

DEPARTMENT OF PRIMARY INDUSTRIES

Departmental mission statement

The Department of Primary Industries (DPI) designs and delivers government policies and programs that enable Victoria's primary and energy industries to sustainably maximise the wealth and wellbeing they generate, by providing essential goods and services, employment, investment and recreational opportunities.

DPI's role is primarily economic, ensuring that human needs are met from the State's natural resources through mostly privately-owned industries operating in competitive and regulated markets. A focus on production and productivity is therefore central to DPI's work, but so too is a complementary focus on public and employee safety, community resilience, animal welfare and the natural environment.

DPI is responsible for agriculture, earth resources, energy, fisheries and forestry in Victoria.

Significant challenges facing the Department in the medium term

Over the coming years Victoria's primary and energy industries will undergo major change, driven by challenges and opportunities such as:

- climate change and water scarcity – driving substantial adaptation in primary industries, and greenhouse gas abatement and water efficiency in the energy sector;
- global competition and trade – requiring continued growth in productivity;
- changing community attitudes – driving more safe, clean and ethically sound practices, products and services as Victorians exert more influence over government decisions; and
- demographic changes – presenting challenges and opportunities in rural and regional Victoria.

Major policy decisions and directions

DPI's strategies for 2008-11 reflect these challenges and opportunities, and the context in which the Department operates. They are:

- develop a strategic policy framework: DPI will develop a comprehensive, integrated and long-term strategic policy framework to build the productivity, competitiveness and sustainability of Victoria's primary and energy industries;
- drive innovation in science, technology and practice: DPI will fund important research, development, demonstration, commercialisation and practice change in primary and energy industries that would not occur sufficiently if left entirely to the market;

- develop and operate efficient markets and regulatory frameworks: DPI will enable the best use of Victoria's abundant natural resources by allocating them to productive uses, developing administered markets in downstream goods and services, enhancing primary producers' access to markets, and establishing and overseeing the regulation of primary and energy industries;
- negotiate and facilitate major investments: DPI will assist developers of large energy and earth resources projects to understand and comply with approval processes, and play a key role in delivering major infrastructure investments that provide public benefits that would not occur without government involvement;
- manage emergencies promptly and effectively: DPI will advise and implement the Government's response to a wide range of emergencies, notably biosecurity incursions and energy supply shortfalls, and provide considerable assistance in bushfire response and recovery work; and
- achieve excellence in corporate and business management: Successful delivery of the above strategies depends on high-quality, efficient business and corporate services.

Ministerial portfolios

DPI supports the ministerial portfolios of Energy and Resources, and Agriculture.

Changes to the output structure

There are no changes to the output structure for 2009-10. Discontinued performance measures are detailed in Appendix C of this budget paper.

The following table summarises the total output cost.

Table 3.7: Output Summary

	(\$ million)			
	2008-09 Budget	2008-09 Revised	2009-10 Budget	Variation ^(a) %
Primary Industries Policy	50.7	49.7	51.9	2.4
Regulation and Compliance ^{(b)(c)}	86.8	96.4	97.3	12.1
Strategic and Applied Scientific Research ^{(d)(e)}	200.7	182.3	211.6	5.4
Sustainable Practice Change ^{(f)(g)}	142.8	214.7	163.1	14.2
Total ^(h)	481.0	543.1	523.9	8.9

Source: Department of Primary Industries

Notes:

- (a) Variation between 2008-09 Budget and 2009-10 Budget.
- (b) The increased 2008-09 revised output cost reflects additional funding allocated during 2008-09 to address outbreaks of locusts, fruit flies and potato cyst nematode.
- (c) The increased output cost in 2009-10 reflects the transfer of weeds and pests functions from the Department of Sustainability and Environment to DPI.
- (d) The decreased 2008-09 revised output cost reflects adjusted delivery timelines for the Energy Technology Innovation Strategy and Future Farming initiatives.
- (e) The increase in the 2009-10 Budget output cost relates to funding scheduled to be received in 2009-10 for initiatives such as the Biosciences Research Centre and Securing and Developing Services to Farmers. Cash flow revisions of Energy Technology Innovation Strategy initiatives have also contributed to the increase.
- (f) The increased 2008-09 revised output cost reflects additional funding allocated during 2008-09 for drought response and bushfire recovery activities, as well as additional on-passing of revenue from the Commonwealth for the Exceptional Circumstances Drought Assistance Program.
- (g) The increased output cost in 2009-10 is due to additional on-passing of revenue from the Commonwealth for Exceptional Circumstances Drought Assistance Program.
- (h) Total output expense may not equate to the total expense reported in Budget Paper No. 4, Chapter 3, Departmental Financial Statements due to additional expenses in Budget Paper No. 4 that are not included in departmental output costs.

The following section provides details of the outputs to be provided to government, including performance measures and costs for each output. Total expenditure for the department can be found in Budget Paper No. 4, Chapter 3, *Departmental Financial Statements*.

Sustainable Development of Primary and Energy Industries

The Department of Primary Industries works with energy companies, research partners, primary producers, mineral explorers and rural communities across Victoria, as well as other Government departments and national and international research associates to address the major and emerging challenges in sustainability and productivity. The Department's services are delivered through four outputs encompassing innovative policy, world class science and technology, leading edge protection and regulation practices, and sustainable practice change.

The Department principally contributes to the following key government outcomes:

- efficient use of natural resources;
- protecting the environment for future generations;
- more quality jobs and thriving, innovative industries across Victoria; and
- building friendly, confident and safe communities.

Major Outputs/Deliverables <i>Performance Measures</i>	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
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Primary Industries Policy

Develop policy frameworks and legislative reforms that aim to improve investment in, and protection of, energy and resources and primary industries through the establishment of efficient and equitable resource definition, allocation and management processes, leading to improved market access, industry performance, efficiency of resource use and reduced adverse impacts on the environment.

Quantity

Exercise strategies for maintaining security of electricity and gas supply ^(a)	number	4	4	2	4
Industry information packages released targeted at minerals and petroleum ^(b)	number	12	14	14	14
Major strategic policy briefings to government ^(c)	number	10	11	10	nm
Number of structured management arrangements in place for fisheries ^(d)	number	24	20	20	16
Powerline relocation grants approved ^(e)	number	20	25	20	17
Strategic policy briefings on energy matters to portfolio minister ^(f)	number	210	216	200	249

Quality

Compliance with criteria for approval of powerline relocation grants	per cent	100	100	100	100
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Major Outputs/Deliverables <i>Performance Measures</i>	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
Enhanced fishing grants: program components meet agreed milestones for delivery ^(g)	per cent	100	90	100	85
Proportion of minerals and petroleum publications and packages requiring post-release correction or recall	per cent	<5	<5	<5	0
<i>Timeliness</i>					
Evaluation and selection of large-scale demonstration projects for carbon capture and storage and renewable energy under the Future Energy initiative completed by June 2010 ^(h)	per cent	100	nm	nm	nm
Geophysical interpretation of the offshore Gippsland Basin completed for input to second generation regional carbon sequestration modelling ⁽ⁱ⁾	per cent	100	nm	nm	nm
Facilitate delivery of milestones in line with grant agreements for the Energy Technology Innovation Strategy large-scale demonstration projects ^(j)	per cent	100	nm	nm	nm
Delivery of milestones facilitated in line with grant agreements for the brown coal R&D grants and sustainable energy R&D grants that form part of the Energy Technology Innovation Strategy initiative ^(k)	per cent	100	nm	nm	nm
Fisheries management plans actions implemented within agreed timelines	per cent	>90	>90	>90	92
Minerals and petroleum input to Environment Effects Statements (EES) completed according to EES panel timelines	per cent	100	100	100	100
<i>Cost</i>					
Total output cost	\$ million	51.9	49.7	50.7	62.5

Major Outputs/Deliverables <i>Performance Measures</i>	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
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Regulation and Compliance

Protect the sustainability of Victoria's primary and energy industries by regulating natural resource use in the public interest. Encourage best practice behaviours through a pro-active approach to self-regulation, while undertaking education, inspection and enforcement services to ensure industry and community compliance with legislation and regulations. Protect the quality and safety of Victoria's primary products by building and maintaining Victoria's capability to monitor, detect and respond to disease, pest and residue incidents and outbreaks and other biosecurity threats.

Quantity

Animal pest, disease and residue control programs maintained to assist industry to access markets	number	5	5	5	5
Audits completed at mineral and petroleum sites on specific high risk issues ^(l)	number	100	109	80	84
Environmental and compliance audits of critical minerals and petroleum sites completed	number	60	60	60	nm
Fisheries compliance strategies implemented	number	3	3	3	3
Formal agreements with land managers (public and private) and peak body organisations to undertake agreed pest management practices ^(m)	number	60	nm	nm	nm
Landholders complying with pest plant and animal control requirements under the <i>Catchment and Land Protection Act 1994</i> within agreed timeframes and in targeted areas	per cent	85	85	85	nm
Minerals and petroleum licences, permits and authorities under administration	number	1800	1800	1800	1792
Plant pest, disease and residue control programs maintained to assist industry to access markets	number	6	6	6	6
Properties inspected for invasive plant and animal priority species ⁽ⁿ⁾	number	3800	nm	nm	nm
State prohibited weeds monitored and where present, treated ^(o)	per cent	95	nm	nm	nm
Technical Review Board to complete the review of stability reports for Latrobe Valley coal mines ^(p)	number	6	nm	nm	nm

Major Outputs/Deliverables <i>Performance Measures</i>	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
<i>Quality</i>					
Compliance with international and national quality assurance standards by meeting certification authorities required performance audits on animal and plant health programs and agriculture/veterinary chemical use	number	3	3	3	3
Compliance with relevant industry standards for animal welfare	per cent	>95	>95	>95	96
Enhance or maintain levels of community compliance to achieve sustainability within a fisheries resource and/or area	per cent	>90	>90	>90	93
Exploration and mining licences which are not active	per cent	<20	<20	<20	21
Levels of compliance are maintained to ensure the sustainability of priority fish species ^(a)	per cent	>90	86.6	>90	91
<i>Timeliness</i>					
Minerals and petroleum exploration license applications not determined after three months	per cent	<5	<5	<5	0
Mining industry work-plans not processed in one month	per cent	<5	<5	<5	5.5
Mining licence applications not determined after four months	per cent	<5	<5	<5	0
National quality assurance and animal welfare programs implemented within required timelines	per cent	>95	>95	>95	100
Response time to animal, pest, disease, residue and disaster incidents	hours	<24	<24	<24	<24
Response time to plant pest, disease, residue and disaster incidents	hours	<24	<24	<24	<24
<i>Cost</i>					
Total output cost	\$ million	97.3	96.4	86.8	101.8

Major Outputs/Deliverables Performance Measures	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
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Strategic and Applied Scientific Research

Use science and innovation to increase the productivity, profitability, sustainability, international competitiveness and export value of primary and energy industries by investing in research and development, new technologies and practices, knowledge and science based tools, and resource information.

Quantity

Genetic improvement of dairy cows achieved through breeding contributing to increased milk production and dairy productivity ^(t)	per cent	1	nm	nm	nm
Applications for intellectual property protection ^(s)	number	6	10	10	11
Area of the State for which first generation regional 3D geological models are available ^(t)	per cent	80	63	63	40
Commercial technology licence agreements finalised ^(u)	number	20	nm	nm	nm
International scientific workshops/conferences led/organised by DPI to promote science leadership among peers ^(v)	number	5	4	4	nm
New key enabling technologies and core science capacity competencies established/upgraded by DPI	number	2	2	2	nm
Postgraduate level PhD students in training by DPI ^(w)	number	77	72	30	nm
Scientific and technical publications in international and peer review journals that promote productive and sustainable farming (including aquaculture) and fisheries systems ^(x)	number	375	366	366	352
Value of external (non-state) funding contribution to research projects that support productive and sustainable farming (including aquaculture) and fisheries systems	\$ million	38	37.2	37.2	34.3

Timeliness

Agrifood, fisheries and natural resource management research and development project milestones and reports completed on time	per cent	85	85	85	83
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Major Outputs/Deliverables <i>Performance Measures</i>	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
Provision of technical advice and diagnostic identification tests on pests and diseases including suspected exotics within agreed timeframes	per cent	90	90	90	92.8
Victorian Initiatives for Minerals and Petroleum (VIMP) data releases meeting timetable	per cent	>95	>95	>95	95
<i>Cost</i>					
Total output cost	\$ million	211.6	182.3	200.7	168.7

Sustainable Practice Change

Facilitate the adoption of new ideas and practices, and assist industries and communities to understand, manage and adapt to change driven by economic, social and environmental pressures. Promote trade by enhancing access to markets and securing market opportunities for Victoria.

Quantity

Case managed irrigation connections undertaken ^(y)	number	300	nm	nm	nm
Existing DPI programs realigned to new programs based on identified needs for farm segments ^(z)	number	7	3	5	nm
Farm clients facing significant adjustment pressures are case managed to make better informed and more timely decisions ^(aa)	number	1800	nm	nm	nm
Farming communities provided with information through Ag Futures Forums about the key drivers of change for agriculture to guide local decision making ^(ab)	number	10	nm	nm	nm
Farming families participating in DPI preventative health programs	number	1 000	978	1 000	nm
Practice change and technical publications submitted to conference proceedings and peer review journals ^(ac)	number	60	70	40	102
Significant customer interactions to facilitate export outcomes ^(ad)	number	90	80	80	116
Significant stakeholder interactions on climate change, climate variability and emission management ^(ae)	number	1 500	nm	nm	nm
Trade barriers identified and strategies developed to overcome them	number	3	3	3	7

Major Outputs/Deliverables Performance Measures	Unit of Measure	2009-10 Target	2008-09 Expected Outcome	2008-09 Target	2007-08 Actual
<i>Quality</i>					
Proportion of practice change and technical publications submitted to conference proceedings and peer review journals that are accepted for publication	per cent	90	90	90	92
Satisfaction of clients with services provided	per cent	>80	>80	>80	83
<i>Timeliness</i>					
Evaluation activities completed for key projects	per cent	100	100	100	nm
Project milestone reports completed on-time	per cent	85	85	85	88
<i>Cost</i>					
Total output cost	\$ million	163.1	214.7	142.8	280.8

Source: Department of Primary Industries

Notes:

- (a) The increase in the 2008-09 Expected Outcome is due to an expansion of security supply exercise activities in 2008 and the number of exercises is expected to be maintained in 2009-10.
- (b) The decrease in the 2009-10 Target reflects the cessation of funding for the Gold Undercover program partly offset by information packages to be released through other initiatives.
- (c) The increase in the 2008-09 Expected Outcome reflects an increase in strategic policy advice relating to drought and emergency response.
- (d) The increased 2009-10 Target reflects the development of a number of significant management plans, such as the Goulburn Broken plan that will specify management arrangements in fire affected areas.
- (e) The increase in the 2008-09 Expected Outcome is due to multiple applications for smaller-scaled projects in 2008. The number of approvals is expected to normalise in 2009-10 reflecting larger scale projects.
- (f) The 2008-09 Expected Outcome reflects an increased demand for briefings in renewable energy, including large scale solar generation and the feed-in tariff policy. The 2009-10 Target has been increased in line with new funding provided through the 'Reforming of the National Energy Market' initiative.
- (g) The 2008-09 Expected Outcome is below target due to staff diversion to emergency response activities during February. This was partially addressed through commissioning of additional staff resources during March. However, three milestones will now be completed in early 2009-10 for completion.
- (h) This new measure reflects the next stage of the Future Energy – Energy Technology Innovation Strategy large-scale program scheduled for 2009-10.
- (i) This is a new measure for 2009-10 reflecting the progress within the Gippsland Basin dynamic modelling initiative.
- (j) This new measure reflects the work program for large-scale demonstration projects within the Energy Technology Innovation Strategy initiative.
- (k) This new measure reflects the work program for the R&D grants allocated as part of the Energy Technology Innovation Strategy initiative.

Notes (continued):

- (l) *The increase in the 2008-09 Expected Outcome is due to an expansion of the scope of the audit of weeds and pests at mine and extractive sites, following identification of a higher number of issues at sites audited during the early phase of the program. This has resulted in a higher number of audits being completed. The scope of the audit program for 2009-10 has been increased in line with the expansion of the audit program achieved in 2008-09 activities.*
- (m) *This new measure replaces two measures: 'Agreements with local government to control pests on roadsides' in the Sustainable Practice Change Output and 'Signed land manager (public and private) agreements to undertake agreed improved land management practices' from the Regulation and Compliance Output.*
- (n) *This is a new measure for 2009-10 which will report on the number of private properties inspected for weeds and rabbits.*
- (o) *This measure replaces the discontinued measure 'Number of state prohibited weed infestations treated'.*
- (p) *This is a new measure for 2009-10 reflecting the establishment of a technical review board to review geotechnical issues associated with the Latrobe Valley coal mines.*
- (q) *The 2008-09 Expected Outcome is slightly below target due to reallocation of fisheries officers to bushfire response and recovery activities which resulted in a reduced presence in the field.*
- (r) *This is a new measure to replace the discontinued measure 'Annual percentage increase in Victorian milk production based on 2007-08 levels'.*
- (s) *The 2009-10 Target has been reduced due DPI's strategy for plant research and development now focussing on the generation of pre-commercial intellectual property which will result in fewer plant breeding rights applications.*
- (t) *The increase in the 2009-10 Target reflects the progress of the 3D program, which forms part of the 'Rediscover Victoria' initiative.*
- (u) *This measure will replace the discontinued measure 'Number of commercial technology research and development agreements finalised'.*
- (v) *The 2009-10 Target has been increased due to projected growth as a result of increased funding provided through the Future Farming Strategy in the 2008-09 Budget.*
- (w) *The increased 2008-09 Expected Outcome is mainly due to the availability of new students. The 2009-10 Target is higher due to the consolidation of this measure with the measure 'New Postgraduate students engaged' and has also been increased in line with the expected outcome for 2008-09.*
- (x) *The 2009-10 Target has been increased due to a projected increase in publications associated with the Channel Deepening Project.*
- (y) *This is a new measure aligned to funding provided in the 2008-09 Budget for the Future Farming Strategy action 'Changing irrigation practices'.*
- (z) *The 2008-09 Expected Outcome is expected to be below target due to additional external consultancies being undertaken in the start up phase of the 'State-of-the-Art Services to Farm Businesses' initiative to ensure the service delivery strategy is accurate. The redirection of effort into the planning phase has resulted in a strategy that has been signed off and is now moving to full implementation. The 2009-10 Target has been increased to reflect this and include the deferred activities.*
- (aa) *This is a new measure to replace the existing measure 'Number of targeted areas in which DPI will conduct additional case management for adjustment'.*
- (ab) *This is a new measure to replace the discontinued measure 'Number of regional communities actively supported through structural adjustment programs'.*
- (ac) *The increase in the 2008-09 Expected Outcome and 2009-10 Target is due to wider coverage of staff and additional opportunities to provide papers.*
- (ad) *The increase in the 2009-10 Target is due to an expected gain in delivery efficiencies arising from experience in this field.*
- (ae) *This is a new measure aligned to funding provided in the 2008-09 Budget for the Future Farming strategy action 'Planning for climate change'.*