

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2024–25 Budget Estimates

Melbourne – Friday 17 May 2024

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Aiv Puglielli

Meng Heang Tak

WITNESSES

Ros Spence MP, Minister for Agriculture; and

John Bradley, Secretary,

Dougal Purcell, acting Deputy Secretary, acting Chief Executive, Agriculture Victoria,

Phuong Tram, Acting Deputy Secretary, Forestry Transition Group,

Dr Trevor Pisciotta, Executive Director, and

Dr Katherine Clift, Executive Director, Biosecurity Victoria, 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.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2024–25 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, comments repeated outside of this hearing may not be protected by this privilege.

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

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.

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

Ros SPENCE: Thank you, Chair, and thank you to the committee for the opportunity to present on the agriculture portfolio. I would like to begin by acknowledging the traditional owners of the land that we are meeting on and pay my respects to elders past and present.

Visual presentation.

Ros SPENCE: If we go to the slides, our agriculture sector leads the nation in food and fibre exports, and it is the backbone of our regional communities. The sector generated a gross value of \$20.2 billion in 2021–22. It supports approximately 154,000 jobs in agriculture production and food manufacturing and 21,300 agricultural businesses, big and small. Agricultural land covers 11 million hectares of our geographically diverse state, and in 2022–23 Victoria's agriculture sector produced 24 per cent of Australia's total food and fibre exports.

Over the past year we have delivered a number of key programs and projects that are delivering real outcomes for the agriculture sector. I will run through some of the highlights. In the biosecurity space, our Agriculture Victoria teams have worked with industry to protect against significant biosecurity risks, including varroa mite, avian influenza, foot-and-mouth disease, lumpy skin disease and others. Our dedicated program for emergency animal disease preparedness has delivered rapid uplift in the government's readiness to respond to a major EAD event, both in the laboratory and in the field. With foot-and-mouth on our doorstep, in Indonesia, and the highly pathogenic avian influenza global animal pandemic recently spreading to Antarctica, it has never been more important for Victoria to be ready to respond to a major EAD outbreak.

We are also proud to have released a new biosecurity strategy, following significant engagement with industry, community and traditional owners. This compliments the *National Biosecurity Strategy* launched in 2022, strengthening Victoria's capability to respond to and recover from a detection of an exotic animal disease or

plant pest or disease. In late 2023 Agriculture Victoria's mobile diagnostic van was unveiled, which is ready to be deployed to emergencies, fitted out with state-of-the-art biosecurity technology to undertake vital diagnostic work. Our expertise continues to be sought on key biosecurity initiatives, including as a key player in the grains biosecurity mission, contributing to the \$42.7 million national grains diagnostic and surveillance initiative to improve Australia's biosecurity preparedness.

After a succession of flood, bushfire and storm events, we have continued to support farmers and their communities to recover. We have done this by providing on-ground support from our Agriculture Victoria teams and ensuring primary producers can access the Rural Financial Counselling Service.

In regard to legislative reform, we are transforming agricultural regulatory frameworks to ensure that we have a modern approach to managing and protecting against biosecurity threats, and we have been working with the general public to improve Victoria's animal protection laws with the release of the exposure draft of the animal care and protection Bill.

In regard to climate action, we are taking meaningful and decisive action to mitigate and plan for the impacts of climate change on farmers and the agriculture sector at large. We have partnered with businesses, research partners and communities to continue delivering the first agriculture sector emissions reduction pledge. The pledge has been a foundational investment in a number of important initiatives, including research on methane-inhibiting technologies and on-the-ground action through the on-farm emissions action plan pilot. The 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 also continue to deliver a world-class portfolio of research and development to support climate action in the dairy, grains, horticulture, biosecurity and natural resources sectors in partnership with industry research partners and communities. Agriculture Victoria has just been announced as a core partner in the new \$87 million cooperative research centre for zero net emissions from agriculture and continues to deliver flagship programs and facilities.

Next slide. For the agriculture portfolio there are some big investments and exciting programs of work that we are funding to deliver in 2024–25 and beyond. Biosecurity is a focus in this year's budget and this acknowledges the importance of ongoing investment in protecting the agriculture sector from the increased threat of pests and diseases. This budget invests \$15.8 million to ensure that we have the technical skills and capability to identify threats early and respond quickly and effectively to biosecurity emergencies and outbreaks. This includes that new mobile diagnostic van to strengthen Victoria's capacity to respond rapidly as well as additional preparedness and surveillance to mitigate the risk of red imported fire ants. This is in addition to the \$69.7 million invested in the national fire ant eradication plan. This adds also to the \$43 million invested by the Victorian government in 2022–23 and 2023–24 to build its emergency animal diseases preparedness.

Climate change remains a significant challenge facing the agriculture sector, with drought an enduring feature of the Australian landscape. There is a recognition of this in the continued investment in this year's budget, with \$10.2 million to deliver initiatives through the Future Drought Fund and \$4.1 million for the Rural Financial Counselling Service. These are essential programs delivered in partnership with the Commonwealth that support our farmers to prepare for the impacts of drought and support farming families facing financial hardship.

We will continue to provide the best care for pets and animals, with the budget providing \$13.3 million to rescuing and rehabilitating animals and investigating and prosecuting animal welfare and cruelty complaints. This also funds the implementation of the nationally agreed welfare standards for poultry.

This year's budget also allocates funds to reduce the impacts of pest animals and implement new nationally agreed food safety standards for various leafy greens and melons.

The Victorian forest and wood products industry is an important part of the Victorian economy, and the Victorian government continues to provide record investment to support the transition away from native timber harvesting and the continued growth of Victoria's plantation estate. To support the growth of a strong Victorian plantation estate we have partnered with Hancock Victorian Plantations to provide \$120 million in grant funds to plant 16 million trees over the next 10 years. HVP will match government's grant funding almost dollar for dollar. This is the single largest investment in plantation establishment in the state's history and will help grow

Victoria's plantation estate, which currently makes up 22 per cent of Australia's plantations, by more than 14,000 hectares. In order to promote certainty for timber workers, communities and industry, native timber harvesting ceased on 1 January 2024 following an extended period of uncertainty caused by repeated bushfires and legal actions. In response, the government has provided \$1.5 billion in funding to support the forestry industry, forestry management and forestry transition.

In addition to the plantation investment I have outlined, this funding also supports native timber workers, supply chain workers and their families as they navigate the transition into alternate employment or retirement; sawmills, harvest and haulage contractors, community forestry operators and other forestry businesses to transition to alternate fibre sources and diversify their businesses or by providing compensation where businesses have made commercial decisions to close; and also providing support for communities to deliver diversification initiatives, building on existing economic assets and community aspirations as well as forest land management such as seed collection, regeneration, road maintenance, bushfire preparedness and salvage operations following emergency events. In addition to the transition programs currently in place for native timber workers, communities and businesses that we are providing support for, the Victorian government is continuing to invest in forestry transition, with \$156.8 million announced as part of the 2024–25 budget. This funding will be used to finalise outstanding contractual obligations to sawmills, provide enhanced transition support for community foresters and harvest and haulage businesses and close out contractual, legal and financial obligations associated with the closure of VicForests. And can I thank the VicForests staff for the work that they have done and for working with us through this transition period.

As I have outlined, Victoria's agriculture sector has had some big wins over the last year. Together we have encountered many hurdles yet we continue to flourish. Australia's world-class agriculture sector is worth \$20.2 billion and employs over 150,000 people. We are connecting with the agriculture community around us and tackling issues with strength and innovation, and with this year's budget outcomes we have more important work to be delivering on. This work ensures that we are well placed for the future and gives us great confidence moving forward. Together with Agriculture Victoria, the Victorian government is unwavering in our deep commitment to deliver thriving regional economies. Thank you, Chair.

The CHAIR: Thank you very much, Minister. We are going to go to Mrs McArthur for the first 8 minutes.

Bev McARTHUR: Thank you, Chair. Thank you, Minister. Can I take you to budget paper 3, pages 24 and 25, 'Collaborative vertebrate pest animal management'. Given that wild dogs have been removed from this program, has the government effectively scrapped the wild dog program from 1 July 2024?

Ros SPENCE: No, Mrs McArthur, we have not scrapped the wild dog program. That work will be continuing.

Bev McARTHUR: Okay. Well, in March this year when you announced the unprotection order lapse in north-west Victoria, the media release said that:

... this decision follows new research, strong advice and the effectiveness of non-lethal dingo control methods to protect livestock.

What was that new research? Is it the research paper from the Arthur Rylah Institute? What does it say? Will it be –

Ros SPENCE: There have actually been a number of papers that have been developed in regard to dingo research, and there is consistency amongst them that, first of all, the number of dingoes is very, very low in the north-west of the state, potentially as low as 40 dingoes; secondly, there is the classification of whether it is a wild dog or a dingo, and this is also subject to that research, with more indications now that there is not as much dingo–dog hybridisation as was previously thought; thirdly, in that research there is also the predation numbers showing that within the north-west of the state the levels of predation are significantly lower than in the north-east of the state and, indeed, ranging from around 10 to 68 predation numbers annually over the last 10-year period.

Bev McARTHUR: Well, Minister, can you provide a copy of the Arthur Rylah Institute report that informed the decision to classify the wild dogs in the Big Desert as dingoes?

Ros SPENCE: As I just said, there is more than one piece of research.

Bev McARTHUR: Well, can you provide it all?

Ros SPENCE: I am happy to provide you with research that shows what the levels of predation are. I can go through, there is some research by Kylie Cairns, which shows the likelihood of it –

Danny O'BRIEN: Is that public?

Ros SPENCE: Correct.

Danny O'BRIEN: It is the ones that are not public that we are after.

Ros SPENCE: I am going through the research that was asked of me.

Danny O'BRIEN: We just want to know if you can provide it to us.

Bev McARTHUR: The ones that have not been made public, Minister.

Ros SPENCE: I will ask for the research that can be made public to go to you.

Bev McARTHUR: Okay, thank you very much. Has an expert panel been appointed to consider the unprotection of the dingo?

Ros SPENCE: I am not sure the composition. I will throw to –

Trevor PISCIOTTA: Thank you, Minister. And thank you, Mrs McArthur, for the question. The Scientific Advisory Committee, which is appointed under the *Flora and Fauna Guarantee Act*, provides advice on the conservation status of the dingo. That committee has been previously appointed and is a statutory committee that is in place and will be providing advice in relation to that specific question.

Bev McARTHUR: The *Greater Gariwerd Landscape Management Plan* announced that you would not be introducing dingoes, which was a suggestion, into that area in the Grampians but the option might happen one day in the future. What guarantee can you give the farmers in the Grampians area adjacent to the Grampians National Park that dingoes will not be introduced, given that this is the prime wool-growing area in Australia?

Ros SPENCE: Thank you for that question. Can I just suggest to you that you take that up with the Minister for Environment, as those matters are now within the environment portfolio. It will not be a decision for me to make, and I cannot make assurances on behalf of another portfolio.

Bev McARTHUR: She will be deciding on your farmers, Minister – on their livelihoods.

Ros SPENCE: I am always very interested to hear from farmers about the experiences they are having and for us to respond appropriately to that and determine what supports are actually going to help in different circumstances as they arise, so of course I am interested in farmers and making sure that they can continue their operations.

Bev McARTHUR: Thank you, Minister. Has 1080 been banned in the north-west of the state to protect dingoes?

Ros SPENCE: I do not believe so.

Dougal PURCELL: Mrs McArthur, no. My understanding is that – sorry, I should rephrase that, Mrs McArthur. As you are aware, the research that has come about has indicated that what was previously considered to be a wild dog or a wild dog hybrid is in fact a dingo, and that research has been spoken to you about.

Mrs McArthur, as you will understand, therefore, as a threatened species it is illegal to kill a dingo, and so therefore the utilisation of 1080 to control dingoes is not allowed, no.

Bev McARTHUR: Is not?

Dougal PURCELL: Is not allowed.

Bev McARTHUR: Is not allowed?

Danny O'BRIEN: So it has been banned?

Bev McARTHUR: So it has been banned?

Ros SPENCE: To kill dingoes.

Dougal PURCELL: To kill dingoes – sorry, to be very clear. With the intent to kill a dingo, it should not be used.

Bev McARTHUR: But it can be used to kill other vermin, like foxes?

Dougal PURCELL: It can be with the right approvals, yes.

Bev McARTHUR: What happens if it actually catches a dingo in its path?

Dougal PURCELL: The onus is on a landholder to make sure that they do not seek to kill a dingo.

Bev McARTHUR: But in the state forests are you not using 1080 to control foxes?

Dougal PURCELL: Sorry, Mrs McArthur. What happens in state forests is a matter for –

Bev McARTHUR: A matter for state forests.

Dougal PURCELL: That is right.

Bev McARTHUR: Stock mauling by dingoes began almost immediately after the wild dog zone was revoked. No adjacent producer has been able to secure an ATCW as dingoes are now protected. Will the minister make those permits available?

Ros SPENCE: Thank you, Mrs McArthur. Making those permits available is not a decision for me. That is the independent conservation regulator –

Dougal PURCELL: The office of the conservation regulator.

Ros SPENCE: The office of the conservation regulator, which is an independent office, will make those determinations. In regard to what has or has not been issued or allowed since the unprotection order was removed, I am aware of the initial farmer who raised concerns almost immediately – I think that is who you are referring to, Mr Bennett – and the department has been working with him. It is correct to say that his application for a permit was not approved by the conservation regulator, but that is the only application that has been made. So if adjoining landholders are suggesting to you that they have not been able to seek a permit, I would suggest that they work with the department, work with the regulator, because at this stage there have not been any further applications.

Bev McARTHUR: Okay. Just to confirm, is 1080 being used in the former north-west wild dog management zone by DEECA staff? Perhaps Mr Bradley –

Ros SPENCE: That is environment.

John BRADLEY: That is, as you say, a matter for the environment portfolio estimates, but certainly 1080 has not been banned within its use. It remains an important control under appropriate circumstances. I think as Mr Purcell was saying earlier, though, the obligation here is to make sure that it is not being used to kill dingoes in terms of the use by private property owners or indeed by DEECA and our land management staff when managing state forests.

Bev McARTHUR: Thank you, Mr Bradley. I think – my time is up.

The CHAIR: Apologies, Mrs McArthur. We will go straight to Ms Kathage.

Lauren KATHAGE: Thank you, Chair, Minister, officials. I am going to talk to, I guess, the main risks for primary producers – I think really potential biosecurity threats are right up there for sure. In the budget paper here, page 26 of budget paper 3, we have got information on the funding for emergency animal disease prevention and preparation. Can you tell me how this funding is being used to make sure we are as prepared as possible? I am thinking about things that can wipe out crops like – sorry, sheep fleece?

Foot-and-mouth, avian – how is this money being used to prevent that happening? I am thinking particularly about chicken and egg organic producers in my electorate of Yan Yean. How will this help them?

Ros SPENCE: Thank you for the question. We know that biosecurity plays a really crucial role in protecting Victoria's agriculture sector, and I have to say that since coming into the portfolio, the biosecurity area is one that is particularly interesting, and also particularly concerning, because the range and breadth of issues is quite extensive. What we know is that invasive species are currently estimated to cost Australia around \$24.5 billion a year, and that really shows the significance of the problem that our growers are faced with. A strong biosecurity system enables Victoria's agricultural sector to access export markets to sell Victorian products at a premium owing to our global reputation for clean, high-quality produce, and we want to keep it that way. The centre for excellence for biosecurity risk assessment advises that there is a combined probability of 56 per cent of a significant emergency animal disease entering Australia in the next five years, so we need to make sure that we are absolutely prepared for that.

In this budget the government will continue to strengthen its ability to mount a rapid, well-coordinated and appropriately resourced response to an emergency animal disease, or an EAD, through an integrated biosecurity preparedness program. This will build on the significant work already undertaken to increase Victoria's emergency animal disease preparedness and the \$43 million that the Victorian government has invested in EAD since 2022. The current emergency animal disease preparedness program funding continues into 2024–25 to complete a three-year program, and the funding amount of \$4.138 million will complete research, boost increased technical and specialist capability and deliver a fit-for-purpose emergency resource management system. This is important work because Victoria is particularly vulnerable to the rapid spread of EAD due to very dense livestock populations; due to the close proximity of mixed livestock species, including pigs and poultry; and significant livestock movements into Victoria from interstate as livestock is sent to Victorian abattoirs or saleyards.

The government also understands the economic and social turmoil that could occur in our state if there was an animal emergency disease outbreak anywhere in Australia. The cessation of international trade would cause unprecedented harm to Victoria's meat, dairy and animal fibre export markets, which were worth \$9.28 billion in the last financial year. However, I am confident that if an EAD is detected in Australia, Victoria is well placed to undertake an emergency response in accordance with national biosecurity and state emergency management arrangements guided by the Victorian government's state EAD response plan.

Agriculture Victoria leads a whole-of-government EAD preparedness program to ensure that EAD-related national and state level policies, plans and industry preparedness supports are ready; that active communication and industry engagement is occurring; that contingency plans are in place; systems, equipment and tools required to support response operations; and there is access to a trained surge workforce to deliver the response. And in fact, if members are interested in seeing the response plan in action, there was a simulated biosecurity response drill in Victoria that was covered by *Landline* on 18 February showing just how everyone jumps into action when there is a need to respond to an EAD outbreak. In this case it was foot-and-mouth disease, and I do recommend that people and members have a look at this coverage and see an appearance of Katherine Clift in the story and just see what was the Operation Cerberus training exercise in practice. It is very interesting.

The state EAD response plan also has recently been updated to reflect the current levels of enhanced preparedness, command and coordination and to clarify the roles and responsibilities of supporting agencies and departments, and it was noted during the *Landline* story that these simulated exercises are important to push the system when it is not under the pressure of a real exotic disease outbreak. To do that during peacetime is how we are able to identify if anything needs tweaking.

The Victorian government's emergency animal disease preparedness program has developed the plans, the capabilities and the resources to mount an immediate and effective response, to maintain a workforce necessary to control and eradicate disease in accordance with national arrangements and to manage the risks and the

consequences of an emergency animal disease event anywhere in Australia. This three-year emergency animal disease preparedness project has achieved a significant uplift in EAD preparedness, shifting the dial in a very positive direction for Victoria.

Lauren KATHAGE: Thank you. Minister, you spoke about everyone having a role to play in terms of biosecurity. So that funding there – how does that support communities like mine, or any community around the state, to partner with Agriculture Victoria or with other industry stakeholders to sort of work together with that threat?

Ros SPENCE: Thank you for that question, because biosecurity really does require a collective response to prevent and manage the harms that can be caused by pests and diseases and their impact on our environment, on community and on the economy. To that end, the collective biosecurity movement is a four-year, \$1.9 billion investment. This investment supports a range of activities, including the expansion of community-led action to manage pests, running joint emergency training exercises with industry and promoting surveillance and voluntary compliance through a biosecurity citizen science awareness campaign and toolkit, including the Great Biosecurity Quest, which was launched at the Royal Melbourne Show last year. This is a toolkit for everybody to keep an eye on what pests are about, whether it is in the backyard, in the park or in nature in general. I encourage you to get your young ones to become Watchout Warriors; they can download the kit online.

Over the coming two years, the collective biosecurity movement initiative will invest the final \$400,000 into delivering further joint exercises and research into communications for participants in the biosecurity system and the broader Victorian community. A key component of good biosecurity practice is of course traceability, because it is so essential for authorities to be able to track the pathway of a disease outbreak, and this relies heavily on honest and transparent information from all involved.

The CHAIR: Thank you, Minister. We are going to go to Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Good evening, Minister. Can I just follow up a couple of the things that Mrs McArthur was asking. With respect to the 1080 question, what penalties would apply to a farmer who might be using 1080 to control foxes or other pest animals but inadvertently targets or kills a dingo?

Ros SPENCE: I will hand to the Secretary for that response.

John BRADLEY: Thanks. Where a farmer was intentionally seeking to kill a protected animal without the appropriate authority in terms of an authority to control or other protection –

Danny O'BRIEN: Sorry, can you speak up, Secretary? It is very hard to hear.

John BRADLEY: Sorry, Mr O'Brien. Where a primary producer was intentionally seeking to kill a protected animal, like the dingo, without the appropriate authority, then there would be penalties applying underneath the *Wildlife Act*, and that is why we have been working really closely with all stakeholders to make sure that we are using our networks. We have got a very significant wild dog program that has a presence in local communities. Also, through Agriculture Victoria's websites and other places, we are making sure people are aware of the support we can provide, including non-lethal measures and other forms of support in the local area.

Danny O'BRIEN: Yes. The question, though, is if you are in the north-west zone, for example, and you are baiting to control foxes but you accidentally get a dingo, what is the penalty, or will there be a defence of inadvertent –

John BRADLEY: Those circumstances are considered, in the case of the conservation regulator, if there was an offence underneath the *Wildlife Act*. But in doing that they would go through an appropriate assessment of the circumstances and the facts of that particular situation. It would certainly have bearing in terms of the extent to which there was a deliberate intention to proceed with a lethal method against the dingo in the absence of seeking to engage with the authorisation processes that we were discussing earlier.

Danny O'BRIEN: Okay. Minister, I understand your answer on the authority to control wildlife permits, particularly for Mr Bennett, but the question I have got is: what is the government's policy now? Will any ATCWs be approved for dingo control?

Ros SPENCE: Well, our policy is for the conservation regulator to make an independent decision based on the information before them.

Danny O'BRIEN: That is the question, though: will they be entitled to grant the permit for control of dingoes in the north-west?

Ros SPENCE: Yes, they are entitled. They have to make a judgement call, on balance, given the conservation issues with the dingo. The very high conservation concerns need to be balanced with the extent of predation that is occurring, taking into account whether or not there is any risk to people in the process, and taking into account also whether all other forms have been exhausted, making sure that farmers –

Danny O'BRIEN: Okay, but given there are only 40 dingoes, you believe, left in the north-west, it is highly unlikely then that any permits would be issued.

Ros SPENCE: I think it will be a much lower likelihood than in other areas, given the high conservation issues.

Danny O'BRIEN: Can I also just clarify your first answer to the question: has the wild dog program been scrapped from 1 July? You said no. Presumably it only operates, though, until October, when you decide the future of the eastern zone?

Ros SPENCE: Correct, and at that point it will be determined what form of process going forward is required. We cannot pre-empt what the outcome of that review is going to be. If we said that wild dog was going to continue beyond October, yet we do not have the review – equally to say, if it is not – we need to wait until that review is completed and 1 October is when we are –

Danny O'BRIEN: But the wild dog program expires on 1 July or 30 June, and the new program that is announced in this budget does not include wild dogs, at least not in the budget papers, so how is it being funded?

Ros SPENCE: Internally.

Danny O'BRIEN: By internal departmental resources? So all the doggers currently employed in the Eastern Region will continue their jobs until October?

Ros SPENCE: Yes, they will.

Danny O'BRIEN: Moving on to the decision made about the north-west zone, on what grounds did Animals Australia and the Victorian government agree to withdraw the court case regarding wild dog management?

Ros SPENCE: I do not have that information. I will pass to the Secretary.

John BRADLEY: Thanks, Mr O'Brien. The department, as the Minister was saying earlier, took account of that emerging scientific evidence that there could be as few as 40 individual dingoes in the north-west area, and on that basis made a recommendation to the government that it amend and restate the unprotection order to remove the north-west. In doing that, of course, there was this separate process on foot in terms of the legal action that was being taken. We followed appropriate legal advice and notified those parties and made sure we did that in a way that was respecting the court process and not contravening the court process, and it was on that basis that the parties agreed to the discontinuation of –

Danny O'BRIEN: So basically you lift the unprotection order in the north-west; Animals Australia drop their case.

John BRADLEY: The circumstances of the advice to remove the unprotection order were premised on the emerging evidence we had through camera traps –

Danny O'BRIEN: No, I am not suggesting otherwise. I am just saying that was the fact of it. Given the government decision to lift the unprotection order in the north-west, Animals Australia therefore agreed to drop the case.

John BRADLEY: The administrative law issue was that it was an action in relation to the making of the unprotection order. The unprotection order that was the subject of the legal action had already been unmade, so it became redundant.

Danny O'BRIEN: \$550,000 is allocated to a pilot program trialling non-lethal solutions to manage wild dogs. How many kilometres of fencing will this fund provide, Minister?

Ros SPENCE: This will provide a demonstration pilot fence so that farmers can ascertain what would be appropriate for their particular sites and see how effective it is in various terrain.

Danny O'BRIEN: There will not be any grants for fencing or any other protection measures?

Ros SPENCE: Not specifically, no.

Danny O'BRIEN: So someone like Alan Bennett, you mentioned, as already publicly reported, lost 30 sheep in two weeks after the event. Are you providing any support to any of those farmers on the edge of the north-west zone to actually mitigate dingo or wild dog attacks, whatever you might like to call them?

Ros SPENCE: AgVic has been in constant contact with Mr Bennett. I understand that he already has exclusion fencing, but there are other discussions taking place with him about what other protections he may put in place. I might throw to Mr Pisciotta to provide some more information, given they have been directly involved.

Trevor PISCIOTTA: Thanks, Minister. Mr O'Brien, as the Minister just mentioned, Agriculture Victoria staff together with the DEECA wild dog program have visited Mr Bennett's property and met with him to discuss the situation in relation to –

Danny O'BRIEN: He is an example, with respect. There are multiple other farmers, of course, in the zone. They are now completely unprotected from wild dog attacks coming out of the Big Desert, the Little Desert and Wyperfeld. What is the government's \$550,000 going to do other than run a few training days or roundtables to discuss how to deal with wild dog attacks?

Trevor PISCIOTTA: As part of the \$550,000, in addition to the construction of the demonstration fencing site, in addition to training and working with landholders to understand other non-lethal pest management and dingo management options that may be available to them –

The CHAIR: Apologies, Mr O'Brien. We are now going to go to Mr Galea.

Michael GALEA: Thank you, Chair. Good evening, Minister, Secretary and officials. Thank you for joining us tonight. Minister, I would like to ask you about the red imported fire ants. I know there is, in reference to budget paper 3, page 26, discussion around these little critters and the threat of course that they pose and the funding that the government has been implementing, and that has continued funding, I see, in this budget. I note that that comes on top of previous funding of \$70 million, which is by all accounts very significant as part of our contribution to the national fire ant eradication program. Can you outline the nature of the threat as it currently stands for Victoria and broadly as well, and what this funding will be used for?

Ros SPENCE: Certainly. I would be more than happy to talk to you about the red imported fire ant, or RIFA. It is notorious for being one of the most invasive and aggressive species in the world. It has got the well-deserved title of being the world's worst invasive pest, and these fire ants pose a really significant threat to so many aspects of our lives. Think of everything that we do that involves our interaction with the ground beneath us, and that is what is affected by the RIFA and the impact that it can have. We know that fire ants are having a devastating impact on agriculture, on social amenity, on the natural environment, human health and animal welfare around the world. I am happy to elaborate on these threats and these impacts in more detail.

Firstly, the agricultural sector stands to suffer immensely if fire ants were to establish themselves in Victoria. These ants can damage crops by tunnelling through the roots and the stems. They can harm livestock,

particularly through swarm attacks on newborn or young livestock with bites to soft muzzles, noses, ears, eyeballs, and these can be lethal attacks. They disrupt agricultural practices, leading to really severe economic circumstances. The estimated costs could be astronomical, not just in direct damage but also in the increased expenditure required for pest control measures.

Beyond agriculture, should these red imported fire ants establish in Victoria, there is no aspect of our life that would not be affected by them. Imagine a scenario where young children can no longer go and play in a park, sports grounds are out of bounds because there may be a detection there – and they are often being cancelled over in the US where they have the presence of these ants. The natural environment would also suffer, as RIFA disrupts local ecosystems by preying on the native species and outcompeting them for resources. The public health implications are equally alarming. Fire ant stings are not only incredibly painful, but as they swarm attack in large numbers, they can cause very severe allergic reactions, including anaphylactic shock. This is particularly concerning to vulnerable communities, such as babies, the elderly, and also individuals who are not aware of their anaphylactic allergies to these stings as they have not had any anaphylactic reaction to anything else before. So there is no question that RIFA is a super pest, and it wreaks absolute devastation wherever it embeds itself. In the United States, particularly in Texas, fire ants have caused significant human distress and a really massive economic burden, costing the state an estimated \$6 billion annually in damages. As I said earlier, the ground is just not safe, so sports grounds are a risk, backyard birthdays are not possible without treating the whole property first, and agriculture and outdoor infrastructure are also at risk.

I had the opportunity to visit Queensland's Berrinba national fire ant eradication program centre with Ms Clift, who is here today. What we saw there was the extent of a horrendous problem. When you are seeing a box containing these ants and its sides are coated in Teflon so they cannot get out, with the protective glove on, the person puts their hand in, and the ants react with such ferocity that you can see very clearly the damage that they would do if there was not a protection over the hand. The ants react to pheromones of another ant that they perceive is in threat and so they swarm to eliminate the threat and they do not stop swarming until they have eliminated the threat, so they are incredibly dangerous. The bigger the nest, the bigger the swarm. So there is a lot to be feared about these ants. I will just mention when we talk about these ants, they are on average 2 millimetres long. They are tiny, but the damage that they can inflict because they do not operate alone – one bite would be bad enough, but it is the effect of multiple swarm attack bites. It is incredibly bad.

It was also really interesting while we were at the centre to see the use of sniffer dogs that have been trained to detect a nest. They can detect a nest in areas that have got large amounts of soil, mulch and quarry products, which are the prime locations for RIFA due to their affinity for disturbed ground. They really like that disturbed ground, so you can imagine, given that, how attractive developing Victorian housing estates would be should they make their way to Victoria.

The substantial funding that has been allocated to this program reflects the seriousness with which we take this issue. It really is imperative that Victoria continues to support the national effort to eradicate RIFA from Australia, which is what the redesigned plan is intended to achieve. We know that whilst good efforts have been made, there is still a significant threat that needs to be addressed in Queensland. That is what the new eradication plan is doing, and I am really pleased that we have been able to contribute to it. We have seen additional incursions come in the northern New South Wales area. Thankfully they have been able to be contained and managed, but we must stay vigilant in looking out for any signs of incursions in Victoria. So far there are none. There has been a detection of a female ant in a nursery, but that was found to be isolated and have no nest associated with it, so that is incredibly good.

We know that this is an incredibly important program, but we also need to play that really important role of keeping an eye out, monitoring and making sure that it does not come here. How do we do that? We monitor certain products that would come from Queensland that might carry these ants, particularly mulches, soils and turf. They may carry the ants, so there are particular additional efforts made around them. But we also need to keep up a public messaging campaign so that people are encouraged to keep an eye out. Those in industry know what to look for. We know that, because we had that one sighting and that was reported, thankfully, and investigated and found not to be a problem for the area. So through substantial funding, stringent regulations, advanced monitoring and community engagement we really are working diligently to protect our state and supporting other states in their battle against this really invasive species.

The CHAIR: Thank you, Minister. That was actually quite insightful.

Michael GALEA: Sufficiently scary.

The CHAIR: Yes, agreed. Mr O'Brien.

Danny O'BRIEN: Thank you, Chair. Minister, just a quick one. Is the government intending to put up fences in the wild dog zone in the north-west of the state to protect the dingoes?

Dougal PURCELL: Mr O'Brien, the \$550,000 package does not provide grants for individual landholders.

Danny O'BRIEN: No, no. The question is the other way round. I am asking: given there are apparently only 40 dingoes left, is the government intending to fence that north-west zone to protect the dingoes?

Ros SPENCE: That is not a conversation that anyone has had with me. I do not believe there is any intent like that. Going forward, I would suggest that would be a matter for environment.

Danny O'BRIEN: Likewise the proposal – I believe the South Australian government has asked for funding to jointly do a fence along the border?

Ros SPENCE: That is not something that we are considering.

Danny O'BRIEN: Okay. Can I move on to biosecurity. We have been talking about red ants, but varroa mite is the other one that you would be aware of. The varroa mite transition to management plan states that it will 'allow movement of hives and bees with testing and treatments'. How many mite strips and what volume of miticide have been stockpiled in preparation for the upcoming pollination season?

Ros SPENCE: I do not have a response for that. I will pass to the end.

Katherine CLIFT: Thank you for the question. In terms of our preparations for the upcoming almond pollination season, we have been working closely with the industry to clarify the arrangements that will be required for hives from interstate to be able to enter Victoria. That does include stringent requirements around being registered with either the Victorian government or their home jurisdiction. It also includes testing requirements, as you have indicated, and those permits will be assessed by Agriculture Victoria. We do anticipate, as you have said, that as we are now in a transition to management phase that we will have varroa detected in Victoria at some stage in the future.

Danny O'BRIEN: Hence the question: how many mite strips and what volume of miticide has been stockpiled?

Katherine CLIFT: We are confident based on the discussions that we have had with our colleagues in New South Wales that there are no concerns around the availability of miticide strips in Australia at this point in time. They have been readily available.

Danny O'BRIEN: But the department does not keep it itself.

Katherine CLIFT: We have had some miticide strips previously. I would have to take that on notice if you wish to have the current details.

Danny O'BRIEN: That would be great if you could. We are only a few weeks out from the pollination season. Why have apiarists not been told what the pathway is to access chemical treatments?

Katherine CLIFT: That is because under the conditions of the APVMA, which sets the requirements around access to chemicals such as those miticide permits, we are not permitted to have them available for retail sale in Victoria until varroa mite is actually detected within Victoria.

Danny O'BRIEN: That is an APVMA ruling?

Katherine CLIFT: Yes. At that point in time the permit that applies will be amended and those chemicals will be available. We have been in discussions with industry around this, and we are confident that those changes will be able to be made relatively quickly and chemicals will be able to be available for our beekeeping industry.

Danny O'BRIEN: I appreciate that it sounds like it was a decision of APVMA, but isn't it a bit late once a detection is made in Victoria to then say, 'Oh, okay, then you can have the miticide'? There will be a lag period in distributing it to apiarists.

Katherine CLIFT: The miticide strips are not required to be used in hives that do not have varroa, and we have plans in place around how any detections of varroa will be managed in Victoria, particularly in those early days when we may have the first detections.

Danny O'BRIEN: Okay, so there is no timeline for when those protections are available until there is an outbreak in Victoria or a detection in Victoria.

Katherine CLIFT: We have undertaken planning which provides the work around how we will manage those first days and weeks when we have a detection in Victoria and all of the necessary steps that would have to be undertaken to support our industries during that time.

Danny O'BRIEN: Okay. Minister, on that question, have you taken that up with your federal colleague with respect to APVMA?

Ros SPENCE: Well, I have not. As Dr Clift has gone through, there is a process in place, and I have been informed that that process will adequately deal with an incursion should it happen.

Danny O'BRIEN: Okay. Can I ask a question on the bigger picture of biosecurity threats, and you mentioned in your presentation lumpy skin disease, foot-and-mouth and the like: is there sufficient staff remaining in AgVic to deal with such an outbreak, given that if you compare the budget two years ago for AgVic to this year it is a 30 per cent reduction?

Ros SPENCE: Yes, there is.

Danny O'BRIEN: How many staff are there in Ag Vic in total?

Ros SPENCE: I will hand to the Secretary to give you that response.

John BRADLEY: Thanks very much, Mr O'Brien. Let me just make sure I am looking at the right figures, but currently there are 1024 FTE expected to be employed in Agriculture Victoria as at the end of June.

Danny O'BRIEN: 1024 FTE?

John BRADLEY: Correct.

Danny O'BRIEN: How many of those are front line and how many are in administrative roles? Probably more particularly the question is: how many could respond to a disease incursion?

John BRADLEY: Thank you. On that issue, I might ask Katherine Clift to expand on our preparedness in relation to our ability to bring staff in to perform those roles.

Danny O'BRIEN: Just briefly if we could.

John BRADLEY: One of the benefits, though, of having the department and the emergency management capability of Forest Fire Management Victoria also is that it actually taps into the emergency management model of the whole of our staff, which is much more significant than AgVic, but I will ask Katherine if she is able to add to that.

Danny O'BRIEN: Perhaps the broad question is: how many government staff overall would be available to respond and adequately trained to do so?

Ros SPENCE: Can I just add to that, Mr O'Brien, that it is not just government staff that respond.

Danny O'BRIEN: No, I appreciate that.

Ros SPENCE: There is a surge up of industry and vets et cetera.

Danny O'BRIEN: I get that. This is the government budget hearing, though.

Ros SPENCE: I would not want you to presume that the government response was the only response.

Danny O'BRIEN: No, no. But I do not have the VFF here today. Very quickly – sorry, Dr Clift.

Katherine CLIFT: So we have approximately 500 staff who have emergency roles and have been specifically trained to respond to a biosecurity event. In addition to that we have undertaken significant work to enable surge resourcing. That includes being able to pull on wider resources across the Victorian public sector, including DEECA, as the Secretary has outlined, and also resources from the private sector, such as specialised skills including veterinarians and our apiary industry through other programs. Also, we have put arrangements in place around accessing more generic skills through labour hire arrangements so that we are able to have the ability to scale up at speed when required.

Danny O'BRIEN: Can I sneak a very quick one in – is there no longer any commercial firewood harvesting in Victorian state forests?

Ros SPENCE: You ran out of time.

Danny O'BRIEN: Yes, I know.

The CHAIR: Apologies, Mr O'Brien.

Danny O'BRIEN: No, seriously – that is a yes or no.

Ros SPENCE: There is firewood available through collections –

Danny O'BRIEN: Commercial, I am talking about, as part of the native hardwood shutdown.

Ros SPENCE: Well, part of the native hardwood shutdown is there is no firewood coming out of those but there may be firewood from other areas. This is not a yes/no answer, because –

Danny O'BRIEN: Well, no, for state forests it is.

The CHAIR: Mr O'Brien, I really apologise – we are out of time. And to be fair I have moved on to the next member very quickly for the past two days, so I am going to follow suit. We are going to Mr Tak.

Meng Heang TAK: Thank you, Chair. Minister and officials, I refer to budget paper 3 on pages 24 and 26. Could you please explain how this government is helping the farmers and rural communities to be better prepared for droughts and natural disasters in the face of a changing climate?

Ros SPENCE: Thank you, Mr Tak, for raising this really important issue. We know that climate change is a pressing issue. Here in Victoria we actually see the impacts of climate change firsthand. We know that climate change will bring unpredictable weather more frequently, and we just need to look over the past couple of years, from droughts to floods to fires. We have had fires raging in one part of the state only to be followed by floods a few days later in another, and it really has been relentless. I took on the agriculture portfolio in October, and in that time I have already seen many of these extreme weather events take place and seen the impacts of them. I know the Member for south Gippsland is well aware of these events as well and their impacts –

Danny O'BRIEN: Gippsland South.

Ros SPENCE: Gippsland South, sorry – given I joined him to visit some of those impacted in Mirboo North following that really devastating storm event in February.

It is important to acknowledge the impact that these weather events are having on our farmers and local communities and the need for our farmers and rural communities to be more resilient than ever. So after any natural disaster, whether it is fires, floods, storm or hail, Agriculture Victoria has responsibilities under the state emergency management plan to lead animal welfare relief, to support the response to agricultural and animal welfare issues and to deliver recovery services to primary producers. We have got teams monitoring weather conditions year round, assessing the damage and getting recovery support to those who need it most. Our teams

are strategically positioned across the state, maintaining a strong regional presence. They work closely with industry stakeholders and local communities, ensuring that our response efforts are both coordinated and effective.

But it is not just about responding to crises; it is also about empowering farmers to proactively manage risk and prepare for what might lie ahead, and that is where our ongoing support programs come into play. The \$70 million Rural Financial Counselling Service, for example, provides financial advice to thousands of farmers each year. This assistance aims to help farmers navigate the financial aftermath of disasters as well as plan for a future that foresees such events. Then there is the combined investment with the Commonwealth government of \$20.4 million for the Future Drought Fund. This is a forward-looking initiative aimed at building resilience to droughts, and this fund supports research, infrastructure projects and community initiatives that enhance drought preparedness as well as the response. By investing in these long-term solutions we are ensuring Victorian farmers are better equipped to handle future challenges.

Meng Heang TAK: Thank you, Minister. As you have mentioned, over the last few years Victorian farmers have faced drought conditions, floods, storms and fire. How will this government's investment, as we heard, in the Rural Financial Counselling Service, the \$70 million, help farmers to respond in the face of disaster, and how many farmers will benefit from this program?

Ros SPENCE: Thank you for that question. This investment in the Rural Financial Counselling Service is incredibly important. It is one of the Victorian government's service offerings to support primary producers, particularly at times of peak stress, alongside other supports that are provided by Agriculture Victoria. It has been around since 1986, and for the last 10 years approximately there have been 1700 Victorian farm businesses that have accessed the service annually. The service has been central to delivering the Victorian government's October 2022–January 2023 flood and storm recovery support packages, and in 2022–23 the RFCS assisted a much larger number, being 2371 farm businesses in Victoria, which is approximately 11 per cent of farm businesses in the state. This really is a lifeline for our farmers and rural communities facing financial hardship after disasters. It offers free confidential financial counselling, helping them to get back on their feet and to plan for the future. The service focuses on transitioning clients out of financial crisis, improving their financial wellbeing and boosting business profitability. Qualified rural financial counsellors provide personalised support, empowering clients to make strategic decisions about their finances and their businesses. Primary producers can reach out to the RFCS through a toll-free number or can connect with counsellors at events or at recovery centres during and after disasters. To give you an idea of what is involved, the counsellors will usually first try to understand their client's financial position through developing budgets and cash flows to enable them to reassess the viability of their business. They will then develop an action plan and take the necessary steps to help their client get out of financial difficulty, and sometimes they can even negotiate with the client's lenders. They also help clients navigate government programs and assistance like the farm household allowance, and it is important to note that counsellors guide clients through the process. The client always makes the final decision; they are not making decisions for the client. So while counsellors cannot provide advice on specific products or legal, family or mental health issues, they can refer clients to other professional services as needed. So overall the RFCS is not just a reactive service, it also has a proactive role, building financial knowledge, building skills and building resilience for the future, and it is a really vital part of our support system for farmers and rural communities, ensuring that they have got the resources they need to thrive, even in the face of adversity.

Meng Heang TAK: Thank you, Minister. Would you be able to share a high-level example with us that explains how the Rural Financial Counselling Service has in the past helped farmers to get back on their feet after a natural disaster, please?

Ros SPENCE: I will give you a really quick example, given the time that we have. When the counsellors go through discussions with clients, they often find that there is a broader discussion to take place, and this can be in regard to the future of their farming enterprise. I have heard one story of a client who had a son in ag college, where they had minimal or no succession planning, so following discussions with the rural financial counsellor and discussions with their accountant and with their lawyer they were able to plan on how to best bring the son into the business. So that was a really good outcome. What initially begins as a transactional activity of developing a budget can often naturally grow into positive case management.

The CHAIR: Thank you, Minister. Mr Puglielli.

Aiv PUGLIELLI: Thank you, Chair. Good evening. I will just begin by noting that native timber harvesting transition received another \$145.7 million last year, plus the \$11.1 million this year to wind down VicForests and transition services to Forest Fire Management Victoria. We assume that is separate from the additional \$200 million you announced last year for workers and companies to transition to things like plantation logging, recycled paper and reforestation works. So this all brings this total funding to get out of native timber harvesting to more than \$1 billion. But since the last budget we have heard reports that some companies simply took that money and then set up shop in Tasmania's native forest. Minister, are you aware of these reports that Victorian taxpayer funds are being spent to prop up the industry in other states, and if so, is that reasonable?

Ros SPENCE: No, they are not reports that have been made to me.

Aiv PUGLIELLI: You are not aware of these reports?

Ros SPENCE: The reports have not been made to me.

Aiv PUGLIELLI: Okay. Thank you, Minister. With regard to that package totalling a billion, which I mentioned, did the government attach requirements to that money that required it to be spent in Victoria to prevent companies simply taking those funds and moving their businesses interstate, and if not, why not?

Ros SPENCE: When we talk about the \$1.5 billion-plus, there are a large number of programs within that, so what you are suggesting might not be relevant to various aspects of that program. What I might do is throw to Ms Tram, because she has got wonderful knowledge of the detail of all of these projects.

Aiv PUGLIELLI: Thank you, Minister.

Phuong TRAM: Thank you. I just want to clarify; you were talking about \$145 million – that is actually in this financial year. The \$11.45 million will start from 1 July. So which aspect of that were you asking about?

Aiv PUGLIELLI: Just any of those funds that have come from the Victorian government. Have measures been put in place to prevent those funds being used interstate to stop people from moving their operations from Victoria to the other states?

Phuong TRAM: All of those investments are for programs within Victoria and for forestry transition outcomes within Victoria. I can take you through what that looks like. Last year's \$200 million that you were referring to earlier is for timber harvesting transition support for Victorian sawmill businesses, Victorian workers and harvest and haulage businesses and contractors, including support for downstream supply chain businesses. As part of the investment that was made for this year, this is continuing the wind-down of those costs – so the \$156.8 million overall is finalising the outstanding contractual obligations for sawmills, for shortfalls in timber volume commitments that have been made, enhanced support for community foresters and contract termination with suppliers and businesses. The government has also announced the wind-down of VicForests as an entity, so there are contractual, legal and financial obligations that we are winding down as part of that as well.

Aiv PUGLIELLI: Thank you. We have also heard reports that ancient trees are being logged in Tassie and then they are being shipped over here, including by the *Spirit of Tasmania*, apparently. Which Victorian sawmills are processing native timber from Tasmania?

Phuong TRAM: I do not have that information.

Ros SPENCE: They are commercial decisions for timber mills. I do not have that information. What I can say is that they are making commercial decisions based on their own circumstances. Whether they are importing timber from other states, these are private commercial arrangements of Victorian businesses, and the forestry settings of other states are matters for them. They are not for the Victorian government. But I will say there is also a constitutional prohibition on us interfering in trade between the states.

Aiv PUGLIELLI: Thank you. I appreciate that. You may have indicated the answer already – do you have a knowledge of how much sawlog from Tassie or New South Wales native forests may have been used by Victorian sawmills since the start of the transition, say, early 2023?

Phuong TRAM: We will not have that information. These are sawmill businesses making their own commercial decisions to import that, so that is not information that would be available to us.

Aiv PUGLIELLI: Thank you. I appreciate that. As I have mentioned, some of that new funding is to transition VicForests services to FFM Vic. Reports have been raised with me that healthy trees are still being logged this year in a whole lot of native forests, for example, the Wombat, Mirboo North, Yarra Junction, Wright Forest and even Dandenong Ranges National Park, except it is being referred to as ‘storm clean-up’ or ‘salvage logging’. Why is FFM Vic still logging healthy native trees?

John BRADLEY: Sorry, could you just repeat the question again? It was hard to hear the question – the last sentence. Sorry.

Aiv PUGLIELLI: The question is: why is FFM Vic still logging healthy native trees?

John BRADLEY: The programs that you are referring to are occurring in relation to – sorry, Minister, are you happy for me to address that?

Ros SPENCE: Yes, go for it.

John BRADLEY: the clean-up of storm debris. That is occurring within the environment portfolio and occurring under the directions of the chief fire officer that assesses the bushfire risk through the accumulation of that storm debris, so there is a significant program there. And where that is involving contractors and VicForests as the head contractor providing that service, that is occurring because of the bushfire risk reduction benefits of treating that storm debris.

Aiv PUGLIELLI: Okay, thank you. Within your portfolio scope, do you have awareness of whether those trees that are being logged, for storm clean-up as it is referred to, are being sold for commercial purposes? If so, why?

Ros SPENCE: It is not within my portfolio, though.

Aiv PUGLIELLI: Thank you, I appreciate that.

Danny O’BRIEN: You have to move it north and have a look at what you are calling logging, which is actually storm damage. It is not logging.

Aiv PUGLIELLI: Thank you. Given that one of the reasons that we had to get rid of VicForests was its failure to survey for threatened species, what surveying is FFMVic doing for threatened or endangered species?

Ros SPENCE: Again, this would be a matter for the environment portfolio.

Aiv PUGLIELLI: For the environment – that is okay. Thank you. With the remainder of my time: what is the government doing to support the much-needed transition to regenerative agriculture?

Dougal PURCELL: That is one for me.

Ros SPENCE: Is that one for you? Mr Purcell would love to take that question.

Dougal PURCELL: Thank you for the question. From an Agriculture Victoria perspective, we are about the – sorry, could I ask which budget paper you are referencing?

Aiv PUGLIELLI: All good. Budget paper 3, page 111: I am just noting it because I do not actually see anything in there specifically about regenerative agriculture, but I would like to know. Obviously I would assume it is an objective of this government, so where is it?

Dougal PURCELL: Which budget paper, sorry?

Aiv PUGLIELLI: Budget paper 3, page 111.

Dougal PURCELL: Budget paper 3 – I will just find my notes. I think in regard to agriculture, Agriculture Victoria seeks to drive productive, profitable and resilient farm businesses. There are a whole range of farming

production systems which can be used to achieve a profitable, resilient business. As you would be aware, the input costs of agriculture have increased significantly over recent years and farmers have had to manage variable output costs in terms of price received. In terms of the principle that you mentioned, there are farmers in Victoria who are successfully applying those principles in their production systems, and there are others that are doing it through other ways. I think that we should leave it to the individual farm manager to determine what production system and what approach works for their environment, in their climate and in the markets that they are trying to produce.

Aiv PUGLIELLI: Thank you. Perhaps for the minister: do you see regenerative agriculture as a priority for our transition to sustainable food systems?

Ros SPENCE: I see it as one of the options on our pathway.

Aiv PUGLIELLI: A priority?

Ros SPENCE: It is one of our options. As Mr Purcell just said to you, these are very much decisions based on the circumstances of our farmers and of the agriculture sector.

Aiv PUGLIELLI: Thank you.

The CHAIR: Thank you. We are going to go to Mr Hilakari.

Mathew HILAKARI: Thank you. Thank you, Minister and officials, and a particularly big shout-out to those who appeared on *Landline*. It was a terrific episode. There were also some great discussion of red fire ants there. But I am going to a different issue, which is around our horticultural standards. I will refer you to budget paper 3, pages 24 and 25. Particularly on 25, we talk about the berries, leafy vegetables and melons as part of those national horticultural standards. I am hoping you can talk a little bit about that and how it is going to strengthen our food safety for a great community like mine in Werribee South.

Ros SPENCE: Thank you. I would be very happy to talk about the implementation of the new horticulture standards. I think it is worth understanding why these reforms are happening and how our food safety systems operate in Australia. So FSANZ, as they are often called, which stands for Food Standards Australia New Zealand, undertake food safety risk assessments and develop independent and evidence-based standards consistent with the requirements of the Australian government FSANZ Act 1991. These standards are then put to the food ministers meeting for decisions – the meeting of all Commonwealth state and territory food ministers, which also includes the agriculture ministers and health ministers of all jurisdictions – so there is a nationally consistent approach to this.

The food safety reform on horticulture standards really aims to address a trend in recent years where there has been an increase in foodborne illness outbreaks that are linked to the horticulture commodities in Australia. Between 1989 and 2019 horticultural produce accounted for 9 per cent of food recalls in Australia, but it is not subject to government oversight like meat, seafood and dairy are. Left unmanaged, foodborne pathogens can lead to severe public health consequences. Such events also present a significant cost to the Australian economy, estimated at \$2.4 billion every year, yet they are largely preventable through appropriate food safety measures that manage risks. These risks arise from a variety of sources, including the growing location, weather events such as flooding or dust storms, manure and composts, water inputs, post-harvesting washing and sanitation as well as poor worker and equipment hygiene.

The 2018 outbreak of listeria associated with rockmelons resulted in 22 cases of illness and eight deaths, and it temporarily closed an export market and impacted the domestic market, with losses to growers estimated to be around \$15 million. Leafy vegetables have been responsible for the majority of the more recent outbreaks – a 2022 incident involving spinach contaminated with weeds was largely kept under control, but a 2016 case of salmonella closed down export markets, caused considerable lay-offs and cost the company almost \$50 million in lost contracts. That is why in August 2022, based on the advice of FSANZ, the food ministers meeting agreed to three new primary production and processing standards for horticulture to be added to the code, these being for berries, for leafy vegetables and for melons. These standards will create baseline requirements that producers must follow, including the management of inputs, the growing site and the hygienic handling of produce.

It is intended that Agriculture Victoria will expand its current food safety functions to deliver this new regime and the associated compliance and enforcement activities. The budget invests \$4 million to implement and monitor compliance with the new national horticulture standards for Victorian growers of berries, leafy vegetables and melons, and this is to strengthen our food safety systems to keep Victorians safe from these risks.

Mathew HILAKARI: Thank you for that. It is incredibly important, and we want all consumers to be protected and our great agricultural industries to be continuing the great standards that they do have. Could you just explain how new standards are added to the food standards code in a bit more detail?

Ros SPENCE: This is exciting stuff, isn't it, Mr Hilakari?

Mathew HILAKARI: It is.

Ros SPENCE: So thank you for your question. The safety of Victorians really is at the heart of our food safety system. This is really incredibly important. The process might not be that exciting, but the outcome is vital.

Mathew HILAKARI: That is exactly right.

Ros SPENCE: So the Victorian food safety system is a regulatory framework designed to minimise health risks across the entire food production and distribution spectrum, encompassing everything from farm to fork. The system is a collaboration between the Department of Health, DEECA, DEECA's food regulators and local governments, and the food regulators coordinate and cooperate through the Victorian Food Regulators Forum to ensure that food for sale is safe and suitable for our community and to facilitate market access for Victorian commodities. So these entities implement national food policy which is set by the food ministers. They all come together at the food ministers meeting, and these policies in turn inform the development and modification of standards within the code, which is overseen by FSANZ which is the authority under the Australian government health portfolio. So under the intergovernmental Food Regulation Agreement and a mechanism in the Victorian *Food Act 1984*, Victoria like all other states and territories is obliged to implement the code, and Agriculture Victoria will be the regulator of these products, extending its current responsibilities that it has for sprouts and eggs. The regulatory approach for horticulture will draw on the department's own experience and that of the other Victorian food safety regulators, including PrimeSafe and Dairy Food Safety Victoria. While Agriculture Victoria has already undertaken work to prepare for these reforms, we do recognise that the compliance and the enforcement of the standards will require added resourcing, and that is why we are funding in the budget to ensure that our food safety system stays strong and continues to address emerging issues.

Mathew HILAKARI: And I know Mr O'Brien was pretty pleased and excited to hear that answer. I am just wondering if there are additional benefits for Victoria and for the broader food safety systems, because he will be absolutely over the moon on this one, I hope.

Ros SPENCE: He will, he certainly will. The first thing that I will say is that we would all suffer from poor food safety standards as well as we would all benefit from appropriate and modern food safety standards. I would like to acknowledge the very dedicated food safety experts in the department and those who work really hard in our food safety regulators in Victoria along with all of our prime industries who work with them, and they take these standards very seriously. I have had the opportunity to meet with a number of food safety regulators, and I think Victorians should be really proud of the dedication with which these professionals undertake their work. In many ways we are really lucky in Australia and Victoria to have the opportunity to further strengthen a system that is already fairly robust, and in fact the success of our food safety systems may mean that we can sometimes almost take for granted the measures that have been taken over years to ensure that the food that we are eating is safe. So food safety is not just about avoiding a bad stomach – food safety can have major public health impacts and it can strain our healthcare services, and there are costs associated with illness, and this can cause sometimes lingering impacts.

Mathew HILAKARI: Thank you, Minister.

The CHAIR: Thank you, Minister. That has brought our session for this portfolio to an end this evening.

Minister and department officials, thank you very much for appearing for the committee. 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 now going to take a short break before beginning its consideration of the carers and volunteers portfolio at 6:30 pm.

I declare this hearing adjourned.

Witnesses withdrew.