduce potential legislative options if other options are not available to clarify the position and to ensure that roadside weeds end up being clearly defined as to who is responsible for their control.

I know that working group will come up with a set of recommendations, no doubt, that will take this argument forward. In the meantime, I do not want, and I do not think any member of this committee would want, roadside weeds to be neglected, and that is why we have introduced, through the Future Farming strategy, a number of grants programs to facilitate councils on a no-prejudice basis to address roadside weed issues and pest issues in the interim.

This is an area where I look forward to having some greater clarity as a consequence of this working party and the recommendations it may make, but in the meantime there are considerable resources put at ensuring that roadside weeds are not neglected in the interim.

**Dr SYKES** — Minister, I refer you to budget paper 4, page 166 and also page 164. I raise the question of the DPI funding dropping again this year by around about 2.5 per cent I know you offer some explanations on page 164, but for those out there when they have seen Walpeup closed, when they have seen Kyabram closed, when they have seen Snobs Creek Research closed and relocated to Queenscliff, they cannot help but feel that this government is winding back the DPI funding. That raises the question in people's minds: does this government really care about agriculture, or is it just a second-class portfolio?

**The CHAIR** — Have you got a more specific question?

**Mr HELPER** — I am happy to talk on that for half an hour.

**The CHAIR** — I am just trying to assist, that is all.

**Mr HELPER** — I will try to respond in a constructive manner without an excessive amount of hyperbole around it.

**The CHAIR** — I would hope so.

**Mr HELPER** — Can I just say that the explanation that Dr Sykes referred to himself should not be ignored. A significant amount of funds came to the balance sheet of the Department of Primary Industries as a consequence of exceptional circumstances funding from the commonwealth and a significant amount of money was brought to the operating statement by the Treasurer's advances in response to a number of biosecurity challenges that I indicated before. I will certainly get some more detailed figures put forward by chief financial officer, Chris O'Farrell. I just make a couple of points in terms of the implied suggestion that the current government is not significantly committed to agriculture in this state.

The \$205 million Future Farming strategy ought to significantly dispel any view that we do not attribute a higher priority to agriculture than the previous government did. Certainly, a \$180 million commitment to the biosciences research centre, or AgriBio, as it is now called, ought to suggest to all observers that we are very much committed to a future of modernity for agriculture.

When it comes to the restructuring that has occurred in the department, it may have been the practice of previous governments to simply allow facilities and assets of the Department of Primary Industries, in its various incarnations, to become irrelevant, to become less and less productive and to become less focused on the outcome that our stakeholders, the farmers of Victoria, actually need, but it is not the practice of this government. I know we have to make some difficult decisions along the line to achieve our alignment with the alignment of the aspirations of the farming community, but those hard decisions, we are prepared to make. That should demonstrate us to be a better friend of farmers than those governments in the past that shirked those difficult decisions.

I might ask Chris, if you think it is appropriate, to elaborate on the detailed figures.

**The CHAIR** — Mr O'Farrell?

**Mr O'FARRELL** — The decrease in the published budget from 2009–10 to 2010–11 is, as the minister said, largely to do with the reduction in exceptional circumstances drought assistance measures, particularly the interest rate subsidy component, as a result of the exceptional circumstances declarations in parts of the state, being lifted.

Another difference is a reduction in the carryover amount. So the year before the 2009–10 number is slightly inflated due to a higher amount being carried over from the prior year than is going to be carried over into the next year, the 2010–11 budget. Those are offset slightly by some increases, the new initiatives that the minister talked about little earlier.

**Mr NOONAN** — Minister, budget paper 3 on page 192 goes to the 'Significant challenges facing the department in the medium term' and there are four dot points listed. One of those dot points listed is the challenges and opportunities that arise, including demographic changes. In terms of the announcements made, I think a couple of years ago, in relation to the restructuring of DPI to modernise and improve the service delivery to the farming community, can you tell us how the progress of the DPI restructure is going, and particularly go to the issue noted at dot point 4 under 'Significant challenges', in relation to those demographic changes?

**Mr HELPER** — Thank you very much for the question, and, thank you, Bill; that was a good segue into this question, the first question. It is terrific, it is a good committee.

**Dr SYKES** — Teamwork, Minister. We work as one. In PAEC we work as one.

**The CHAIR** — Through the Chair, please.

**Mr HELPER** — One of the things that I am extraordinarily proud of is the important and strategic role that the department plays, and I get the opportunity to support at the Primary Industries Ministerial Council, regarding the national research and development and extension framework. That is pulling together resources from jurisdictions, and across universities, departments of agriculture, industry, other state agencies and the CSIRO in the research and development and extension space and actually aligning those resources so that they are better utilised and more efficient and deliver more science, more extension for the dollar that is across all of those agencies and all of those organisations of course always scarce. What that means in a practical sense is

that, for example, we see investment in Victoria in dairy research, but we will see grains research, for example, still with capability in state jurisdictions but significantly focused, for example, in Western Australia.

We align these plans and we align our capabilities, which has a multiple impact. Firstly, it is a better spend of dollars. Secondly, by conglomerating critical mass, we attract greater scientific capabilities and greater punch for our research dollars and through that deliver better outcomes to our farmers.

Having said all of that, let us have a look at what some of this actually means. For example, Ellinbank was announced through the Future Farming strategy. The focus on dairying comes out with an investment of \$8.57 million to increase dairy productivity through the Future Farming strategy, as I said, and \$40 million investment in the CRC for Dairy Futures at Bundoora. We see some terrific outcomes, I think, along those lines.

When we then change our scientific capacity and the location of it to achieve greater critical mass, I think that should be seen as giving more depth to our capacity rather than in any way, shape or form hindering it. When you multiply that across the other jurisdictions in the nation, Victorian farmers and Australian farmers will get a more focused and a better outcome in terms of the research spend. Richard, do you want to add any detail or anything further to that?

**Mr BOLT** — I think that was a very comprehensive answer, Minister. Despite the comprehensiveness of the answer, there is one thing I did want to emphasise — that is, the amount of collaboration and joint planning that they are doing with the industries involved. Whether it is in the national framework or in developing service offers to the Victorian farming community, we are intending to closely involve them in that planning exercise so that the needs of the sector are well and truly represented in the actual plans that we undertake.

I would say if there is any one thing that has characterised the last three or four years of work, it is the intensiveness of that engagement which previously was good but perhaps could have been taken to another level, and that is what we now believe we are doing.

**Dr SYKES** — Minister, I refer you to budget paper 3, page 193. My question is in relation to fisheries officers and the staffing. I am advised that Victorian fishery officers numbers have fallen by 20 per cent since 2003 — this is according to their union. With the funding and regulation and compliance rising, I think, \$18.9 million in the 2010-11 DPI budget, will a proportion of this money be used to employ additional fishery officers, thereby preventing the use of ugly tags, such as ‘Victoria, the poachers’ paradise’?

**Mr HELPER** — Which budget paper were you referring to with that description of Victoria as the poachers’ paradise? That was not in the budget papers. Could that have been a little bit of hyperbole?

**The CHAIR** — If both Dr Sykes and the minister could avoid the argy-bargy.

**Mr RICH-PHILLIPS** — Bill does not need to read everything he says.

**Dr SYKES** — Touché!

**The CHAIR** — Without assistance!

**Mr HELPER** — To address that background noise of the question, approximately 100 Fisheries Victoria staff are involved in delivering an integrated statewide enforcement and indeed education program, which includes intelligence, surveillance and inspection operations, investigating and targeting organised crimes, prosecutions, training, education and advocacy services. This includes education programs delivered through the Marine Discovery Centre at Queenscliff. There are some terrific fisheries people based there with the support of the government’s initiative funding of approximately \$300 000 per year.

The premise of the question — that is, that our fisheries enforcement activity is somehow diminished — is a false premise. I would suggest that it is very difficult to answer a question which is so clearly based on a false premise.

**Dr SYKES** — Minister, would you clarify that fisheries officers numbers have fallen by 20 per cent since 2003, or would you like to get back to the committee on that to clarify that?

**Mr HELPER** — Have you got a figure handy there, Chris?

**Mr O'FARRELL** — No, I do not, but you might like to ask Anthony.

**Mr HELPER** — I ask Anthony Hurst, the executive director of Fisheries Victoria, to respond to that.

**Mr HURST** — What we do is organise our staffing resources depending on the needs we face in fisheries compliance — 'compliance' being education and enforcement activities. We vary the numbers in the education and the enforcement component depending on the needs we face. We are intelligence driven. We operate the 13FISH number, which has collected over 8500 calls since it was first established, which gives us a very good feel for the pattern of illegal activity.

We focus very much on the hard end of fisheries crime in abalone and lobster in particular, as well as Murray cod. Members may be familiar with some media on the weekend in the *Age* regarding a major investigation we ran successfully, leading to some serious prosecutions. We backed that up with a good general duties compliance activity, where we were out on the water talking to recreational fishers regularly.

We also utilise the voluntary services of the Fishcare volunteer group through the recreational fishing trust, where they get some support there. It is an overall program, and the numbers of uniformed officers will vary from time to time depending on those needs.

One of the big challenges that I would highlight that we have moved into in recent years is that as Victoria's population grows but also the multicultural element changes — and I think we are at figures now of around about 40 per cent overseas born in Victoria or the first descendant of overseas born persons — we are progressively adapting the way we integrate with those communities, again very much at the front end.

We have a strong presence at things like the Tet festival at Sandown. We have a strong and growing presence at Venus Bay with the increase in Asian harvesting of pipis. We are not so much about pinging people at the back end or interacting on the courtroom steps; it is very much about trying to be proactive and up-front. If we shift resources from time to time into education and extension work, it is not surprising; it is a very productive thing to do.

**Dr SYKES** — Chair, I actually asked for a specific clarification, and that was: had the numbers dropped by 20 per cent since 2003? Could that question be answered?

**The CHAIR** — I will deal with that. Can you give us a picture of the numbers of fisheries officers over time, as requested, from 2003 up to the present date?

**Mr HURST** — I would need to check the specifics of the numbers.

**The CHAIR** — On notice would be fine.

**Mr HELPER** — Just to add to that, the fisheries budget has remained relatively stable, so you would not expect a 20 per cent reduction in staff being correct. It is certainly not down by more than a handful of per cent.

**The CHAIR** — Just give us the material on notice; that would be good.

**Ms HUPPERT** — Minister, in your presentation and also in your answer to Mr Noonan's question you talked about the importance of R and D to the agricultural industry. I note that on budget paper 3, page 344, there is a line item under output initiatives, 'Advanced computing for biological and farm systems research', and there is a fair amount of an investment over the forward estimates period. I wonder if you could outline for the committee the research activities of your department in one specific area, which is GM crop technologies.

**Mr HELPER** — The Department of Primary Industries has currently five licences issued to us and one under evaluation by the Office of the Gene Technology Regulator to conduct small-scale research and development field evaluation of genetically modified plants. Some of the trials that we are doing is white clover resistance to alfalfa mosaic virus, drought tolerant wheat, and improved forage quality in perennial rye-grass and tall fescues. This research and development with GM plants addresses key productivity outcomes as well as adaptation to future challenges associated with climate change. I might say that these types of small-scale GM crop trials have been conducted for close to a decade by various jurisdictions. I think the potential not only in terms of genetic modification but to use gene technology to accelerate breeding programs is an opportunity that we want to make sure that Victorian farmers have access to and have the opportunity to exploit as that research

goes through, firstly, to prove its scientific validity but also, as it goes through the significant, as they should be, regulatory hoops to marketability.

I might like to ask, if I may, German Spangenberg, who is the executive director of biosciences research, to give us some greater insight into the terrific work that German and his team are doing and that DPI science is doing.

**The CHAIR** — Please identify yourself and your position for Hansard, and welcome again to the committee.

**Prof. SPANGENBERG** — I am the executive director of the biosciences research division. Simply to provide some further details on the research and development the department undertakes relating to GM crops, one of the examples that the minister referred to is the development of white clover for alfalfa mosaic virus resistance. This is a virus that causes annual losses in excess of \$110 million to the Australian grazing industries. The department has led the development of the world's first GM white clover with AMV resistance. There are no other conventional sources of resistance to this virus in white clover.

A second example is the development of GM wheat for drought tolerance, specifically addressing enhancement of water-use efficiency. We have undertaken three years of field evaluation of GM wheat lines, assessing different candidate genes for drought tolerance in transgenic wheat.

A third example the minister referred to is associated with GM forage grasses for enhanced herbage quality. We have been undertaking field evaluations of transgenic perennial rye-grass as well as transgenic tall fescue plants for herbage quality improvements. These plants, on the one side, show increased energy content, so have modified herbage composition through re-programmed fructan metabolism, in perennial rye-grass. Fructans are water-soluble carbohydrates that represent a key component of energy provision for the grazing animals. With this, after two years of field evaluation, we are seeing very promising results, with improvement of five-point percentage units in dry matter digestibility.

A fourth area of work which is not yet at the stage of field evaluation is related to transgenic wheat, so GM wheat for fungal disease resistance. We have in Australia total annual losses in wheat production in excess of \$470 million due to a complex of different fungal diseases, so the approach we are pursuing is one we refer to as non-host disease resistance, so we are testing different candidate genes from barley to assess their performance to confer resistance to multiple fungal diseases, including stripe rust, stem rust, septoria and crown rot, in transgenic wheat. These are just a couple of examples of the work.

**The CHAIR** — Thank you very much for those examples.

**Ms PENNICUIK** — Minister, now that the dingo is listed as protected under the Flora and Fauna Guarantee Act, what plans does your department have and associated budget or spending has your department allocated to protect them, with particular attention to the threat that dingoes will be bred out of extinction under the wild dog management plan?

**Mr HELPER** — I think the single biggest threat to the dingo in our environment is crossbreeding. The control of wild dogs, which is a vector off crossbreeding of purebred dingoes, is an important task not only in terms of protecting livestock of landowners that are affected by wild dogs but also the environmental or biological outcome of protecting the purebred status of dingoes. Our response to the wild dog problem certainly continues to be trapping, it continues to be shooting, it continues to be baiting, and more related to the protection of landowners rather than the preservation of the breed of purebred dingoes there is an approach of exclusion fencing.

All of these approaches for the prevention and reduction of attacks by wild dogs on livestock tend to work most effectively in that space when they are done in conjunction and collaboration with land-holders and communities. I have seen some terrific work done as a consequence of an integrated package of approaches as a result of landowners engaging with DPI's doggers and our wild dog committees — one in the north-east and one in East Gippsland — and those outcomes have an indirect effect on reducing the impact of hybridisation of dingoes.

Of course the direct responsibility for the conservation plan of dingoes lies with my ministerial colleague Gavin Jennings, but nevertheless we make a considered contribution to that outcome by our efforts, driven in our case

primarily by the protection of landowners and their livestock. Nevertheless, we contribute significantly to the effort to preserve the purebred status of a small number of dingoes.

**Ms PENNICUIK** — Minister, can you just outline for me how much is outlaid for that wild dog management plan?

**Mr HELPER** — It might be quicker, Chris, if you want to answer that question rather than me.

**Mr O'FARRELL** — The government allocated in the 2008–09 budget about \$1.5 million for an initiative titled 'Securing wild dogs through improved management'. I am not aware of other funding that the department allocates to the management of the wild dogs, but Hugh Millar, executive director, Biosecurity Victoria, may be able to advise if there is additional funding.

**Ms PENNICUIK** — So that was the last funding?

**Mr O'FARRELL** — It is over four years.

**Mr HELPER** — That is in addition to — —

**Ms PENNICUIK** — That is 1.5 over four years.

**The CHAIR** — Mr Millar, you need to identify yourself and your position for Hansard, please.

**Dr MILLAR** — Hugh Millar. I am the executive director for the Biosecurity Victoria division within DPI.

**The CHAIR** — You are going to give some further details of the funding for this program.

**Dr MILLAR** — Yes, I am happy to. I cannot give you the exact expenditure figure on that program, because I simply do not have it with me, but I can tell you that it is substantial. We have 26 FTEs, or 26 wild dog control staff, that are working on this program, which is quite a significant staff component, and that is many more than were being employed to do that work some four or five years ago, so it has specifically increased. The exact budget for that element of our pest program — —

**The CHAIR** — You can take that on notice.

**Dr MILLAR** — I would have to take on notice, except that I think you would understand it is clearly substantial.

**The CHAIR** — Thank you. I appreciate that.

**Mr SCOTT** — My question relates to the Future Farming strategy, which is referred to in the questionnaire responses at part B, question 11.1(b) and in the presentation you gave earlier, Minister, in which I think there was a reference to a dairy farmer, Mark Billing. I understand that under the Future Farming strategy government has committed to deliver better services to farmers. Can you tell us what this strategy is, including what it will deliver in the future?

**Mr HELPER** — Thank you for that question. I think the Better Services to Farmers initiative is a really exciting realignment of how the department of agriculture works. We continue to do so, but traditionally the model was that we do the science, we do the extension and we sit down around a farmer's kitchen table and communicate that science, that innovation, that practice change, directly to the farmer.

Certainly farmers, or many farmers, have changed the way they take information into account when planning their farming activities, but also one could see a little bit of an inefficiency in doing that. Given that our motivation is very much about ensuring that we maximise the availability of research, extension and practice change to our farmers, we want to make sure that it happens most efficiently.

The Better Services to Farmers initiative, what does all of that mean? We have undertaken a number of initiatives — for example, in the horticulture industry we have established what we call the Horticulture Industry Network. In other words, the horticulture industry has many segments to it. An asparagus grower is not after the same extension services as an apple grower, so clearly we have a diverse range of commitments to meet there. We have enabled that network, co-funded by government and industry, to establish a number of

liaison positions, and we effectively resource those liaison positions with the research and the practice change raw information for those networks to tap into the different horticultural sectors and deliver practice change to the farms via that avenue. I think it is fair to say it has had a big rap from the horticulture industry. Farming groups and individuals have certainly said to me, 'This is a terrific model of how to do extension in what is a fairly complex sector'.

Other sectors that we are addressing in a similar way to provide better services to farmers are the Better Beef Network, which will commence in July this year. Again, it is about finding a way to engage with our beef-producing stakeholders to provide the extension in services they need via a range of different agencies to ensure we get more practice change on the kitchen table of the farmer. It is not a cost-reduction strategy; it is very much about ensuring we have an efficient pathway from our scientists to the farmer's paddock, and finding the most direct way of doing that.

Finding the most efficient way of doing that has changed over time. I remember attending one grain growers' meeting. I posed the question, 'How many of you would have had external agronomists working for you 10 years ago?' and not a single hand went up. I asked a second question, 'How many of you would have external professional agronomists working for you now?', and 75 per cent of the hands in the room went up. As farmers change the way they take in information and apply it to their farm, so we have to change, and we have to become more effective at providing that information.

You could describe it, I guess in a broader sense — better services to farmers — as being about wholesaling information to a whole range of other players in the field, be they private agronomists, be they private veterinarians, be they private consultants or be they groups like the Birchip Cropping Group or Southern Farming Systems, extending the raw information to those organisations so they can use their more adept ways of getting that information into the paddock of the farmer.

**Dr SYKES** — Minister, my question relates to the \$5.4 million to tackle roadside pests and weeds. First of all a clarification: in answering the question from Ms Graley you indicated a working party had been set up to resolve the responsibility for roadside pests and weeds on local government roads. When will that working party report, and when will the problem be resolved once and for all?

**Mr HELPER** — I am unhappy to give a direct answer to that. As I outlined in my earlier answer, it is a complex set of issues. We are dealing with stakeholders who need to arrive at a position of comfort that the recommendations that that working group puts forward preserves everybody's interests and is indeed an efficient and effective way of delivering control of roadside pests and weeds.

We need to keep in mind, and I should have mentioned it in my last answer, this is not a question about whether the state picks up the bill or whether local government picks up the bill; this is a question of whether local government picks up the bill or the adjoining landowner picks up the bill and puts in the effort — or, if you want to turn it around, 'and puts in the effort'.

I want that group to come to a conclusion as quickly as possible, but at the same time I am allowing it sufficient time to come up with a set of outcomes in what is a relatively complex legislative framework as well. I want that working group to come up with a set of well-considered recommendations so we can put this issue to bed once and for all and establish a system of responsibility that all parties, be it council or be it adjoining landowners, can live with into a happy future, so to speak.

I do not want to curtail their considerations. At the same time I want them to come to a conclusion relatively rapidly. I suggest this is a matter of months rather than years.

**Dr SYKES** — A clarification?

**The CHAIR** — Yes, quickly.

**Dr SYKES** — Still on the same subject area of weeds and pests on public land. Minister, in preparing the budget, including this \$5.4 million, did you consider the cost of implementing a fox bounty program rather than the largely ineffective Fox Stop program, which I think has accounted for about 6000 foxes in its lifetime?

**The CHAIR** — That is probably a separate question. Do you want to take that up in a minute? I will ask Ms Graley to ask her question, and you can ask yours in a minute?

**Dr SYKES** — The first one was a clarification; the second is — —

**The CHAIR** — I have given Ms Graley the call.

**Ms GRALEY** — Thanks, Chair. Minister, when you were giving your presentation I heard you mention the Queensland fruit fly. It actually took me back to my childhood experience of sitting on the Victorian border and my parents feeding me all the oranges and apples so they could come back into the state.

I refer you to page 344 of appendix A of budget paper 3 where it refers to the initiative funding of \$3.9 million for the response to Queensland fruit fly in metropolitan Melbourne and northern Victoria. Could you explain to the committee what the government is doing with these funds to assist farmers, especially those affected by the Queensland fruit fly in order to get them back into the domestic and international trade market?

**Mr HELPER** — Thank you for the question. Queensland fruit fly would be an extraordinarily destructive pest if it were to become endemic in our primary fruit and vegetable production areas. We have succeeded with an extraordinarily collaborative approach to get large parts of Sunraysia fruit fly-free and get its status declared as fruit fly-free. We had the detection of fruit fly in Mildura, which is in that fruit fly-free area.

Of course, that has an immediate impact in terms of the protocols that have to be followed through in terms of taking fruit from that area and indeed taking fruit through that area. So our response involved a massive amount of tracking and a massive amount of inspections of backyards, of orchards and of anywhere where fruit flies may possibly linger so that we could get on top of that particular outbreak and could demonstrate to our trading partners and to other jurisdictions in Australia that indeed we have returned that area to fruit fly-free status. We have succeeded in doing so in the case of Mildura.

There was also an outbreak in Shepparton, and again we threw very significant resources at that outbreak and executed eradication, which enabled the reinstatement of that area, which is very sensitive in a trade sense to the Shepparton area. We have been able to reinstate that area as fruit fly-free on 30 March this year. So you can see now we have an outbreak, that we respond to it very vigorously, consuming an enormous amount of resources in the process, but the stakes for horticulture, for the fruit industries in those regions is just extraordinary.

I was looking through — as you would expect me to — the transcripts of my hearing last year. Dr Sykes asked the question — to paraphrase — when are we going to make Victoria fruit fly-free? Just to make sure that the two success stories I have just indicated do not mislead — for example, to make East Gippsland, where fruit fly is endemic, fruit fly-free is beyond our ability to achieve with reasonable means. Therefore, regrettably, there will be some parts of the state where fruit fly is endemic; and other parts, where we have clear delineations and very strict protocols, which are fruit fly-free, and our vigilance, certainly in terms of ensuring that we have the minimum risk of fruit fly outbreaks remains a high priority for us. Certainly, I think our farming community would expect us to have this high priority.

**The CHAIR** — Thank you, Minister. We will have a short break before Dr Sykes sets the hounds on the foxes!

**Dr SYKES** — I will repeat the question I asked before. Minister, in preparing the budget, did you consider the cost of implementing a fox bounty program rather than the largely ineffective FoxStop program, which I think only accounted for about 6000 foxes in recent times?

**Mr HELPER** — Firstly, let me say that of the FoxStop program we have just seen the first year, and if you look at the growth, in its effectiveness, I think it will deliver a very positive outcome for landowners. The second thing I want to say about the FoxStop program is that it actually about building relationships between shooters and landowners so that effectively the shooter gives the landowner a bit of a hand. It is building that relationship which we hope will be a permanent, lasting relationship, and a relationship that will play a role — not the only role — in fox control. Let me say that about those programs. I give absolute credit to Sporting Shooters Australia and Field and Game Australia for their constructive engagement with that program. Through their engagement with the program they have indeed supported Victorian farmers with fox control. The one thing that we did not do in terms of considering our efforts to support land owners in fox control is take a

bounty. When we had it in 2003, it cost us \$1.98 million in the first year. We did not take a look at the program and say, 'Gee whiz, we can deliver that same program for four years for merely \$4 million', and indeed do more with it, because it was actually a bounty for foxes; the cost of it that I quoted before was for foxes alone on the number of foxes killed. An alternative policy proposition that I have seen in recent days excludes, or clearly does not cost into it, the administration cost. The general running costs of the program cost that program, as I say, \$4 million over four years, which is clearly a deficit of around about 50 per cent to go forward. So in answer to your question directly, no, we did not consider that approach, which happens to be the approach of The Nationals — in developing our policies because it would have left us with a black hole.

**The CHAIR** — Do we need some clarification?

**Dr SYKES** — Minister, how many foxes are there out there now?

**Mr HELPER** — I could not personally tell you how many foxes there are out there. Lots.

**Dr SYKES** — If you have in place an effective fox control program that includes fox bounties, baiting and a range of strategies, is it reasonable to expect that there will be a drop-off in the fox population, and therefore, whilst there might be nearly 200 000 in the first year, in the second, third and fourth years, if you actually have effective fox control, your numbers will reduce, and therefore it may well be that that \$4 million is adequate?

**The CHAIR** — We are probably getting into hypotheticals here.

**Mr HELPER** — I am happy for the committee to take up its time evaluating The Nationals' policy.

**The CHAIR** — I do not wish to; I wish to do the estimates, actually.

**Mr HELPER** — Just let me add, however, the point that would make The Nationals policy clearly impractical. When you arrive at a cost of \$2 million —

**The CHAIR** — I think might put a stop to this.

**Mr DALLA-RIVA** — I want to know how much time he spent wasting the bureaucracy on our policies.

**The CHAIR** — I am interested in the estimates and what the funding is best, rather than necessarily a discussion between the minister and one of the members about other things which are not related to this. I appreciate the discussion, but —

**Dr SYKES** — I will just go back to the estimates, Chair. With the Fox Stop program, how much per head have those 6000 foxes cost? That is the 6000 you have paid out for. What has your total cost been to pay out for the 6000 foxes?

**Mr HELPER** — To take the cost of the program and divide it by the number of foxes shot and call that a cost per head would be excessively simplistic. As all members would know, the set-up costs, the commencement costs of any program, be it fox control or anything else, requires greater expenditure per unit output than if you are actually maintaining a program.

So the cost of maintaining the program will, if you want to express it more as a direct cost per head or per scalp of fox, come down, simply because the establishment costs will not be there, and a significant feature of the program is actually getting industry sponsorship for the program. We have already seen significant prizes donated by industry towards the program. So for our program, we will actually leverage significant outside investment in the Fox Stop program for a direct bounty. You will not leverage 1 cent of outside investment in such a bounty.

I put it to the committee that in terms of the outcomes of building a greater relationship between shooting associations and landowners, the outcome in terms of leveraging sponsorship and endorsement by the provision of prizes by industry, and in terms of the ability to supervise such a program, the Fox Stop program is a preferable approach to a bounty in a general sense.

As I acknowledged before, and as I am proud to acknowledge, on two occasions the Victorian government did put a bounty in place. I might say it was the first time there was a bounty in place in this state; no previous

government of any political persuasion had previously introduced a bounty. We did so in response to specific circumstances. For example, the bounty that ran in 2007 and 2008 was in response to the circumstances of the fires that occurred that fire season.

So with that I am saying if circumstances arise, then certainly a bounty may be an appropriate measure that we would consider, but in a general sense as an ongoing control measure I maintain that our approach through enlisting the support of others, in support of landowners and in support of fox control, is a more effective and long-lasting way of treating the problem of foxes.

**Mr NOONAN** — Minister, you have taken a number of questions about the \$5.4 million that has been allocated over the four years to deal with the most threatening new incursions of weeds and pests animals. I want to go to a particular measure that may be used as part of that programming, and that, as I understand, could be aerial baiting to control wild dogs. Of course there are other measures that could be used such as fencing and trapping. I wonder whether the minister could elaborate on aerial baiting as a possible future option to control wild dogs.

**Mr HELPER** — Dogs and foxes are certainly receiving quite a bit of attention today, and that is terrific.

**Mr NOONAN** — Bill and I are working hand-in-glove at the moment!

**Mr HELPER** — I think the first point to make in terms of wild dog control is there is no silver bullet. There is no single means by which you can effect wild dog control through a single measure, be that aerial baiting, be it trapping, be it shooting, be it exclusion fencing, or be it any of the other of the suite of approaches that we do take. No single one of those is a silver bullet. I understand the enormous frustration and the enormous anxiety that is experienced by landowners affected by wild dogs. If you have seen livestock attacked by wild dogs, you would certainly also feel empathetic to landowners who are put in that position. Also economically it has a significant impact on landowners adjoining areas that have a wild dog population.

The point of my explaining that is that there are a lot of people who say, 'Look, if only the government had aerial baiting, if only the government did X, Y, Z, the wild dog problem would go away'. Unfortunately — genuinely unfortunately — that would not be the case. As I said, there is no silver bullet. There was an aerial baiting trial conducted in Gippsland in 2007. It covered some 400 square kilometres of country and used 780 baits. Although the trial could not conclusively demonstrate whether aerial baiting was an effective tool for wild dog management, the work undertaken has provided an extraordinary amount of information that will help make our control programs more effective.

Research projects to determine the effectiveness of current ground baiting techniques in Victoria was conducted in 2008, and further research to identify the optimum density of control devices for the management of wild dogs commenced in July 2009 and is continuing into 2010.

One of the outcomes already — and albeit it is a small outcome — is that I have given approval to use 6 milligrams of 1080 bait for wild dog control on public land, bringing Victoria into line with other states, whereas we had lower dosage levels previously. The trial work we have done has supported the increase of the strength of the baits and through that enhanced and improved our baiting program. So you can see that we are certainly are keen to, and I am keen to, explore every possible way in which we can make our dog control program more effective. I have to be honest with land-holders and acknowledge that there is no singular way of magically bringing about dog control to the point that attacks on livestock do not occur. Unfortunately we are not in a position to do that. We will continue to improve our baiting approaches, our trapping approaches, our shooting approaches, our fencing approaches. We will continue to improve those at every opportunity we can, and we will continue to invest heavily. As was indicated by an earlier witness, we have 26 doggers now where there used to be 13, so we continue to put significant resources into what is a genuine problem for land-holders. The best success we appear to be having is when there is genuine and positive collaboration between land-holders, our dogging effort and the general community.

**Dr SYKES** — I commend you for your way with words where you talked about an inconclusive baiting trial and then said that the trial work supported the increase in the strength of baits. Is that not coded for, 'You stuffed up the bait dosages in the first instance and they were grossly underdosed'? That is not my question.

**Mr HELPER** — I would be happy to answer it.

**The CHAIR** — Dr Sykes, your question, and try to avoid the statements.

**Dr SYKES** — My question relates to the food bowl modernisation project where claimed savings are going to be created in a number of ways, including the discouraging of irrigated farming on properties more than 2 kilometres from the backbone channels. Linked with that, we have the transfer of the water out of the area with the freeing up of water trading, and we have also government buyback of water. The net result is we could see a substantial contraction of the irrigation area in northern Victoria perhaps down to 60 per cent of its current area.

What work have you done on assessing the impact of that contraction of the irrigation district on key industries such as dairying and associated small businesses, which we will come to later on; say, Murray-Goulburn or Greenham — —

**Mr HELPER** — Murray-Goulburn is not small business.

**Dr SYKES** — We will cover small businesses later on; we will talk to the bigger businesses now. Murray-Goulburn closed one factory and Greenham has cut back one shift. My question is: what work have you done to assess the impact of that decreasing size of the irrigation area as a result of these changes, which are to a large extent the result of government policy?

**Mr HELPER** — Certainly, albeit that I will be talking in my answer about a portfolio area for which the Minister for Water is responsible. I think it needs to be said that the alternative of doing nothing is not one that is open to agriculture in any irrigation system. You cannot have significant losses in irrigation systems and expect that those losses of water will not reduce the viability of such an irrigation system into the future. If you take as an example — and I know your question did not relate to it — the Wimmera–Mallee pipeline loss of 90 per cent of water that went into it before a drop came out of the other end, that is not an irrigation system, or in that case a stock and domestic watering system, that can sustain itself or that we can expect to operate into the future. So the Victorian government has made the decisions that are necessary to ensure that, be it the food bowl or be it the Wimmera–Mallee stock and domestic system, those systems are viable into the future and are able to support agriculture looking forward.

If you take specifically the food bowl modernisation project and look at stage 1, do not forget that you have a sharing of the savings generated by that modernisation — that is, the inefficiencies that are able to be modernised out of the system — between irrigators, the environment and Melbourne water users who are contributing a significant amount of the cost of stage 1 of the food bowl modernisation. Industry as a whole ends up with a greater availability of water than was the case before. Part of any modernisation — and the government was quite open about that right from the beginning — is effective and sensible reconfiguration of such irrigation systems. If there are gains to be made from farmers making choices about where they farm and where they irrigate, if that also contributes to an improvement in the efficiency of an irrigation system and if that further has efficiencies attached to it in terms of the cost of modernisation of an irrigation system, surely they are a set of options that ought to be on the table for any irrigator. That is exactly what we have seen with the food bowl modernisation.

As I started my answer by saying, the converse position is not tenable. We could not have an irrigation system that has significant losses and expect the water to remain with that irrigation system indefinitely into the future. Insofar as the preamble of your question suggested that this was a policy decision that you may disagree with, I put it to you that the alternative of doing nothing was one that the government did not have open to it.

**Dr SYKES** — I asked a specific question about what work the government had done on assessing the impact on agriculture of the changes, such as the discouraging of farmers more than 2 kilometres from the backbone, the transfer of water out of the northern Victorian irrigation area and the federal government buyback. Given that the minister spent quite a bit of time in his initial discussion highlighting the importance of the dairy industry, I would have thought it was reasonable to assess the impact of these important changes on the dairy industry.

**The CHAIR** — You have asked the question again. Does the minister have anything further to add?

**Mr HELPER** — In terms of our interaction with the irrigators, the NVIRP project is an ongoing one. It is where we provide advice to the policy setting of the project but also provide advice for individual farmers to best be able to make decisions about their future, about their interaction with the irrigation scheme.

**Ms HUPPERT** — In your presentation you touched on the timber industry strategy and some changes in relation to VicForests. Clearly it is very important that we have timber industry sustainability. Can you outline for the committee how the strategy is going to be progressed during the forward estimates period?

**Mr HELPER** — The timber industry strategy was launched on 18 December 2009. In my presentation I indicated that it came after long and exhaustive public consultation with stakeholders, be they industry stakeholders or other community stakeholders. It is a strategy that we hope will withstand the test of time, providing the industry with a 20-year outlook that it so much needs. The industry strategy reaffirms the government's commitment to a long-term economically and environmentally sustainable timber industry in this state. The reason for that is twofold: firstly, because the industry intrinsically is an important activity in this state, particularly in regional areas, but the second reason is that it supports many of our smaller communities in regional Victoria.

During late April and early May this year the Department of Primary Industries held three regional workshops to encourage stakeholders to consider the opportunities provided by the timber industry strategy. I do not want the timber industry strategy to become a document that sits on a bookshelf and gathers dust and the only stimulus effect of it for the timber industry be the pulp on which it was printed. I want it to genuinely drive change across government. I want it to drive change for the long-term sustainability of the industry, and that is why DPI presented to regional stakeholders on the opportunities that were inherent in the timber industry strategy and how those communities and those individual businesses may be able to best exploit that. DPI is a coordinating agency across government, because it is a whole-of-government strategy. We are the department responsible for lining up the ducks to make sure that the timber industry strategy actually progresses and delivers its potential — —

**Ms PENNICUIK** — Not a good metaphor, Minister.!

**Mr HELPER** — Just to mix a hunting strategy into one of the — —

**The CHAIR** — It is more wood for the trees, I think!

**Mr HELPER** — To line up the trees so that we do have a long-term viable industry in this place. I can advise that specifically on 29 April 2010 my responsibility as the Minister for Agriculture got enhanced to include being the relevant minister for VicForests. Prior to that it had been the Treasurer who was the governing minister. Now in many respects I continue to be the relevant minister in conjunction with the Treasurer.

**The CHAIR** — The Treasurer is still the sole shareholder, is he?

**Mr HELPER** — Yes, for VicForests, being a state-owned enterprise. This fulfils one of the actions — 9.2 — of the timber industry strategy, and I think it is a very positive development.

I can also advise that the review of VicForests as an organisation is well under way managed by the Department of Treasury and Finance. Again, that was something that was referred to in the timber industry strategy. I think we have a strategy, we have a commitment from the Department of Primary Industries and we have a commitment from this minister that the opportunities that are inherent in the timber industry strategy will be maximised for the timber industry in this state.

**The CHAIR** — Funding for it?

**Mr HELPER** — There is no funding attached to the timber industry strategy; no direct funding.

**The CHAIR** — Just activities. Right, okay.

**Dr SYKES** — Minister, I refer to budget paper 4, page 164, the last paragraph. I note the transfer of responsibility for the Melbourne wholesale markets redevelopment project to the Department of Innovation, Industry and Regional Development. The question is: have continued funding cuts to the DPI meant the department no longer has the personnel to manage this project?

**Mr HELPER** — Answer no. 1: there are no continuing funding cuts to the Department of Primary Industries. The second part of the answer is no, the transfer of the responsibilities for the new wholesale fruit and vegetable markets at Epping to the major projects unit within Department of Innovation, Industry and Regional Development has occurred because it is a major project and is in a phase that is most suitably addressed by the major projects team, and therefore its responsibilities have been transferred.

**Dr SYKES** — Why did it not start off in the major projects portfolio initially?

**Mr HELPER** — It did not start off in the major projects portfolio initially because, like most projects, it goes through an evolutionary cycle. There are first a number of policy principles to put in place, a number of stakeholder engagements do occur and then it translates into the construction phase. The financing phase of it, which is the stage where it is now, is best achieved by the major projects unit. Ultimately of course it will reach its operational stage, and then government will make a decision in which portfolio area it best resides.

**The CHAIR** — So when did it transfer?

**Mr HELPER** — Prior to the last budget.

**Mr O'FARRELL** — Prior to the last budget.

**The CHAIR** — But it actually took effect, though, in the financial year?

**Mr HELPER** — No. I know it is not in the budget papers, but I decided to answer it anyway.

**The CHAIR** — Thank you for that, and I thank Mr Bolt, Mr O'Farrell, Mr Wilson, Dr Skerritt and Ms Kennedy for their attendance and other witnesses as well.

**Witnesses withdrew.**