

CHAPTER 10: DEPARTMENT OF PRIMARY INDUSTRIES HEARINGS

10.1 Introduction

The Department of Primary Industries is responsible for the administration of two portfolios:

- Agriculture; and
- Energy and Resources.

10.2 Key budget themes for 2009-10

The Department of Primary Industries advised the Committee that in regards to the *2009 10 State Budget*, the key themes that relate to the Department are:³²

- securing the future of farming; and
- responding to climate change challenges.

10.3 Key assumptions that have been used to develop the Department's projections for 2009-10

The Department of Primary Industries advised the Committee that the following assumptions were made in developing its projections for the 2009-10 financial year:³³

- budget escalation factor as applied by the Department of Treasury and Finance;
- new initiatives endorsed and announced in the *2009-10 State Budget*;
- implementation of savings announced in the Budget;
- staffing levels within the Department; and
- priorities as outlined in the Department's *2008-2011 Strategic Plan* (which priorities remain current).

10.4 Major Expenditure Policy Shifts in the 2009-10 Budget

The Department of Primary Industries advised the Committee that it did not undertake any major expenditure policy shifts in 2009-10.³⁴

³² Department of Primary Industries, *Response to the Public Accounts and Estimates Committee Budget Estimates Questionnaire*, May 2009, p.1

³³ *ibid.*

³⁴ *ibid.*, p.13

10.5 Agriculture Portfolio

10.5.1 Introduction

The Committee received evidence from Hon. Joe Helper MP, Minister for Agriculture and Small Business, on 14 May 2009. The Minister provided an overview of his portfolio at the start of the hearing, assisted by Mr Richard Bolt, Secretary; Mr Chris O'Farrell, Chief Financial Officer, Department of Primary Industries; Mr Bruce Kefford, Deputy Secretary, Agriculture and Fisheries; Mr Peter Bailey, Executive Director, Biosecurity Victoria; and Mr Luke Wilson, Executive Director, Agriculture and Natural Resources Policy. The Committee thanks the Minister and accompanying officers for their attendance and assistance.

10.5.2 General comments

At the budget estimates hearing, the Committee raised various matters concerning the budget estimates for 2009-10 (see Volume Two for the transcript of proceedings). Transcripts of the budget estimates proceedings are also accessible on the Committee's website at www.parliament.vic.gov.au/paec. Documents provided at the hearings of the budget estimates (see Section 10.5.4) are available on the Committee's website. Written answers to questions on notice should be submitted to the Committee by 22 June 2009. These answers will be considered by the Committee for inclusion in a further report.

10.5.3 Key matters raised at the budget estimates hearing

Key matters raised at the budget estimates hearing included a standard question on Federal Government grants and the following (page references refer to the transcript in Volume Two, Section 10.1):

Job creation and sustainability

- progress on and future plans to restructure the Department of Primary Industries (p.10); and
- job creation and sustainability as a result of the restructure of the Department of Primary Industries and the agricultural sector (p.20).

Assistance to industry

- *Future Farming Strategy* (p.7);
- government response to reducing the impact of the current global economic crisis on the Victorian dairy industry (p.12);
- improving the sustainability of the agro-forestry sector (pp.12-13); and
- *Timber Industry Strategy* (p.19).

Weed and pest control

- fruit fly control and eradication (pp.6-7); and
- management of weed and pest control compliance (pp.20-22).

Water / Drought assistance

- impact of the Federal government's water buyback scheme on dairy farmers in the Goulburn irrigation area (p.10); and
- drought assistance measures, including future funding (pp.14-16 and 17-19).

Other issues

- relocation of Melbourne's Fruit and Vegetable Market to Epping (pp.8-10);
- involvement in the Victorian bush fires recovery effort (pp.13-14); and
- implementation of improved consultative arrangements in relation to the use and management of Victoria's fisheries resources (pp.16-17).

10.5.4 Documents tabled at the budget estimates hearing

The Minister provided an introductory slide presentation at the budget estimates hearing. The slides are available on the Committee's website.

10.5.5 Questions taken on notice at the budget estimates hearing

A number of questions were taken on notice by the Minister at the budget estimates hearing (see Appendix 2 - Questions on Notice, and the transcript in Volume Two) relating to:

- Federal Government grants; and
- funding for fruit fly control in Victoria.

A written response by the Minister to the Committee on these questions is due by 22 June 2009 and will be considered for publication in a further report.

10.6 Energy and Resources Portfolio

10.6.1 Introduction

The Committee received evidence from the Hon. Peter Bachelor MP, Minister for Energy and Resources, on 19 May 2009. The Minister provided an overview of his portfolio at the start of the hearing, assisted by Mr Richard Aldous, Acting Deputy Secretary, Energy Resources and Major Projects, Ms Marianne Lourey, Executive Director, Energy Sector Development; and Mr Chris O'Farrell, Chief Financial Officer, Energy Sector Development, Department of Primary Industries. The Committee thanks the Minister and accompanying officers for their attendance and assistance.

10.6.2 General comments

At the budget estimates hearing, the Committee raised various matters concerning the budget estimates for 2009-10 (see Volume Two for the transcript of proceedings). Transcripts of the budget estimates proceedings are also accessible on the Committee's website at www.parliament.vic.gov.au/paec. Documents provided at the hearings of the budget estimates (see Section 10.6.4) are available on the Committee's website. Written answers to questions on notice should be submitted to the Committee by 22 June 2009. These answers will be considered by the Committee for inclusion in a further report.

10.6.3 Key matters raised at the budget estimates hearing

Key matters raised at the budget estimates hearing included a standard question on Federal Government grants and the following (page references refer to the transcript in Volume Two, Section 10.2):

- solar power strategy including details of the *Large Scale Solar Energy Generation* program (pp.3-4);
- electricity company bushfire mitigation funding (pp.4-7);
- investment in sustainable energy supplies (pp.7-8);
- Federal and Victorian renewable energy targets (pp.8-9);
- HRL clean coal demonstration power station in the Latrobe Valley (p.9);
- plans to manage future extreme weather events including the government's response to the Esplin Report into *Departmental Fire Operations* (pp.9-12);
- nuclear power in Victoria (pp.12-13); and
- solar energy feed in tariffs (pp.14-16).

10.6.4 Documents tabled at the budget estimates hearing

The Minister provided an introductory slide presentation at the budget estimates hearing. The slides are available on the Committee's website.

10.6.5 Questions taken on notice at the budget estimates hearing

One question was taken on notice by the Minister at the budget estimates hearing (see Appendix 2 - Questions on Notice, and the transcript in Volume Two) relating to:

- Federal Government grants.

A written response by the Minister to the Committee on these questions is due by 22 June 2009 and will be considered for publication in a further report.