

TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget Estimates 2019–20 (Agriculture)

Melbourne—Wednesday, 12 June 2019

MEMBERS

Mr Philip Dalidakis—Chair

Mr Richard Riordan—Deputy Chair

Mr Sam Hibbins

Mr Gary Maas

Mr Danny O'Brien

Ms Pauline Richards

Mr Tim Richardson

Ms Ingrid Stitt

Ms Bridget Vallenge

WITNESSES

Ms Jaclyn Symes, Minister for Agriculture,

Mr Simon Phemister, Secretary, and

Ms Penelope McKay, Deputy Secretary, Corporate Services, Department of Jobs, Precincts and Regions; and

Dr Emily Phillips, Chief Executive, Agriculture Victoria.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee. On behalf of the Parliament, the committee is conducting this inquiry into the 2019–20 budget estimates. Its aim is to scrutinise public administration and finance to improve outcomes for the Victorian community. The committee will now begin consideration of the portfolio of agriculture. I welcome the minister, the Honourable Jaclyn Symes, and officials from her department. I thank you for appearing before the committee today.

All evidence is protected by the Parliamentary Committees Act. This means that it attracts parliamentary privilege and is protected from judicial review. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and have to travel Victoria with Mr O'Brien in the front seat. Minister, I invite you to make a brief—

Mr D O'BRIEN: What a reward that would be!

The CHAIR: Especially with the agriculture portfolio, Mr O'Brien. I am giving you a leg-up. Minister, I invite you to make a brief statement or presentation of no more than 10 minutes. This will be followed by questions from the committee, always enjoyable, not always insightful. Over to you, Minister.

Ms SYMES: Thank you very much, Chair. It is a pleasure to be here. I know you guys have been putting in the hours so I will certainly not try and make this any more painful for you than some injury time that you are putting in. Thank you so much for your efforts and your scrutiny of the government's budget this year.

Visual presentation.

Ms SYMES: I would like to begin with a presentation for the agriculture portfolio, and I have got some slides. I will endeavour to get through them reasonably quickly, Chair. Across my three portfolios I have the great pleasure of representing rural and regional Victoria. Agriculture obviously is the backbone of these communities. When our farmers and food and fibre processors are doing well, country communities are doing well. You only need to go for a drive anywhere in the state, whether that is with Mr O'Brien or not, and you get to see the value of the industry and its importance to the state's economy. You can see from the statistical overview presented on the slide that it is important in terms of numbers.

The sector employs around 90 000 Victorians, contributes almost 6 per cent of our state's GSP and is our number one export industry. In fact we are the number one exporter of food and fibre in the nation, making up around 27 per cent of the nation's food and fibre exports worth over \$14 billion in 17–18, and that is an amount that is growing year on year. That is why I am so very proud of the investments we have made in this budget to support our agricultural industry.

There have been some significant achievements in the agriculture portfolio over the previous 12 months. Our hardworking and highly talented staff at Agriculture Victoria have provided immediate and effective responses to a number of biosecurity threats, as well as helping communities to prevent, prepare, respond and recover from natural disasters. I am pleased to say that we are providing them with a significant increase in funding so that they can continue their good work.

We are leading the way on electronic identification and digital agriculture. We were the first state in Australia to introduce mandatory sheep and goat tagging and we know that this improves our biosecurity preparedness and traceability and helps market access. We are also helping our agriculture sector innovate and professionalise with our \$27 million digital agriculture strategy released in October last year. Of course what

this means is that our farmers will benefit from greater use of data and digitalisation as well as make Victoria the home of agricultural research.

I am proud to say that we are making meaningful action on climate change. While the federal Liberals and Nationals debate its existence and the effectiveness of prayer on precipitation, we are leading work on a coordinated national approach to adapting and mitigating the effects of climate change.

Mr RIORDAN: That was a joke, sorry.

Ms SYMES: We are also world leader in research in reducing emissions from livestock, work currently being undertaken at our agricultural research centres.

I know you have been putting in the hours. It didn't even get a laugh.

Mr RIORDAN: We missed the joke. We are going to have a laugh.

Ms SYMES: You did miss my joke. I am particularly proud and excited to talk about the significant investments this government has made in this budget to support our agriculture sector. We have a strong record of investment in this portfolio and it has continued through the 19–20 budget. The slide provides an overview of new initiatives in this portfolio, and as you can see it is a very strong budget for agriculture this year.

I would like to talk a bit about biosecurity. Climate change, the increasing movement of people and goods, as well as the threat of illegal animal activism, means there are increasing pressures being placed on our state's biosecurity system. For too long the system has not received the funding or the certainty which reflects its importance to our \$14.1 billion food and fibre exports. In fact a 2015 VAGO report found that the funding for core livestock biosecurity was cut by 49 per cent between 09–10 and 14–15, and the number of health and veterinary officers was also cut by 42 per cent. VAGO found that this was a really dangerous situation to be putting the state in. It weakened Victoria's capacity to prevent, prepare for and respond to major livestock disease outbreaks such as foot-and-mouth disease. Over the previous term the Labor government restored this funding and this budget provides \$142.5 million over the next four years plus \$30.2 million of ongoing funding. It is important to have funding certainty. What this will mean is that we can attract the best and brightest vets, scientists and biosecurity officers, as well as implement long-term actions, campaigns and programs to prevent and respond to biosecurity threats.

Victoria has a strong reputation for premium food, beer, spirits and wine. We believe that these premium products, often made at least initially on a small scale, represent a huge opportunity for the sector to grow exports, create new job opportunities and attract even more visitors from interstate and overseas, particularly to country areas. That is why the 19–20 budget provides \$10.2 million for small-scale agribusinesses to produce craft food, beer and spirits, as well as \$5.2 million to help boost wine exports to new markets and cement relationships with existing partners through an annual wine exports symposium. All of this will help us reach our agricultural exports targets, which mean more jobs, more money in the pockets of our farmers and stronger rural and regional communities.

I have touched a bit on climate change, and I can say, as someone who lives in rural and regional Victoria and speaks extensively with farmers right across the state, that not only are our farmers concerned about climate change, but they want a government that is going to act on it. Over recent years of course our farmers have been struggling with drought, fire, flood, storm damage and frost. We are helping farmers to respond to the current drought through an almost \$46 million drought package, and this budget will help us in our long-term preparedness for more extreme weather events by continuing the ongoing funding of our Agriculture Victoria research facilities, which are leading the world in research on adapting and mitigating the effects of climate change on farms.

We are also continuing to roll out the \$30 million *Agriculture Energy Investment Plan*, which delivers free on-farm energy assessments and grants to install more sustainable energy systems and reduce input costs. The next AGMIN meeting, which is the meeting where all of the state and commonwealth agricultural ministers get together, will have a focus on climate change, and Victoria, I am pleased to say, is leading the work in developing this national response.

Lastly, Chair, animal welfare, under the agriculture portfolio, has a real focus in this budget. We are committed to protecting the welfare of our family pets, and this budget provides \$3.3 million for shelters, foster carers and vet clinics, and includes a \$1 million animal welfare grants program, which will support animal shelters and registered foster carers to purchase equipment or upgrade and expand their services, as well as \$2 million for grants for not-for-profit and community vet clinics. And this builds of course on the significant amount of work undertaken in the previous term of government that was cracking down on puppy farms and establishing the pet exchange register to enable greater traceability and protection of all our advertised dogs and cats. Thank you, Chair. That is my overview to commence today's proceedings.

The CHAIR: Minister, thank you for your brevity. We are already 3 minutes ahead of schedule so we will move straight into questions.

Mr RICHARDSON: Thank you, Minister, for your presentation and overview. I was wanting to take you through, particularly, biosecurity and the funding outlined and its importance to our state. If I could take you, Minister, to budget paper 3, page 68, and the 'Strengthening Victoria's biosecurity system' line item. Can you talk a little bit more about this investment in our biosecurity systems and what this means for our agriculture sector and the economy more generally?

Ms SYMES: Yes, sure. Thank you, Mr Richardson. It is a very important issue and something that is a priority for our farmers and agricultural sector. Biosecurity is a major risk to operations and the economy, so making record investment in our biosecurity system in this budget is something that I am particularly pleased about. The department do a great job in this regard, but having the funding support and the commitment from government to back up their work is something that they have welcomed and farmers have welcomed. We want to ensure that our farms are safe from pests and bugs because it is really imperative that we protect the thriving agricultural sector, because we have a reputation here in Victoria for clean, green, quality produce, and you can damage your export markets if you are not on top of your biosecurity risks.

There is no easy solution to the matter of biosecurity, and it is really an ever-changing aspect of agriculture. It is an area that requires agencies to be agile and responsive to changing and emerging threats. The investment in this year's budget will allow Victoria's biosecurity system in Victoria's food and fibre sector to expand in its capabilities and strengthen its systems. In addition it will fund 150 vets, scientists and agricultural officers, including critical animal health expertise and scientific capability in marine biosecurity, forest diseases, epidemiology—all the really fancy science people; operational staff to work with industry; livestock traceability, animal welfare and on-farm issues; and greater capacity to demonstrate area freedom from pests and diseases of supply to ensure domestic and international market access.

So in practical terms it means that we are going to be able to better manage and respond to escalating biosecurity risks and minimise the impacts on the agricultural sector, but also the community—if you get some breakouts in farms, it can obviously impact on general community and lifestyle opportunities as well. The four years of guaranteed funding is really important because it allows the department to implement ongoing long-term programs as well as attract and retain the best and brightest in their field. Underfunding biosecurity, as I mentioned in my presentation, can leave the state and the nation exposed and underprepared for serious incidents that really have an impact on not only your sector right now but it can take years and years to recover from a serious biosecurity outbreak.

Mr RICHARDSON: Going a bit deeper into biosecurity outbreaks and those critical issues, Minister—or perhaps Dr Phillips might be able to elaborate a bit more on this as the head of Agriculture Victoria—have we seen any close calls with a potential large-scale biosecurity outbreak in recent years, and if there was to be, say, an outbreak of foot-and-mouth disease in this state, how bad would that actually get?

Ms SYMES: Thanks, Mr Richardson. I will just do an overview and of course let Dr Phillips respond in more detail. I have had briefings on scenario situations of the likes of foot-and-mouth, and it is pretty terrifying, I have got to say. If we leave ourselves exposed to something like that and it takes hold, it is devastating. The advice I have is it could cost \$50 billion over 10 years if something like that was to take hold. We are having a number of biosecurity detections, and the department responds to those appropriately. Are you happy to outline that?

Dr PHILLIPS: Yes, absolutely. Thank you. You asked specifically about close calls. At AgVic we spend a lot of time planning and preparing for potential biosecurity detections and outbreaks. A close call in the last year or so that has really focused our minds has been the varroa mite detection that happened last year at the port of Melbourne. For those of you that do not know, varroa mite is a parasitic mite. It significantly reduces honey production and it can transfer really dangerous viruses to bees, so it is one of the really key risks to agricultural production, to the bee industry and to other industries that rely on pollination, so it is one that we focus on very hard. No other country has successfully managed to eradicate it, including New Zealand, and no other continent is free from varroa mite as Australia currently is, so it is one we focus on a lot.

A few years ago we made varroa mite a very high priority in Agriculture Victoria. We put a program in place around being prepared for a varroa mite outbreak, should it occur, and we have invested really heavily in a few key things. We have built a team of dedicated bee biosecurity officers in Agriculture Victoria who have specialist training to deal with varroa mite. We have established a state quarantine response team, affectionately known as the SQRT team, which is a team of our staff and 143 private beekeepers across the state that in essence form a standing army that we can mobilise if we have a varroa mite outbreak in Victoria. We have 22 sentinel hives at all the ports of Victoria that we monitor. They are our sort of first-line defence. If infected bees or mites come off a ship, they go to the nearest hive, so those sentinel hives that we monitor are our first line of defence post border. We have emergency kits available around the state for immediate response, and we always have an active response plan and communication plan in place.

Last year unfortunately we got to test these arrangements. We had a ship arrive at the port of Melbourne in June last year from Texas in the US—a hot spot for varroa mite—and when staff unloaded a crate they observed bees. We fumigated the crate, opened it and found a really significant beehive which was sent off for testing. It came back saying that two varroa mites had been detected. At that point we mobilised our SQRT teams—our staff, our dedicated bee biosecurity staff and the relevant bee campers around the state close to this detection. We did surveillance for a couple of months in a 2-kilometre radius around the port of Melbourne. That meant surveilling all hives in that area—private hives, commercial hives and our sentinel hives—and doing sweeps of vegetation in the area. Thankfully we were able to rule out a varroa mite outbreak; there had just been two mites and there had not been any spread. But it was a great opportunity to test the preparedness work that we had been doing.

It is probably also worth noting that occurred just a couple of months before the annual almond pollination happened in Victoria up in the north-west. Every year our almond industry, which is a very significant industry in north-west Victoria, has a major pollination event where about 150 000 hives are brought from around the country to pollinate the almond trees. It is a major biosecurity risk because essentially we are bringing all the bees in the country together in one spot and they get to know each other. So if we had had a varroa mite outbreak ahead of that bee pollination, we would have had to have suspended that for the year, with an enormous impact on our almond industry. It is over \$300 million worth of exports a year for Victoria from the almond industry alone, just to give you a sense of the importance of keeping Victoria varroa mite free. Do you want me to touch on FMD as well?

Mr RICHARDSON: Yes, in the 30 seconds we have got.

Dr PHILLIPS: Sure, absolutely. FMD is the really big one. It is the one we probably worry about the most and do the most preparedness for in Victoria. There have been outbreaks in other countries that have had huge impacts. There was a 2001 outbreak in the United Kingdom that caused losses of more than £8 billion and resulted in years of lost trade and market access. We estimate, as the minister said, that a significant outbreak in Australia could cost over \$50 billion in impact and flow-on trade and market access impacts well into the future.

The CHAIR: Please accept my apologies for the interruption, but it is now over to Mr O'Brien who has the call until 5.27.

Mr D O'BRIEN: Good evening, Minister. Naturally I want to talk about drought. The budget paper reference is BP3, page 6. Minister, parts of your drought assistance package for the Wellington and East Gippsland shires were available to doctors, lawyers, offshore workers, public servants and indeed politicians,

who are very well-paid. All of those people are not involved in agriculture and related industries. Was this a mistake, an oversight or a deliberate action?

Ms SYMES: Thanks, Mr O'Brien, for your question and your interest in drought, particularly in the communities of Gippsland. We have a \$46 million drought package that is being rolled out, and a lot of it is particularly targeted for those areas. We have cash payments available which people can spend in any way they want, and a lot of people are spending them on their rates or indeed fodder and food or just family household bills. We took the view that a cash injection into the pocket of those affected farmers—they know their businesses best and they should get to choose how they would spend that money. Of course we have packages available for on-farm infrastructure, particularly to deal with the dry conditions and prepare for future droughts, and the take-up of those has been very, very good. We have pasture recovery grants for the areas that you have identified as well, and they are up to \$5000 for use for pasture recovery and restoration obviously with the ongoing dry conditions.

Mr D O'BRIEN: Minister, I am aware of all those programs, but can I ask you to come back to the question. The fact that a large chunk of the money was directed to people who clearly are not farmers and do not need it—was that deliberate or was it a mistake?

Ms SYMES: My response to that is that when you have a community that is impacted by drought the whole community suffers. So obviously it is not just a farm. Obviously a reduced farm income means that reduced money is going into your local bakery, your local pub, your local services. So providing a package for a community is certainly something that I do not think is inappropriate.

Mr D O'BRIEN: Agriculture accounts for about 14 per cent of employment in the Wellington shire and about 10 per cent in the East Gippsland shire. Yet under the package that you provided for those two shires, which in total share about \$8.45 million, this includes \$300 per student for uniforms, shoes and textbooks; \$375 per student for school camps; and \$1680 for a free year of kindergarten. For a family with two school-aged children and a child in kindergarten, they could receive just over \$3000, whereas a Gippsland farmer with no children or adult children could only receive a \$2500 cash grant. How is that fair and how is that targeting the need to the people that need it most?

Ms SYMES: I would stand by my response to you—the way you framed the same question previously—that drought impacts a whole community and supporting a whole community is something that I think is a good policy position to have.

Mr D O'BRIEN: Can you perhaps take on notice how much of the \$8.45 million that has been spent so far has actually gone to farmers, being those whose families' main income comes from agriculture?

Ms SYMES: In relation just to the education?

Mr D O'BRIEN: In relation to the assistance that has been provided so far.

Ms SYMES: The whole package?

Mr D O'BRIEN: Yes.

Ms SYMES: I will endeavour to see what I can provide for you in terms of the break-up.

Mr D O'BRIEN: Presumably you will have a break down of who received the funding.

Ms SYMES: Some of the money comes from different parts of government, Mr O'Brien, so what I can provide for you I will provide for you.

Mr D O'BRIEN: Okay. You will be very aware that farmers have been lobbying and the VFF have been lobbying for municipal rate relief for some time. You said back in February that rate relief was absolutely on the table. I think you were quoted in the *Gippsland Times* as saying that. And then you came to Giffard a few days later and announced the \$2500 cash grants and nothing for rate relief. Why did you reject those calls?

Ms SYMES: Look, I will come back to the announcement that I made at that time. It was for cash grants going straight into the pockets of farmers, so up to \$3500 is available for eligible farmers, and part of the calculation to determine that amount was to average the rate of farms—the average rate applied to farms, and it equated to about 30 per cent, which was part of the modelling to come up with that number. When I was in Giffard I explained that rationale and was really confident—really clear in explaining that, first of all, not every farmer owns their farm and therefore is responsible for rates but still has the same pressures. Farms are businesses and farmers are very good businesspeople, so making the decisions themselves as to how to spend the money, I think, was an appropriate measure to have. I have no doubt that many people spent that money on their rates, and that was open to them. When we come to rate relief, we certainly have not as a government ruled out any of these things, but rates are a matter for councils to apply. State government do not collect rates.

Mr D O'BRIEN: No, we know that.

Ms SYMES: The responsible minister is the Minister for Local Government, not me.

Mr D O'BRIEN: Minister, you know as well as I do that there is historical precedent for this. In 2008–09 the government that the Premier was a minister provided exactly this rate relief—50 per cent one year and I think a 30 per cent rebate the second year for drought-affected farmers in the north-west of the state. So why would you not be considering it now?

Ms SYMES: We are constantly monitoring the situation down in Gippsland in particular, looking to afford for further support going forward.

Mr D O'BRIEN: Did you take a package for rate relief to cabinet and get rolled?

Ms SYMES: I am not in a position to disclose deliberations of cabinet, Mr O'Brien. You know that.

Mr D O'BRIEN: Okay. So rate relief is still on the table potentially?

Ms SYMES: I am not the minister responsible for rate relief. What I am saying is that we are looking for—

Mr D O'BRIEN: No, but it is very clearly—we are not asking local governments to cough up the money, or the local government department. We are talking about it as a drought relief measure. So clearly it is the agriculture minister's responsibility. It is not something that the local government minister is going to come up with.

Ms SYMES: It is not a decision I can make in isolation. You would appreciate that. But what I am saying is that—

Mr D O'BRIEN: No. Well, I just asked you whether you took it to cabinet, and you will not answer.

Ms SYMES: going forward we are looking at further measures that may be required to support farmers impacted by drought and dry conditions, and that is appropriate.

Mr D O'BRIEN: Okay. What about water bill relief for farmers in northern Victoria—for irrigators in northern Victoria?

Ms SYMES: We are up in northern Victoria talking to dairy farmers in particular quite often. The Minister for Water and I were there Friday a week ago in Tatura for a round table with the dairy industry and farmers. You have got to be very careful about subsidies that apply to market-sensitive commodities such as water and fodder, so it is something that I would express extreme caution in.

Mr D O'BRIEN: For the record, I am talking relief on fixed charges, not on the price of water, for example.

Ms SYMES: Now you are asking me about a matter that I am not responsible for. I am not the Minister for Water.

Mr D O'BRIEN: It is the same principle. You are not responsible for local government rates either, but as the Minister for Agriculture you can provide assistance to farmers on a whole range of things.

Ms SYMES: The cash payments that were available—so the farm business assistance program, which was available for farmers in Wellington shire and East Gippsland shire—we have a similar package available for our dairy farmers in the north. Like I have said, many people in the Gippsland area are probably spending that cash on rates. I suspect that many farmers in the north that are accessing this assistance are putting their money towards their water bills. As I said, it is a good system to be flexible. People have the opportunity to spend the money in their own business where the pressures are highest.

Mr D O'BRIEN: Just in the brief time I have got left, Minister, you will be aware that I have asked the Premier in here why he has not visited our drought-affected farmers. We had drought declared in August last year by your predecessor for East Gippsland and Wellington shires. In that time he has visited the Latrobe Valley five times and Wonthaggi just last week but still has not got beyond Traralgon. Have you personally asked the Premier to come with you to drought-affected areas with an announcement of further support?

Ms SYMES: As the Minister for Agriculture it is important that I am out and about in country Victoria talking to farmers and people that are particularly impacted by drought and those conditions. Whenever my diary allows me I am out in country Victoria. I much prefer to be out there than—

Mr D O'BRIEN: I am asking whether you have invited the Premier to come with you.

Ms SYMES: I talk to ministers and the Premier all the time. Do you want a detailed—

The CHAIR: Mr O'Brien, we have now moved into another member's time.

Mr RIORDAN: No, specifically the drought areas.

Ms SYMES: impact of conversations that are had?

The CHAIR: Deputy Chair, you will get the call shortly, but at the moment the call goes to Ms Richards.

Ms RICHARDS: Thank you, Minister, and thank you to the departmental officials for your time this evening. That was fascinating and slightly alarming evidence you were just giving us, and also the presentation you gave us—the focus on biosecurity was really overwhelming. I am going to take you back there just for a minute. We have seen a lot of reports about animal activism in the last few months, activists entering and protesting at farms across the state. Some of it has been unlawful—some of it has. Can you give us an idea of how this activity can affect biosecurity on farms and the potential damage it can do to livestock and agricultural produce?

Ms SYMES: Yes, sure. Thanks very much for your question, Ms Richards. I really appreciate it. We have been very firm in our response to illegal activities by people that seem to be well intended but are really causing damage and fear in our farming communities. It is illegal trespass most of the time, and it is placing significant strain on our farms and our farmers. But also the biosecurity is probably something a lot of people do not think about. If you enter a farm, you can introduce pests, weeds and disease to the property, and I think that is something that not everybody is aware of. So in terms of our biosecurity funding and increased focus on it, there will be a concerted effort in making sure the community understands what risks biosecurity threats have to us as a society—not just the economy but also our way of life. So, yes, we have police and appropriate responses for trespass and illegal protests and the like. And it does not just extend to farms, I have got to say. The whole meat supply chain is under a little bit of pressure at the moment from such activists. But when the community understand the threats to biosecurity at a greater level, I think we will be better placed for it.

Ms RICHARDS: I really appreciate that extra, additional evidence and information. Obviously for all of us but especially the focus for you on protecting our agricultural sector is so incredibly important. Minister, how does the government's investment in biosecurity help grow our agricultural exports, and how is the sector doing at this stage?

Ms SYMES: Yes, great, thank you for that follow-up question. I think, as I had in my presentation, as it currently stands the total value of our agricultural production is over \$14 billion per annum, and it is about a quarter of the national agriculture production. This has been steadily growing over the last little while, and we have actually set a really ambitious target to grow Victoria's food and fibre exports to \$20 billion by 2030. In

terms of exports, we are the largest producer. We have got plans to grow it, but of course biosecurity threats create a risk to that market. This is because if you have an outbreak, or even sometimes a perception of an outbreak—so if you drop the ball in relation to your preparedness—it can impact your market access because other countries will not want to import your goods if they are concerned that they are not clean, green and up to standard, I guess. Part of the reason that Victoria has been such a successful exporter of food and fibre is because countries across the world appreciate the effort that we put into biosecurity, and the budget this year is only going to enhance that confidence around the world. So it is a really important investment to protect and grow our exports, and our farmers rely on that for prosperity.

Ms RICHARDS: Great; it is security for us all. Minister, I am going to take you to budget paper 3, page 254. I am interested in hearing a little bit more about the way we support young farmers, or the way the government supports young farmers, and I am interested in this new performance measure—the scholarships awarded. Could you inform the committee about what type of scholarships are funded for farmers by the government?

Ms SYMES: Yes, sure; thank you, Ms Richards. It is a great performance measure to be able to implement and to meet. It relates to new funding in this budget which provides young farmer scholarships. It is of course an initiative that we first commenced with in 2014, and we recommitted additional funding as an election commitment prior to the last election. Over the previous four years the program has provided 38 scholarships for young farmers and farm workers to grow their skills and invest in new technologies and business practices, ensuring Victoria's agriculture sector develops the talent for tomorrow and continues to grow, as I was explaining before.

There are some really good examples of how these scholarships are helping to create a new generation of world-leading farmers. I picked out one of the case studies to have in my notes so that I could detail it to the committee.

Ms RICHARDS: Yes, great.

Ms SYMES: Merryn Byrne is from Boorhaman North, and she took part in the 2014 round 3 Young Farmers Scholarship program. She was keen to take part in the scholarships program to regenerate her farm so she could pass it on to future generations in a much healthier condition than she found it. She hopes to produce animals that are fed on healthy soils and healthy pastures and to continue farming with the tools she has learned to use through climatic variations and extremes. Once she has mastered this practice on her own property, she hopes to expand this further and purchase more land, run more animals and regenerate more country. The farmer scholarship that she took up allowed her to complete a seven-day intensive program on better grazing management, as well as allowing her to purchase fencing materials to better manage grazing on farm and the distribution of her animals. So it is a great story of one of the young farmers that we have been supporting through the scholarship program.

Ms RICHARDS: A very optimistic part of your portfolio. That is really terrific.

Ms SYMES: It is great; I love that part.

Ms RICHARDS: Yes, I can tell. Staying in the same patch, the same optimism, I am interested in hearing a bit more about the young farmers ministerial advisory committee and what you have learned from them so far during your time as minister.

Ms SYMES: Yes, absolutely. This is a group of absolute rock stars. They were appointed by the former minister, and I got to meet them earlier in the year. Coming back to the optimism of the industry, it is the young farmers that really get me excited about my portfolio. This is a group that was established in 2015, and they indeed give advice to me and interact with the department on issues that are important to young farmers, so not only challenges but also the opportunities that they identify. What is great about them is that they are all really passionate about attracting other young people to their industry, which is fantastic. They are a very, very talented group of young agribusiness professionals and, as I said, they are really keen on growing. . They are from all parts of Victoria, which is really useful as well, because I see them on the ground in their own habitats as well, which is quite lovely.

Ms RICHARDS: Their own habitats!

Ms SYMES: Yes. One of my key roles or aims as the Minister for Agriculture is to be determined to ensure that our next generations are well supported and that young people see the exciting future of agriculture and see it as a rewarding career path. The council have a wide range of skills and expertise. They sort of range from livestock and horticultural industries, community advocacy, workforce development and even wellbeing, and they have done a really exceptional job in providing information that influences government policy. When I met with them as a group earlier this year I was really impressed with their knowledge, enthusiasm and of course infectious passion for ag. I was pretty new at the time as well, so it got me very excited about my portfolio. They have got really good ideas on how to make sure that mental health of young people in country areas is protected. They have got views on succession plans, research and development and are obviously keen to respond to climate change, drought and extreme weather events. Dustin Kemp is a particularly impressive young man. He is a young dairy farmer from northern Victoria. Not only is he on the MAC but he is also taking part in our dairy industry round tables. Part of my response to Mr O'Brien was that we had a dairy round table up in Tatura the other week, and having the younger generation that have the optimism and enthusiasm and the talent to want to grow the industry and make sure it is sustainable into the future is a really valuable contribution to discussions with government.

Ms RICHARDS: That must be breaking a lot of stereotypes. What other supports are available for young farmers?

Ms SYMES: We have a lot of support for young farmers, because obviously if we do not promote the next generation of farmers, then who is going to feed and clothe us going forward? We have got a proud record. Last year we increased the threshold for which a young farmer can access stamp duty exemptions and concessions. So from July last year a young farmer pays no stamp duty on the first farm that they buy for purchases of up to \$600 000, and a concessional rate applies for properties valued up to \$750 000. So this is really helping the next generation enter the market. If you buy a place for about \$600 000 you can save around \$31 000 off entering the market, so it is reducing one of the barriers to getting into your first farm.

We have got these really exciting programs that we call Young Farmer Business Bootcamps. They are a two-day program for young farmers or producers that are new to farming, and they are delivered at various locations across Victoria. They assist producers to understand and manage business risk and develop a business plan so that they can grow their business and have confidence there is an exciting future in the agricultural sector and the decisions that they are making. They have been aimed at young producers such as beef, sheep and mixed farming businesses.

This year's budget is also a good supporter of young farmers in terms of the continuation of the scholarships, but we have also got \$6 million for upgrading three agricultural colleges across the state. They are in Longerenong, Dookie and Glenormiston, making sure those facilities are up to scratch and able to attract and retain our future agricultural workers. And we are also investing \$1.2 million to develop and promote a certificate III in shearing so that we can support young Victorians in the regions to enter—

The CHAIR: Minister, I am going to have to stop you there and pass on to Ms Vallenge who has got the call—or happy to go to Mr Hibbins instead.

Mr HIBBINS: Thank you to the secretary and your team for appearing tonight. I would like to go to budget paper 3, page 163, which is the output for management of public lands and forests. I would like to ask about this apparent subsidy that is paid to Nippon, who are the owners of the Maryvale pulp mill. I am advised that this mill does consume around 90 per cent of what is coming out of our native forests to make paper and there is a legislative requirement they are supplied with timber from designated forest areas, but the forest area has become increasingly incapable of supplying that full quantum to which they are entitled. Now, I understand and have been advised that Nippon receives a subsidy each year because the forest comes from a different part of the state. Is this the case, and how much is the subsidy?

Ms SYMES: I will give you an overall answer to your question, but your specific question is not a question that I can provide an answer to because any type of those sorts of arrangements are both legal and commercial-in-confidence. But in relation to—

Mr HIBBINS: Well, publicly owned VicForests is providing the timber.

Ms SYMES: Yes.

Mr HIBBINS: So it is commercial-in-confidence even though it is a publicly owned government enterprise?

Ms SYMES: Look, I will take you through what happens, yes?

Mr HIBBINS: Well, I was actually just looking for a confirmation of whether this subsidy occurs?

Ms SYMES: As I said, I cannot answer your question. Just to back me up, I will get Mr Phemister to give you the actual language on why I cannot.

Mr PHEMISTER: So, Mr Hibbins, you are referring to the legislative agreement and there are also annual timber allocations that get made from VicForests. They are run through a tender process, hence we cannot put a price out there publicly because that would undermine the tender process, hence the commercial-in-confidence nature of the agreement between VicForests and Australian Paper.

When it comes to the actual legislative agreement with Australian Paper and the take-or-pay policy that I think you are referring to—which is to say that VicForests have supply agreements with all of our timber mills and any supply agreement can be negotiated with a guarantee of supply; that is at a particular price so it is like any market with supply and demand—that is to say that if VicForests have to go further afield to harvest the timber, then that will obviously attract a higher supply price. But that price is matched in the agreement back with Australian Paper. Apologies, anything beyond that and we are getting into the technicalities of the details of the compromise here—the tender process.

Mr HIBBINS: Well I will not pursue that line of questioning then, if it is commercial-in-confidence. There is currently a court case being brought against VicForests for illegal forest activities and that is no longer being taken up by the government because they did not properly file against VicForests. Can I ask how much has been spent on legal costs, both prosecuting and defending activities of VicForests in the last financial year?

Ms SYMES: It is a little bit difficult to answer because DELWP are more responsible for the prosecution side of your question so that is not a matter for me; that would be a matter for Minister D'Ambrosio.

Mr HIBBINS: Right. And what about the defence?

Ms SYMES: I do not have that at hand, but I understand that all legal costs that would have been incurred by VicForests will be in their annual report.

Mr HIBBINS: I asked the Premier the other week in regards to the Forest Industry Taskforce that is now being disbanded and we came to a point of conflict in which he referred me on to yourself, in that he was telling us that consensus was not achieved and that that was why he has wound up that process. But the interim recommendations were a result of consensus produced by the taskforce, and so can I ask: what of the interim recommendations that the taskforce came up with will you be pursuing in the next financial year?

Ms SYMES: Sure, thanks, Mr Hibbins, for your question. Obviously the taskforce did operate in a time before I was minister and has not reconvened since that time, but I do understand that they did some valuable work that has been considered by government and obviously there are many areas of government that touch on this area of policy. But I can confirm to the committee that we are continuing to meet with members of the taskforce. I have met with several members of the taskforce individually and obviously they are all pretty keen to put the timber industry on a sustainable footing, and those conversations are ongoing.

Mr HIBBINS: So you have met with them individually, but not as the taskforce. That has been wound up?

Ms SYMES: I have met with them individually, yes.

Mr HIBBINS: Could I ask on the particular issue of carbon credits. That is putting a value on our forests for the value that they are in terms of climate change rather than being cut down. Can I ask if any work has been undertaken in that area? That was an important recommendation from the task force.

Ms SYMES: I would first of all like to point you to the plantation money and our commitment to plant \$110 million worth of new plantations. Obviously that is something that is pretty exciting for the future of the timber industry. In relation to the specifics of carbon credits in terms of your questions that you have asked, I am looking at all of these things.

Mr HIBBINS: Okay. All right, thank you. And in terms of the plantation, when is that actually due to come online to be harvested?

Mr D O'BRIEN: Chair?

The CHAIR: We went 2 minutes over, so I am giving him some time from government business.

Ms SYMES: Can you repeat your question, sorry?

Mr HIBBINS: With the plantation, when will that be due to be actually able to be harvested?

Ms SYMES: We announced 550 hectares of planting earlier this year, and that planting will be underway over winter. That is a blue gum harvest and takes around 10 years before we might be able to access that plantation. Some might be earlier, some might be a bit later than that. But that is just the first part of the planting and only using a small amount of the allocated funding because we have been able to identify Crown land for those plantings, so we will be seeking out further properties for planting. I guess I would like to be more advanced but a lot of the areas that we are looking to plant in have obviously had drought and dry conditions, so we have had to wait for favourable planting conditions.

Mr HIBBINS: Okay, thank you. Have I still got time, or—

The CHAIR: That is about it there, Mr Hibbins, but thank you for asking.

Mr MAAS: Thank you, Minister, for your appearance and also for your presentation earlier. I might follow up from Mr O'Brien and continue the line of questioning around the drought and support for affected farmers. In that respect I will take you to budget paper 3, page 6, and ask if you could explain the specific initiatives funded by the item 'Support for drought-affected farmers' and any further support the government is providing for farmers and communities affected by drought and dry conditions.

Ms SYMES: Yes, sure. Thanks, Mr Maas.

Mr D O'BRIEN: I think we might have already done that.

Ms SYMES: I can be quick in summarising again, Mr O'Brien.

Mr D O'BRIEN: You can just table it, Minister, if you like.

Ms SYMES: It is a \$46 million package, which has been rolling out to affected farms in various parts of the state, and obviously targeted on those areas that are most in need. We have got the farm business assistance program, which provides one-off payments to farmers to choose to spend on their businesses in a way that they see fit. The on-farm drought infrastructure grants are up to \$5000 and they help farmers manage current conditions and prepare for future drought by installing infrastructure. There are pasture recovery grants, which I outlined earlier. What has been really well taken up too are not just grants but Agriculture Victoria are on the ground every day dealing with farmers and those that are dealing with harsh conditions. So we have a lot of technical and decision-making support for farmers, we have funding for mental health support and we have assistance with rural financial counsellors providing advice so that people can make good business decisions. There is also the federal government collaboration with the rollout of the on-farm emergency water rebate scheme. That is a rebate of up to \$25 000 for water infrastructure for those that have livestock issues, and I continue—

Mr D O'BRIEN: Funded by the commonwealth.

Ms SYMES: Yes, of course. We facilitate it. So I would certainly encourage any farmer, wherever they live, to contact Agriculture Victoria to access some of the programs that are available to them, because there is really something for everyone.

Mr MAAS: Relief package. How many farmers and their communities have accessed some of those programs?

Ms SYMES: Yes, thank you, Mr Maas, for your follow-up question. Look, the uptake of each of these programs has been really strong, and they have been very well received. As of 7 June 3569 on-farm drought infrastructure grants have been paid or approved in principle. These grants have enabled farmers to improve drought preparedness and management by installing important infrastructure improvements on their farms. The pasture management and recovery program has had 204 applications approved or offered in principle, and these grants are assisting farmers to meet the costs associated with activities such as pasture restoration, mechanical seeding and the planting of windbreaks to protect their pastures going forward.

Our farm business assistance program, which is the program that provides the cash grants that I have referred to, has provided 781 farmers with direct cash payments. Importantly this includes 58 young farmers in Central and East Gippsland as well as 29 young dairy farmers in northern and north-west Victoria. Finally, since 1 May last year 202 technical and decision-making workshops have been held for farm businesses and are estimated to have engaged 3775 farmers. In Central and East Gippsland, where of course the most severe conditions are in the state, 81 one-on-one consultation sessions have been completed. And I must add, there have been a lot of webinars that people have been connecting and networking over as well.

Mr MAAS: Thank you, Minister. What are some of the things that farmers have spent their drought infrastructure support grants on?

Ms SYMES: I have been out and about visiting quite a few farmers that have taken up these grants and seen what they have been spending their money on. But I can give you an overview of such things as construction of a new or upgraded stock containment area, reticulated water systems using pumps, tanks and troughs and the like, irrigation systems, grain and fodder storage, farm monitoring technology. One of the really cool projects that I visited recently was Frank Deane. He has a mixed irrigation and dry land farming property just out of Nagambie, and he has some water infrastructure supported by the program. He used the money from the grant to improve water management and efficiencies on his farm, installing a solar pump, desilting his dam and he installed a bore. So it is really pretty much that people are using it for a lot of stock and water-related infrastructure, and they are making some really good decisions for responding to the conditions now and setting themselves up for the future.

Mr MAAS: Excellent. Thank you. With climate change making extreme weather events like drought more frequent and more severe, would you be able to inform the committee what the government is doing to assist our farmers to deal with climate change?

Ms SYMES: Yes, sure. Thanks, Mr Maas.

The CHAIR: Minister, you have only got about 10 seconds to go, so I will ask you, if you can, to take that question on notice.

Ms SYMES: Not a problem.

Ms VALLENCE: Thank you, Minister and officers. Minister, I will refer straight up to budget paper 3, pages 254 and 257, which show \$16.1 million has been cut to the agricultural industry development and regulation and \$11.9 million cut to the forest and game resources management function. This obviously equates to more than \$28 million in total budget cuts within agriculture. While a portion of this we understand has been reallocated to biosecurity, the net cut to the agriculture budget is \$19.9 million. Will there be a reduction in Agriculture Victoria's FTE staff numbers as a result of your budget cuts?

Ms SYMES: Thank you for your question, and I would like to give you a response in relation to the output. So the agriculture output delivers a more productive, competitive, sustainable and job-rich agricultural industry in Victoria. It is a really big investment. The agricultural output for 18–19 was \$518.5 million, and in 2019—

Ms VALLENCE: Excuse me, Minister, I am not referring to the output. I am specifically referring to the cut in the budget. Is that cutting staff numbers in Agriculture Victoria, and I notice we have got the chief executive of Agriculture Victoria here. So it is specifically about the cut in the amount to the agriculture budget. Will that cut staff numbers?

Ms SYMES: The change in funding can be attributed to the drought support in 2018–19, which could not be forecast, and it very much might be the case that if we were to provide a drought package going forward, it would level out again. So that is kind of how—

Ms VALLENCE: So money has been redirected to drought support—

Ms SYMES: No.

Ms VALLENCE: From those two line items the money has been redirected—that aggregate figure of \$19.9 million net cut has been redirected to the drought—

Ms SYMES: I am explaining how the outputs differ, not that there are cuts.

Ms VALLENCE: Right. It is a yes or no question. Will it cut staff numbers to Agriculture Victoria?

Ms SYMES: We have a really healthy budget of \$470 million in this year's agriculture budget—

Ms VALLENCE: Minister, the question is about staff. So if you are unsure—are you really telling us here in the committee that you did not know whether the \$19.9 million cut would result in staff cuts at Agriculture Victoria?

Ms SYMES: I have explained how the budget moves up and down, and mostly the difference between the budget is because of the drought package that was provided for after last budget's announcement.

Ms VALLENCE: So staff will not be cut? So there are no staff cuts?

Ms SYMES: I just explained the differentiation. It has got nothing to do with ongoing programs at Agriculture Victoria.

Ms VALLENCE: So no staff cuts? No changes in staff levels as a result of the redirection of money to drought?

Ms SYMES: It is not a redirection.

Ms VALLENCE: Right. Simple question: will there be a cut to the staff in Agriculture Victoria?

Ms SYMES: I will refer it to the secretary to clarify for you.

Mr PHEMISTER: No.

Ms VALLENCE: No? Thank you. Unfortunately the minister did not know that about her portfolio. I guess maybe to you, Secretary, then, will there be any organisational changes perhaps within Agriculture Victoria?

Mr PHEMISTER: As I think the minister mentioned, our ongoing programmatic budget that underpins our staffing complement is unchanged, and what has changed are the grant funds that flow through associated with drought release. They are cash grants passed through our agency; they do not go into staff salaries.

Ms VALLENCE: Okay. So back on particularly the forest and game resources management, is there any cut to that budget?

Mr PHEMISTER: No. So the forest game output changed, I think you pointed out, because of the fishing portfolio moving across to transport. So that is one change. But, secondly, we had a lot of asset charges come through and associated outputs with those asset charges experienced by the Game Management Authority last year, and because they were asset in nature they did not go to the underpinning staffing levels, either the GMA or our remaining forests and forest products teams.

Ms VALLENCE: All right. Now, we understand some of these questions I am about to ask were provided to the minister's office last week, foreshadowing that we would ask them here at PAEC. They are around the department's actual, expected and forecast FTE staff numbers for the financial years ending 30 June 2018, 2019 and 2020 for Ellinbank, Tatura, Hamilton, Horsham, Mildura, Rutherglen and AgriBio. Do you have that available?

Ms SYMES: Yes. Mr Walsh, the Leader of The Nationals, was very kind to send some advance notice of this question on Friday night, I believe, so we have been able to get the figures to provide to the committee. So Agriculture Victoria obviously represents co-location with Victoria's strategically important agricultural sectors, which is why—

Ms VALLENCE: Sorry, Chair. I cannot hear.

Mr D O'BRIEN: Excuse me, Chair. Sorry, we cannot hear. I wonder, Minister, have you got a document you can provide rather than read it all out?

Ms SYMES: No, I do not.

Mr D O'BRIEN: Okay. That is all right.

Ms SYMES: So as of 30 June 2018, which is the first component of your question, AgriBio in Bundoora, which houses key innovation capacity and capability, has 275.3 FTE; Ellinbank has 67.9 FTE; Hamilton has 47.7 FTE; Horsham, 98.3 FTE; Irymple has 28.6 FTE; Rutherglen has 24.3 FTE; and Tatura has 56.4 FTE. In relation to the rest of your question, we do not actually forecast FTE by individual sites, so it is not possible to provide FTE for future dates.

Mr D O'BRIEN: Sorry, that was 30 June 2018, was it?

Ms SYMES: Correct.

Ms VALLENCE: Minister, noting that there is not much time remaining, in budget paper 3, page 256, you have amalgamated performance measures for clients engaged with agricultural productivity services and client interactions with land health services to create a new performance measure for clients engaged with agricultural services. Can you explain why the previous measures had a combined target of 5610 client interactions last year but the new measure only has a target of 4300 client interactions?

Ms SYMES: I will take that one on notice.

Ms VALLENCE: Thank you. In budget paper 3, page 395—this is to you, Secretary—can you list the seven strategies developed in the 2018–19 period?

Mr PHEMISTER: Sorry, Ms Vallence, which performance measure are you referring to?

Ms VALLENCE: Strategies developed to overcome identified trade barriers—my apologies. The second-last one on that page.

The CHAIR: Secretary, apologies for interrupting, but that will have to be taken on notice. Could we move to my time—

Mr D O'BRIEN: Sorry, Chair, just a point of order. There was a second question.

Ms VALLENCE: There was also about a minute I could not hear because you were talking, so—

The CHAIR: Come on, it was about 15 seconds worth of time. Stop being precious. Your time is done. My time is here, and I am ceding first to Mr Maas before coming back to me.

Ms VALLENCE: I am not being precious, and I ask you to withdraw that.

The CHAIR: You can ask the questions on notice.

Ms VALLENCE: I ask you to withdraw that, Chair, because I think that is ridiculous. I think that is outrageous.

The CHAIR: I have been more than fair and reasonable. I gave extra time to Mr O'Brien earlier. Please just be respectful. It was 15 seconds of time.

Ms VALLENCE: I would ask you to be respectful and not to call me precious.

The CHAIR: Mr O'Brien pointed it out to me, I then quietened down, and now it is Mr Maas's turn.

Mr MAAS: My question is around the Game Management Authority. Minister, I have asked for some time to ask this question on behalf of my fair electorate of Narre Warren South, because postcode statistics from the Game Management Authority indicate there are more than 700 game hunters who live in my electorate.

Ms SYMES: Is that right?

Mr D O'BRIEN: They all come to mine, Mr Maas.

Mr MAAS: I would like to ask the following question: regarding the support for recreational hunters and sporting shooters on pages 68 and 70 of budget paper 3, can you advise the committee how much of the \$14 million over the forward estimates will be provided to the Game Management Authority specifically and how this will increase compliance with hunting laws and regulations?

Ms SYMES: Thank you, Mr Maas, and I am happy to provide some information both for the committee and for the benefit of your hunting constituency. Of course Labor recognises the social, environmental and economic value of game and pest animal hunting, and this budget delivers on our commitment to support recreational hunters as well as continuing the Shooting Sports Facilities program. The Shooting Sports Facilities program is a responsibility for my ministerial colleague the minister for sport, but it is focused on improving the quality and sustainability of shooting sports facilities and activities across Victoria. Where it intersects with my portfolio responsibilities is that these facilities are used by many recreational hunters to improve their skills.

The 19–20 budget initiative delivers on an election commitment to provide the GMA with a \$6 million boost in their funding, which is going to allow them to increase their staff by 30 per cent. The GMA, I think most of you will probably know, is an independent statutory authority responsible for the regulation of game hunting in our state, and it delivers programs to improve and promote the responsible hunting of deer, duck and quail in our state. They are also responsible for issuing game licences, managing open and closed seasons for game species, enforcing game hunting laws and acting against those who do not hunt legally and educating and informing hunters on how to go about hunting in a legal manner. They have an important role in managing the natural resources as well. They look at the sustainable harvest of game species; the humane treatment of animals that are hunted and used in game hunting; minimising negative impacts on non-game wildlife, including protected and threatened species; and the conservation of wildlife habitats.

GMA staff are located across country Victoria in particular, and there are a few here in town. They oversee game hunting activities. Of the additional staff that will be provided in the budget, they will be located in our country offices.

Mr MAAS: Thanks for your answer. I will now cede time back to the Chair.

The CHAIR: Thank you, Mr Maas. Part of the \$14 million in the forward estimates to the GMA, you talked about some additional staffing. Can I just understand that that is additional staff and that you can assure the committee that resources across the rural communities will not be reduced accordingly?

Ms SYMES: Thank you, Chair, for your question. A new structure for the GMA was enacted in March of this year, and as part of the funding for growing the GMA eight new roles have been created to support the compliance and enforcement obligations as well as a focus on strategy and research. The new roles will certainly ensure that there is no reduction of these staff in country areas. As part of the organisational restructure the GMA is consolidating the location of staff to improve culture and cooperation between

regionally based staff. So although they will still be in the regions, we are looking to make sure that we can avoid single officer postings, because it is one of those areas where it is much better if you have got someone to liaise with and talk about how to go about performing the requirements of the job. I can give you that assurance, Chair, that there will be a number of GMA staff based in regional locations, and because of this budget they are only increasing.

The CHAIR: Part of the additional spend, I understand, is about increasing compliance with hunting laws and regulations. Has that come about because of the Pegasus Economics report that was undertaken back in 2017?

Ms SYMES: Thanks for your question. Following that incident during the opening weekend of the 2017 duck season my predecessor Ms Pulford requested that the GMA board and the GMA undertake an assessment of the effectiveness of the authority's compliance and enforcement regime, its operating model and its capacity and capability. Pegasus Economics, as you have referred to, did identify that the GMA lacked scale and critical mass. It also concluded that there were tensions and potential conflicts between GMA's regulatory and other roles that constrains its effectiveness as an enforcement agency.

The GMA of course has accepted all of those recommendations and continues to address them. The board has undergone significant change since that time, and we have a new CEO who started in July last year. The new CEO, Graeme Ford, is implementing a new organisational structure that responds to the matters that were identified in the report, and part of that will be separating the compliance and intelligence functions from the strategy and research and boosting the stakeholder and hunting program functions. There is also a new director appointed to lead the compliance and intelligence division. A case management system is also currently being considered, and a single point to lodge complaints is being explored. So a lot of the funding is going to enable not any additional staff but better practices within the GMA to ensure that they are meeting their obligations to the community.

The CHAIR: Now, for the last few seconds that I have got, this is not going to sound like a big issue, but coming from a Hellenic background my ability to grow lemons in my backyard is being stymied by gall wasp.

Mr RIORDAN: By what?

The CHAIR: Gall wasp. Have you not heard of gall wasp?

Mr RIORDAN: Gall moth?

The CHAIR: Gall wasp.

Mr RIORDAN: Oh, right. Oh, yes.

Ms VALLENCE: You cut the branches off and put them in the bin.

The CHAIR: It is killing my lemon tree, and so it would be great to be able to get some biosecurity people because it is going to be somewhere in one of my neighbourhood's backyards and I cannot get into their houses, but it is stopping my lemon tree from producing.

Mr D O'BRIEN: Go to Bunnings.

Mr RIORDAN: How many sons have you got?

The CHAIR: You're killing me.

Ms VALLENCE: Secateurs—cut them off, put them in the bin.

The CHAIR: No, seriously, this is a serious issue. For me not to be able to grow lemons is culturally challenging.

Mr D O'BRIEN: Okay. It is a serious issue now impacting on our time. Can I have the call please?

The CHAIR: Yes, you can, but you need to be more culturally sensitive.

Ms SYMES: I will take it as a statement and we will get some—

Mr D O'BRIEN: I have got seven lemon trees, Chair. I will bring you some next time I see you. Minister, just to follow up on Ms Vallence's question before. On the one that we provided some notice, there was another question about operational budgets. Could we also get the answer to that on notice—not right now.

Ms SYMES: Why can't I give it now?

Mr D O'BRIEN: No, because you will take up my time. If you could provide to us on notice, that would be great.

Ms SYMES: On a point of order, Chair, if the Leader of The Nationals takes the time to send me his questions in advance, surely the committee would like me to present them to the committee.

Mr D O'BRIEN: Yes. There is a lot of data and it will take up a lot of time, Minister, and the Chair has—

Ms SYMES: I have got the answer. I can go through it quickly for you.

Mr D O'BRIEN: No, that is fine. If you could provide it on notice, that would be good, because I do want to go to another very important question about forestry. You will be aware that there was a logging protest in a coupe at Ballantynes Saddle for two weeks recently. Can you inform the committee why the department did not use its statutory powers under the Sustainable Forests (Timber) Act 2004 to direct the protesters to leave the coupe?

Ms SYMES: Yes. Thanks for that question, and I am aware of the protesters and was very concerned about the interruption to legal activities to conduct harvesting in that area. The protesters were suspended very high in the air, and obviously the safety of the authorised officers is that certainly have an interest in. So whilst it is unfortunate that those protesters stayed there for as long as they did, they did move on and VicForests are having ongoing conversations with that company that has been impacted.

Mr D O'BRIEN: You have the power, though, Minister to send in authorised officers to get them to move on, to issue on-the-spot fines. Why did not that occur?

Ms SYMES: As I have explained, they were suspended in the air. It was quite a difficult operation to be able to move people on.

Mr D O'BRIEN: It has been suggested that there were not even enough authorised officers, though, to meet the requirements under WorkSafe et cetera in terms of numbers of authorised officers to go to the coupe. Is that the fact?

Ms SYMES: That is a statement that you are making.

Mr D O'BRIEN: Well, I am asking you: is it correct?

Ms SYMES: I understand that the authorised officers who were onsite tried to negotiate with protesters, and as I said their health and safety comes first in this matter.

Mr D O'BRIEN: So are you telling me then though, Minister, if protesters anywhere—whether it is forestry coupe or anything else, but in a forestry coupe—make it difficult enough for anyone to arrest them, we are not going to do anything about it?

Ms SYMES: No, of course not. There is a responsibility for authorised officers. Victoria Police can get involved. We have got a number of agencies that can intervene in these matters, and in this instance I think it was eight to 10 days that the protesters were there and then they eventually moved on and harvesting has commenced, and as I said VicForests are having ongoing conversations with the impacted company.

Mr D O'BRIEN: So did the department seek assistance from the other agencies that you talked about—DELWP, police?

Ms SYMES: I do not have the details of exactly who was involved on me.

Mr D O'BRIEN: Can I just put to you a couple of things, Minister. There was a terrible case last year of deaths of wedge-tailed eagles in far East Gippsland, which you might recall. A man was charged and convicted, I believe. On SBS it was reported, a quote from a DELWP officer, that there were 30 investigators involved in that case. On the same case the *Age* reported that 45 investigators from police and government agencies raided the East Gippsland properties over the wedge-tailed eagle deaths. Are you saying to me that with those sort of resources available to the government you can investigate the wedge-tailed eagle deaths, which was a horrible event, but we cannot actually get some protesters down from a coupe who are stopping loggers going about their lawful business?

Ms SYMES: The case you are referring to was a DELWP investigation involving a matter that I do not have ministerial responsibility for, so linking the two is not something that I think is appropriate.

Mr D O'BRIEN: Minister, have any of the protesters been charged under section 77G of the act?

Ms SYMES: I understand that these matters are being investigated because there were also some allegations of drone interference, and I understand that is still subject to an investigation so I do not have advice on any charges at this point in time.

Mr D O'BRIEN: So am I correct in saying that the matter is not complete—there is continuing investigations by VicForests or DELWP or police?

Ms SYMES: Yes. That is my understanding—ongoing.

Mr D O'BRIEN: All of the above? Okay. Can you tell me how many individuals were charged in the year 18–19 under section 77G of the act?

Ms SYMES: I will take that on notice.

Mr D O'BRIEN: Oh. You are going to take that one on notice?

Mr D O'BRIEN: Minister, the \$11.9 million cut to the forestry and game management output that Ms Vallence referenced before, will that further reduce the department's ability to enforce these laws?

Ms SYMES: Just to confirm, that is not a cut. But the secretary is able to comment in relation to the expenditure.

Mr D O'BRIEN: To sustainably manage forest and game resources was \$54.2 million last year; it is \$42.3 million this year. That in my mind is a cut. You said it was because of the fishing portfolio, I think.

Mr PHEMISTER: No, I said it was in part. Fishing went out and also we experienced massive charges last year in associated operations, so for operations phasing of funding is not completely flatlined. If we experience a need for assets in any particular year, an operational charge comes with those assets. So funding for operations is never completely flat. What we saw last year was a hiccup because of assets. The funding for the authorised officers and the investigation component of the portfolio has, however, remained constant and is included in last year's base. It is included in this year's base.

Mr D O'BRIEN: Okay. So there will be no impact on the ability of the department to enforce these issues? Could you just say yes for the record please, Mr Phemister?

Mr PHEMISTER: I apologise. Yes, for the record.

Mr D O'BRIEN: Thank you. Mr Hibbins asked a question before about legal fees. This one I hope you can answer. You will be aware that MyEnvironment lost a court case to VicForests back in 2012, I think it was, and was ordered to pay VicForests's costs.

Ms SYMES: Who was?

Mr D O'BRIEN: MyEnvironment, an environmental group. The costs were just over \$1.2 million. I would like to know whether they have in fact paid those costs, and if not, why not, and why are they not being pursued for them?

The CHAIR: Weren't you in government then?

Ms SYMES: I might ask the secretary to respond to that.

Mr PHEMISTER: Thanks, Minister. So the costs relate to VicForests, and again it will be reported in their annual report. The window for recovering those costs is still open, Mr O'Brien. The window was six years off the back of that decision, and MyEnvironment offered up some assets as part of settlement and VicForests continued negotiations with MyEnvironment while that window remains open.

Mr D O'BRIEN: I think previously that they might have made a payment of about \$30 000. I guess my question is: will the government be pursuing these costs for over \$1.2 million?

Mr PHEMISTER: It is a matter—we take advice from the board annually on legal costs, and it is one that the board is investigating and will give us advice on this year.

Mr D O'BRIEN: Minister, will you be making sure that VicForests pursues these costs that are owed to the taxpayers of Victoria?

Ms SYMES: Thank you for your question. I was not actually aware of the case. I will have to seek some further advice on it.

Mr D O'BRIEN: Okay. Well, I have made you aware of the case now; it is \$1.2 million owing to the taxpayers of Victoria. Does that concern you, and is it something that we should be in fact pursuing?

The CHAIR: Why didn't you pursue it? You had two years in government.

Ms SYMES: As a former lawyer, Mr O'Brien, I like to make sure that I am fully apprised of all the facts of a legal matter before passing judgement on it.

Mr D O'BRIEN: One more, if I may then: we asked Minister Pakula yesterday as the single government shareholder of the Heyfield timber mill, ASH, whether he was confident that that mill would have supply going forward to allow it to continue to be profitable, and he of course referred us to you. So, Minister, can I ask you that question? Are you confident going forward that the ASH mill will have adequate supply to maintain the employment at that mill and also to return a profit to the people of Victoria?

Ms SYMES: Yes. Thank you, Mr O'Brien, for your question. Look, I was really pleased to be able to announce the updated allocation order to allow VicForests to update their—

The CHAIR: Minister, I am sorry to interrupt you in the middle of that question, but we need to move on to Ms Stitt.

Ms STITT: Thank you, Minister. I wanted to ask you about the government's investment in small-scale and craft producers, obviously an important area of your responsibility. I refer you to budget paper 3, pages 68 and 70. Could you explain to the committee how the initiatives outlined in table 1.13 and again on page 70 will support Victorian small-scale and craft food, fibre, beer and spirit producers?

Ms SYMES: I can. There is a lot of interest in this area of my portfolio. I can say that. As a government we are very proud to be supporting our small-scale and craft food, fibre, beer and spirit producers. They have all been pretty excited about dedicated funding available for their sector. They are some of the most important emerging and innovative participants in the agricultural sector, and we want to support their businesses to rise to the next stage. Over the next four years we will invest \$10.2 million to enable these smaller producers to upscale, and many of them will be able to position themselves to take advantage of export markets.

It was an election commitment, and it builds on the initial \$2 million that we invested in last year's budget, which was also really exciting for the sector. We had 250 local producers apply for assistance that they needed to invest in equipment, marketing and the like to upscale their businesses. The further investment this year will have an opportunity for grants of up to \$200 000 to ensure that our small-scale craft food, beer and spirit producers can employ more people. A lot of them are in country Victoria as well, so they are good tourism drawers to our regions. We are working out the eligibility and guidelines and things for the grants, so they will be available after the financial year.

In terms of the legacy impacts that this can possibly create, as I have said, these are small-scale producers that often just need a little bit of a leg-up to really capitalise on their opportunities. There are some other related investments, I think, in terms of this industry. We have also got the Wine Growth Fund grants, Wine to the World and Global Table, which are all exciting initiatives that are rolling out this year as well. So in terms of the small-scale agribusiness, whatever you are producing, the future is pretty right when you have got a government that wants to support you to be able to take your business to the next level.

Ms STITT: Thanks, Minister. Why is it so important to support these small-scale operations?

Ms SYMES: Look, there are some really exciting businesses out there in this sector. You have got craft food, fibre, beer, spirits—a lot of gin and vodka producers are coming online. I am taking great joy in meeting some of those.

We have got more than 3300 small-scale producers, and they contribute about \$730 million to the Victorian economy. They are some pretty dynamic industries, they are really shaking up the sector, and they are creating jobs and a lot of excitement. So these grants are going to support their development and, as I said, really capitalise on what Victoria is renowned for—the food and wine capital of the country. People really like to know where their food comes from. They are seeking unique food experiences, and they like to understand the story of how their food has been produced and the families that are producing it. Again, the tourism—out and about in country Vic you are always running into people that are visiting purely to experience the food and wine sector of Victoria. So we have a really good reputation here for quality produce, and this is supporting that sector.

Ms STITT: Obviously, Minister, the economic benefits to the state are quite significant. Can you talk us through the types of projects that this grant will enable local producers to undertake to grow their businesses and access new markets?

Ms SYMES: Yes. It is one of the great visits to do, going to meet some of the producers that are in this space. There are some really exciting products and really dynamic people that are out there. I met some pretty funky people, including some in your electorate, Ms Stitt. I will give you an example of a grant for a group called Hop Nation. They are a Footscray-based craft brewery, and they received a \$5000 grant to purchase a separate canning line to produce a new line of sour beer. Look, it is not just investment in their business but an investment in local jobs in your community. I would implore any of you to get on their Instagram—Hop Nation. They have over 16 000 followers on their Instagram and they are producing some pretty cool lines of beer, including the new sour line, which has been facilitated through a grant from the department of agriculture.

Ms STITT: Great. They are pretty savvy businesspeople too. In terms of the grants, beyond the financial support, what other sorts of benefits will the program provide to our local producers?

Ms SYMES: Whether intentional or not, when you have grants around and connect these people together, they are good at networking, they are good on social media, as Hop Nation are, so they tend to exchange a lot of intelligence and information and shared success stories. I would say that this program goes beyond the financial contribution that the department is making purely by connecting these people. Often they sort of get together at farmers markets and the like, but bringing them together to share their skills and experience and together explore new business opportunities—and I am having conversations with a couple of them that want to get together and consider exporting as a group as opposed to taking the step themselves. So the networking opportunities are proving to be pretty valuable.

The CHAIR: Minister, sorry to interrupt, but your time is up. Can I say thank you very much for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses will be required within 10 working days of the committee's request. I declare this hearing adjourned.

Witnesses withdrew.