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## Grains, seeds and hay industry funding scheme annual report 2017/2018

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Department of  
**Primary Industries and  
Regional Development**



**Grains, Seeds and Hay  
Industry Funding Scheme**

# **Grains, Seeds and Hay Industry Funding Scheme**

**Annual report 2017/2018**



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**Important disclaimer**

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## List of acronyms

CBH	Cooperative Bulk Handling
DPIRD	Department of Primary Industries and Regional Development
GIWA	Grains Industry Association of Western Australia
GPS	global positioning system
IFS	Industry Funding Scheme
LAG	Local Action Group
PGA	Pastoralists and Graziers Association
SBF	State Barrier Fence
UAV	unmanned aerial vehicle
WA	Western Australia

## From the Chair

It gives me great pleasure to present the eighth annual report of the Grains, Seeds and Hay Industry Funding Scheme (the Scheme) to the Western Australian grains/seeds/hay industry and the Minister for Agriculture and Food.

The Committee is pleased to report 2017/18 as a successful year for the Scheme.

The 2017/18 Bedstraw Eradication Program, which was funded through the Scheme, hit all its milestones and the two bedstraw-infested properties are now in the final phase of the nine-year eradication program. This is particularly exciting, as eradicating any weed species is a notoriously difficult exercise. The determination of the program staff and affected landholders has seen success in preventing seed-set and reducing the soil-borne seed bank on both properties.

The 2017/18 Skeleton Weed Program was also successfully delivered, providing coordinated skeleton weed control across the agricultural areas of the State. The program took a multi-pronged approach – surveillance for the weed, treatment to prevent seed-set, compliance activities to help affected landholders meet the treatment requirements, education and extension, community engagement and collaboration, and research and development. At the end of the year, only 3820 hectares across the whole region were classed as ‘infested’ with skeleton weed.

2017/18 saw the Scheme’s contribution rate drop for the first time in the Scheme’s history. The reduction in the rate was

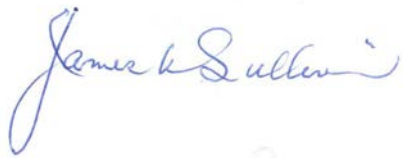
prompted by the steady increase in the financial reserves, attributed to the exceptional harvests over recent years. The Committee recognises that the Scheme should not be used to build-up large financial reserves; rather, the money should be invested into the biosecurity of our industry – at the behest of the industry.

On that point, it is important to remember that the Grains, Seeds and Hay Industry Funding Scheme is the industry’s scheme – industry decide if, when, where and to what extent the Scheme is actually used in practice. The results of the Management Committee’s survey of growers suggested that industry see value in having the Scheme to help tackle pest and disease threats. Furthermore, most of the survey respondents viewed skeleton weed as a priority to be addressed via the Scheme. On the other hand, the survey results suggested that three-horned bedstraw was an unknown risk to many growers; and that more might be done to improve grower awareness of the Scheme and the programs it funds.

In addition to this annual report, which reports on the operation of the Grains, Seeds and Hay Industry Funding Scheme as a whole, annual reports are also available for the Skeleton Weed Program and an annual report on the Bedstraw Eradication Program has been produced for the first time. I encourage all growers take the opportunity to read the reports and to let us know your views.



Industry feedback is critical to the Scheme's success. The Management Committee will continue to consult and listen to growers to ensure the Scheme addresses the industry's priority biosecurity issues and delivers value for industry investment.

A handwritten signature in blue ink that reads "James K. Sullivan". The signature is fluid and cursive, with the first name "James" and last name "Sullivan" clearly legible.

Jim Sullivan

Chair, Grains, Seeds and Hay Industry Funding Scheme  
Management Committee



Image 1 - Harvest

## Overview of the Grains, Seeds and Hay Industry Funding Scheme

In June 2010 the Grains, Seeds and Hay Industry Funding Scheme (IFS) was introduced to address biosecurity threats relevant to the Western Australian (WA) grains, seeds and hay industries. The Scheme was established under the *Biosecurity and Agriculture Management Act 2007* to enable growers to identify the pest and disease priorities at a whole-of-industry level and raise funds for activities to address these priorities.

There are currently three Industry Funding Schemes in operation. In addition to the Grains, Seeds and Hay IFS, there is a Cattle IFS and a Sheep and Goat IFS. The three IFSs operate in a similar manner.

For the Grains, Seeds and Hay IFS, funds are raised through grower contributions that are collected by registered receivers<sup>1</sup>. These payments are forwarded to the Department of Primary Industries and Regional Development (DPIRD). In accordance with the IFS regulations, DPIRD maintain and administer the Grains, Seeds and Hay Industry Declared Pest Control and Compensation Account (the Account) in consultation with the industry.

Growers do not have to participate in the Scheme — there is a mechanism that allows them to opt out. Opting out does not remove the legal requirement to deal with the pests and diseases to which the Scheme relates, but does disqualify the

grower from any benefits provided by the Scheme such as on-ground assistance and compensation.

The Grains, Seeds and Hay IFS is overseen by a seven-member Industry Management Committee. The Minister for Agriculture and Food appointed the committee members after inviting industry nominations and receiving advice from an industry-based Appointments Committee. As required by regulation, the majority of the Industry Management Committee are full participants of the Grains, Seeds and Hay IFS.

The Industry Management Committee is responsible for approving payments made from the Account and approving the biosecurity-related programs funded through the Scheme. They also provide advice to the Minister on the Scheme's area of operation and the contribution rate.

The State Government, through DPIRD, provides the necessary support to ensure proper governance and the effective operation of the Scheme and Management Committee. This includes secretariat, communications, policy and technical support, as well as financial management. Furthermore, the normal regulatory inspection and compliance activities undertaken by DPIRD closely complement the priorities of the Management Committee.

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<sup>1</sup> As defined by the Biosecurity and Agriculture Management Industry Funding Scheme (Grains) Regulations 2010

## 2017/18 Grains, Seeds and Hay Industry Funding Scheme at a glance

During 2017/18:

- Contributions of 25 cents per tonne applied to the first sale of all grain and seed produced within the agricultural areas<sup>2</sup> of WA
- Contributions of 12.5 cents per tonne applied to the first sale of all hay produced within the agricultural areas<sup>2</sup> of WA
- Contributions totalling \$3 891 230 were received
- Contributions were used to fund programs to manage skeleton weed and eradicate three-horned bedstraw
- The cost of the skeleton weed program was \$3 278 627
- The cost of the three-horned bedstraw program was \$324 182
- Compensation totalling \$106 706 was paid during the year
- Committee costs were \$21 533
- Fifteen growers opted out of the Scheme, with a total of \$15 314 refunded to seven of these growers in the 2018/19 financial year.



Image 2 – Hay making

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<sup>2</sup> The agricultural areas (roughly a line from Northampton to Esperance) are defined as all local government districts excluding Broome, Halls Creek, West Kimberley, Wyndham-East Kimberley, Ashburton, Carnarvon, Coolgardie, Cue, Dundas,

East Pilbara, Exmouth, Laverton, Leonora, Kalgoorlie-Boulder, Meekatharra, Menzies, Mount Magnet, Murchison, Ngaanyatjaraku, Port Hedland, Roebourne, Sandstone, Shark Bay, Upper Gascoyne, Wiluna and Yalgoo





Image 3 – Canola and hay bales

## Industry Management Committee

The Grains, Seeds and Hay IFS is overseen by a seven-member Industry Management Committee. The Committee terms of reference can be found at Appendix 1.

**Mr Jim Sullivan (Chair)** has been involved in the agricultural industry for more than 50 years, and currently runs a successful livestock enterprise in the Varley-Holt Rock area of WA. He has been involved in the Eastern Wheatbelt Declared Species group for 12 years, including as the Chair; and is the current Chairman of the Board of Wheatbelt Natural Resource Management Inc.

**Mr Brad Jones (Deputy Chair)** owns and operates an 11 000 hectare grain property in the central wheatbelt. He is also Director of Cropair and Bungulla Tech.

**Mr Rob Beard** is a grain grower farming in north Meckering and Cunderdin. He is a member of the Pastoralists and Graziers Association (PGA) Grains committee and Chair of the PGA Mortlock division. Rob is the PGA representative on the GrainGuard committee, chairs the Farm Advisory committee for the Cunderdin Agricultural College and also represents the Cunderdin Agricultural College on the Combined Ag Advisory committee.

**Mr Ron Creagh** owns and operates a broad acre cropping and livestock enterprise in the Shires of Nungarin and Trayning. He is a founding member of the Ningham Focus Group, and a past President of the Nungarin Shire Council. Ron was a member of the Agriculture Protection Board and the Biosecurity Council of

WA, and past Chair of GrainGuard. Ron is currently appointed to the Grain Industries Association of WA's Wheat Council.

**Mr Rohan Day** owns an 8400 hectare cropping enterprise located south-east of Merredin. He is actively involved in various local community groups.

**Mr Drew Mutter** has farmed in the northern agricultural region for more than 20 years, and is the owner/operator of a 10 000 acre grain property in Yandanooka. He has served on the management committee of the Mingenew Irwin Group, a progressive and reputable grower-driven group that promotes and develops economic and environmentally sustainable agriculture.

**Mrs Suzanne Woods** farms with her family in Calingiri, cropping 3000 hectares of export hay, canola, wheat and barley. Additionally, Suzanne is a co-owner of an export company that processes and exports hay and straw to Asia and the Middle East. Active in numerous local, regional, State and national groups associated with agriculture and rural communities, Suzanne is currently a director of the Australian Fodder Industry Association.

**The purpose of the Committee is to deliver a sustainable process for industry management of incursions in the WA grains, seeds and hay sectors.**

### Membership terms

Name	Position	Expiry of term
Jim Sullivan	Chair	30 June 2018
Brad Jones	Deputy Chair	30 June 2018
Rob Beard	Member	30 June 2018
Ron Creagh	Member	30 June 2019
Rohan Day	Member	30 June 2019
Drew Mutter	Member	30 June 2019
Suzanne Woods	Member	30 June 2019

## Operation of the Grains, Seeds and Hay IFS

Since the introduction of the IFS in 2010, the Industry Management Committee has governed the collection, management and use of industry funds to deliver a biosecurity funding scheme that benefits the WA grains, seeds and hay industries. During the 2017/18 year, the Committee held four ordinary meetings and worked on a number of key activities during the year.

### Industry priorities for funding

**Approved programs:** In April 2017 the Committee approved programs targeting skeleton weed and three-horned bedstraw, indicating that skeleton weed and three-horned bedstraw continue to be industry priorities. Detailed information on the 2017/18 IFS-funded programs can be found in this report.

In April 2018, industry priorities were once again considered by the Committee, and the programs were approved for a further 12 months. Changes were made to the Skeleton Weed Program for 2018/19 to cover the full costs of winter eradication treatments for landholders that do not contribute funds to the IFS (excluding those that have opted out of the Scheme), where the actions taken will contribute to the overall goal of the program.

**Emus:** The possibility of the IFS to contribute funds to maintain the State Barrier Fence (SBF) was raised with the Committee on a number of occasions. The Committee were advised that

the primary economic benefit of the SBF is to the grains industry through minimising the movement of emus into crops.

Over the course of the year, the Committee considered the impact of emus on the industry and the role of the SBF. At this point in time, the Committee have not progressed this issue further.

**Other industry priorities:** In August 2017 the Chair of the GrainGuard Committee (Dr Shashi Sharma) presented a proposed structure on how the IFS might interact with GrainGuard. In essence, it was suggested that the GrainGuard Committee was well-placed to provide advice to the IFS Committee on grain industry biosecurity priorities. The proposal was well-received by the IFS Committee and it was requested that the GrainGuard Committee work on a list of industry priorities. Since that time, GrainGuard has undergone change with a new structure not yet in place.

### Governance

**Program implementation:** Over the course of the year, the Committee monitored the implementation of the programs. Written and verbal progress reports were provided to the Committee at each ordinary meeting, and ways to continuously improve were discussed.

**Finances:** The Committee also monitored the financial position of the IFS over the course of the year. This included quarterly financial reports from DPIRD as well as expense reports

relating to the IFS-funded programs. This oversight helped the Committee ensure that funds were being expended appropriately.

**Governance procedures:** Good governance is an essential part of the operation of the Industry Management Committee. Potential conflicts of interest were reviewed at the beginning of each meeting, and processes were in place for decision-making and voting procedures. The Committee abided by its Code of Conduct and the Public Sector Code of Ethics.

**Strategic plan:** The Committee was guided by its [Strategic Plan](#). The Plan documents the purpose, role, goal and strategies of the Committee, as well as criteria for making investment decisions.

**Regulations:** To refresh their understanding, in August 2017 the Committee discussed the full set of IFS regulations.

## Compensation

**Compensation for foregone production:** As part of the Bedstraw Eradication Program, approved programs were developed and put into operation on areas quarantined due to the presence of three-horned bedstraw. The management practices specified in the approved programs can result in reduced production from the quarantined areas. As such, affected landholder/s may apply to the Committee for compensation.

During the 2017/18 financial year, two applications for compensation were made to the Committee (one related to the

2016 growing season and one to the 2017 season). The applications were assessed by the Committee and offers of compensation made, which were accepted by the landholders.

**Since 2010, the Industry Management Committee has governed the collection, management and use of industry funds to deliver a biosecurity funding scheme that benefits the WA grain/seed/hay industry.**

## Compliance with IFS regulations

**Remittance of IFS contributions:** The Committee monitored the remittance of IFS contributions to ensure compliance with the regulations and maximise the funds available to address biosecurity issues of concern to the industry.

From 1 July 2017, the contribution rate changed from 30 cents per tonne to 25 cents per tonne (15 cents to 12.5 cents for hay). A number of grain receivers contacted DPIRD as they were not aware that the rate had changed. The Committee were advised and worked with DPIRD to ensure appropriate processes were in place to ensure all grain/seed/hay receivers will be appropriately notified of any future change in the IFS contribution rate. This included consideration of an online remittance system by DPIRD.



In addition, at the end of the 2016/17 there was a noticeable gap between the amount of hay exported and the level of IFS contributions received. During 2017/18, the Committee contacted hay receivers to ensure they were aware of their obligations to collect and forward IFS contributions on behalf of growers. This action had a noticeable effect, with hay remittances increasing from approximately 63% of sales in 2016/17 to be on par with the level of sales in 2017/18.

**Opt out refunds:** In August 2017 the Committee received notification that DPIRD had received 10 applications for refunds of the IFS contributions paid during the 2016/17 financial year. All 10 notices were received from growers that had opted out of the Scheme for that particular year. After considering the applications, the Committee directed the Director General to repay the amounts – as required under the IFS regulations.

**IFS area of operation and contribution rate:** In accordance with the IFS regulations, in April 2018, the Committee made its recommendations to the Minister for Agriculture and Food on the 2018/19 Grains, Seeds and Hay IFS contribution rate and area of operation. The Committee recommended that the contribution rate remain at 25 cents per tonne (grain/seed) and 12.5 cents per tonne (hay) – to be applied to the first sale of grain, seed and hay produced within the agricultural areas of WA.

The Minister endorsed the recommendations made by the Committee, as published in the *Western Australian Government Gazette*.

## **Joint meeting of the three IFS management committees**

On 4 September 2017 a joint meeting of the three IFS Management Committees was held.

## **The purpose of the meeting was to identify cross-committee issues and strategies to improve coordination and outcomes for the three IFSs.**

In addition to Industry Management Committee participants, the morning session of meeting was attended by senior DPIRD staff.

The meeting identified issues, strategies to address the issues and specific actions to deliver the strategies. Based on this information, an Action Plan was developed and is now being implemented.

## **Changes to the Industry Funding Scheme regulations**

In October 2017, the Committee reviewed and discussed the proposed amendments to the IFS regulations. The proposed changes are expected to improve the regulations to better meet the needs of the industry. In-principle support for the changes was given by the Committee; however, it is the Committee's expectation that the draft regulation amendments will be provided to the Committee for endorsement prior to the amendments being finalised.



## Industry communications and consultation

**Online survey:** The Committee undertook an online survey of WA grain, seed and hay growers to ascertain the industry's views on the operation of the IFS and the Committee. A total of 180 responses were received from across the agricultural area.

The survey results suggested:

- Industry sees value in having a scheme for the grains/seeds/hay industry.
- Most of the industry view skeleton weed as a priority to be addressed via the Scheme.
- There is uncertainty of the priority of three-horned bedstraw as a biosecurity risk to the industry.
- A relatively large number of growers do not think the Scheme is addressing the industry's priority biosecurity issues (approximately one-fifth of survey respondents).
- Industry understanding of the purpose and operation of the Scheme is questionable.
- Annual reporting needs to be reviewed to ensure sufficient information on the operation of the Scheme and promotion of the reports to industry.
- The level of industry engagement in the Scheme requires review to identify the appropriate engagement level.

**Other consultation:** Opportunities to consult with growers and industry groups were actively sought during 2017/18. The Pastoralists and Graziers Association, WAFarmers, WA Grain Growers, the Grains Industry Association of WA (GIWA) and

the Grower Group Alliance were offered opportunities to meet with the IFS Chair and Executive Officer to discuss the operation of the Scheme and Management Committee. The WAFarmers Livestock Council, the WAFarmers Grains Council and GIWA took up the Committee's offer, and were pleased with the Scheme's direction.

In addition, passive communications (e.g. radio, articles) were used to encourage feedback following the release of the 2016/17 annual report. However, minimal feedback was received.

**Communication activities:** The Committee participated in various events and other activities to increase grower awareness and understanding of the Scheme, develop networks and encourage industry feedback. To do this, the Committee:

- Participated in and/or presented at various grower/industry group meetings
- Had information stands at major field days
- Put out several media releases resulting in articles in the rural press
- Participated in several radio interviews
- Published articles in regional *AgMemo* newsletters
- Attended the 2018 Skeleton Weed Program debrief
- Maintained and promoted the IFS information available on the DPIRD website.

## Effectiveness of the Scheme

A total of \$3 891 230 in contributions to the Grains, Seeds and Hay Industry Funding Scheme were received during 2017/18.

The number of growers opting out of the Scheme remains low, with only 15 growers opting out in 2017/18 (Figure 1).

Of the 15 growers that opted out in 2017/18, seven applied for a refund of their contributions. These refunds amounted to \$15 314.

More than 99% of Western Australian grain/seed/hay growers participate in the Scheme, which may indicate the importance of the Scheme to the industry.

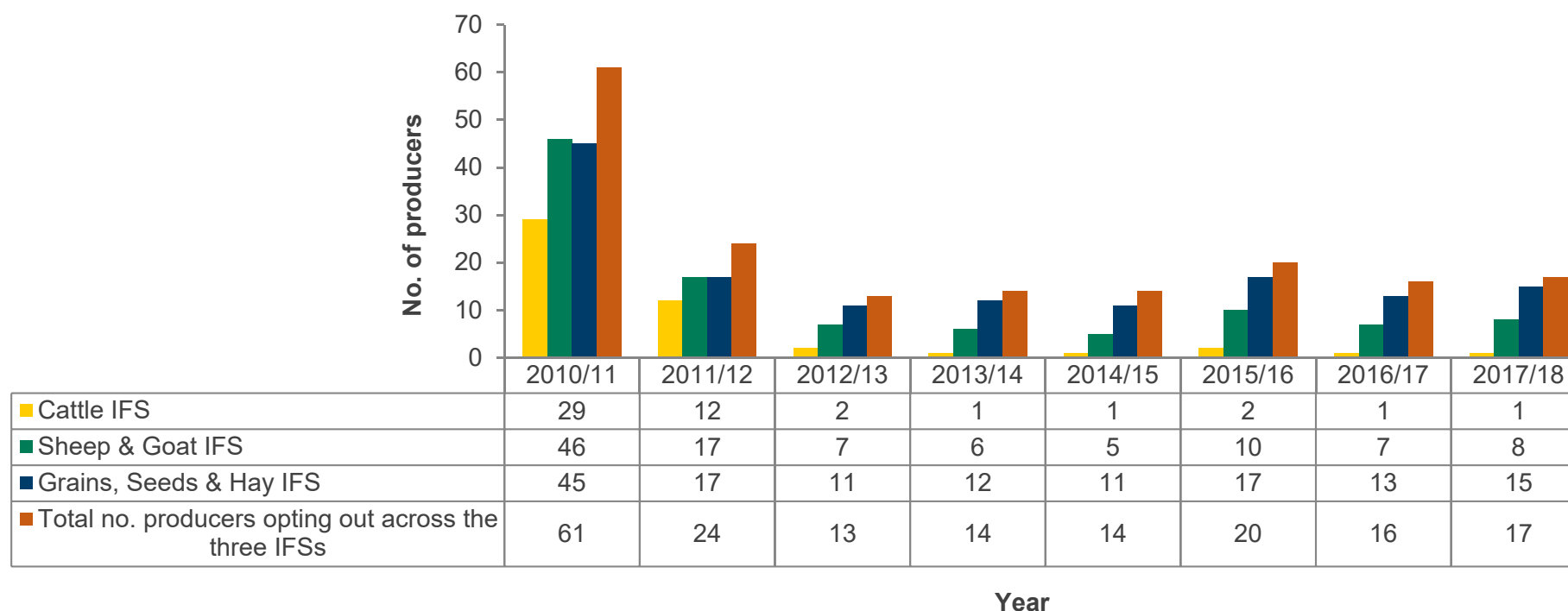


Figure 1 – Number of producers opting out of Industry Funding Schemes since 2010

Note: numbers are not mutually exclusive – some producers opt out of more than one scheme.

**More than 99% of Western Australian grain, seed and hay growers participate in the IFS, which may indicate the importance of the Scheme to the industry.**

The amount of IFS contributions collected on the sale of grain/seed during 2017/18 is approximately 7% more than expected, based on the reported 2017 harvest of 14.27 million tonne (GIWA, February 2018). The amount of IFS contributions collected on the sale of grain/seed equated to 15.27 million tonne. It is possible that the delay in implementing the reduced contribution rate, which came into effect on 1 July 2017, may have contributed to this over-collection.

The contributions collected on the sale of hay during 2017/18 equated to 590 702 tonnes. Approximately 500 000 tonnes of hay was exported from Western Australia during the year. This represents a collection rate exceeding export sales. Given that IFS contributions are payable on all hay sold to registered receivers (not just export hay), the collection rate for hay IFS contributions is acceptable.



Image 4 – Bread and grains

## 2017/2018 approved biosecurity programs

### Skeleton weed program

Skeleton weed (*Chondrilla juncea* L) is a weed of pastures, crops and native bush. The Skeleton Weed Program is a coordinated program to prevent the weed from spreading.

**The aim of the program is to prevent seed-set and movement of skeleton weed and, where feasible, to eradicate it from properties.**

During 2017/18 approximately 367 000 hectares were surveyed for skeleton weed. There was a significant increase in the area infested by skeleton weed – from 2450 hectares in 2016/17 to 3820 hectares in 2017/18. Most of this increase occurred in the central-eastern parts of the agricultural area and can be attributed to excellent growing conditions promoting vigorous plant growth up to flowering in mid-December 2017.

A total of 90 newly infested properties were identified, whilst the weed was eradicated from 28 properties. Although the overall number of infested properties continues to climb, the increase is gradual. Without a coordinated program to control the spread of the weed, skeleton weed would be much more abundant and widely established throughout the agricultural area of the State. Most importantly, now that these plants have been found they can be treated.

Figure 2 identifies all the sites within the WA agricultural area that are infested by skeleton weed.

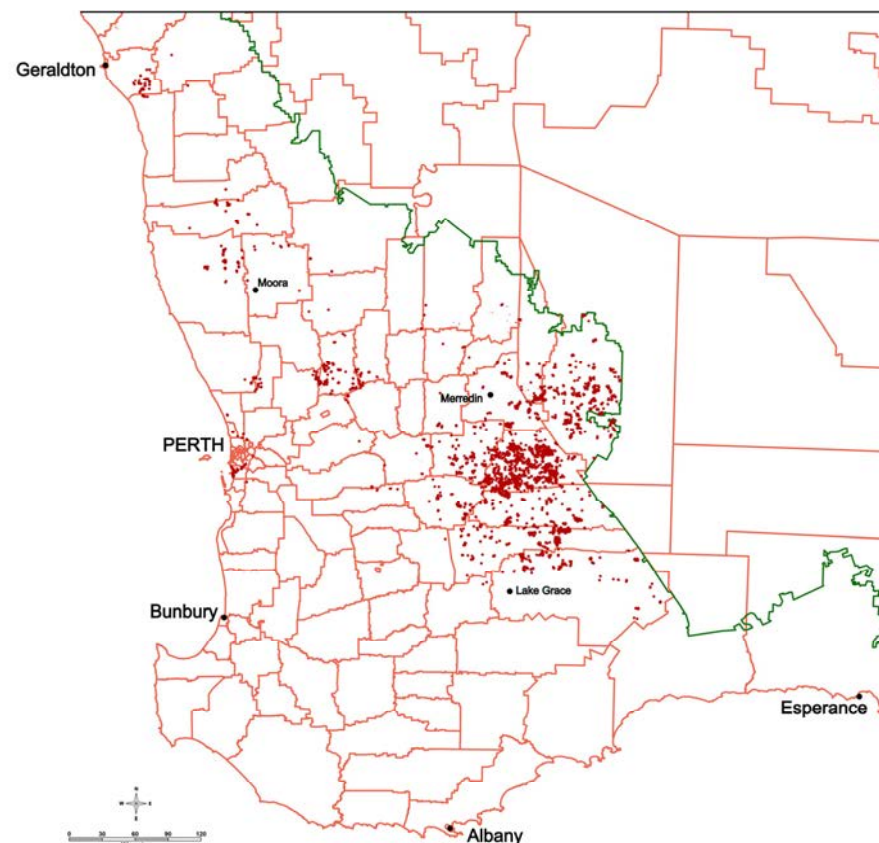


Figure 2 – Distribution of all sites infested with skeleton weed in the agricultural area of Western Australia at 30 June 2018



Audit and compliance activities remain a strong focus of the program, and protocols are in place for organic enterprises. The vast majority of landholders are compliant and embrace the requirements of the program. Where non-compliance occurs, program staff work with the landholders – assisting landholders is a core value of the program.

Six Local Action Groups (LAGs) were funded through the program during 2017/18, receiving a total of \$800 000. The level of IFS funding for the LAGs has increased over time to enable the groups to take on more operational activities. This has allowed DPIRD staff to focus on compliance and program coordination. Several LAGs now work autonomously and are undertaking almost all the tasks that were previously done by DPIRD.

In terms of communications and promotion, there was a concerted extension and communication effort to coincide with the start of the summer surveillance season. This was very well-received and has contributed to an improved profile and recognition of the program by landholders.

The program continues to review its activities to identify areas for improvement.

The [Skeleton Weed Program 2017–2018: Report to grain growers](#) provides a full report on the operations of the program for the 2017/18 financial year.



Image 5 – Skeleton weed plant





Image 6 – Multi-rotor drone used to capture aerial images

### **Skeleton weed surveillance technologies**

In 2015 the Grains, Seeds and Hay IFS invested funds to investigate the potential of unmanned aerial vehicles (UAVs) in skeleton weed surveillance. It was anticipated that UAVs might provide a more efficient and cost-effective way to search for skeleton weed.

There were two key areas of research:

- Test the abilities of various UAV and camera technologies to determine the combination that delivered clear, usable aerial imagery in a cost-effective manner; and
- Identify / develop software that can identify and map skeleton weed from images captured through UAVs.

The IFS provided funding to Sensorem to enable aerial imagery to be captured and the early development and trial of software for image processing and analysis. Seeing the potential, Sensorem also invested in the work.

Initially, swards of skeleton weed were targeted. Images captured by the UAV were processed by the image recognition software and maps produced that identified areas of potential skeleton weed. These were then ground-truthed and the resulting data were 'fed' into the software to improve its accuracy in detecting skeleton weed.

By mid-2017 the researchers were confident in the UAV system being used and the data processing being applied. Sensorem and their software partner, Phobos Consulting, successfully

developed a unique weed mapping and detection platform – ‘Optiweed’. The Optiweed application was developed to assist in the storage, categorisation and recognition of weeds using machine learning techniques. The system progressed from sward detection to testing the ability to detect individual skeleton weed plants.

As the research progressed, the focus was on improving image quality and resolution, improving GPS accuracy and continuing to ‘feed’ the software with more and more ground-truthed data. The research proved to be a continuous learning experience, with rapid (and exciting) developments in UAV, camera and software technologies over the intervening years.

The results look extremely promising. The work is at the stage where Sensorem is confident it can provide 90% accuracy and precision of skeleton weed detection via aerial surveillance in a cost-effective manner. This will be testing during the 2018/19 search season, which will conclude this research.

**Sensorem is confident it can provide 90% accuracy and precision of skeleton weed detection via aerial surveillance, cost-effectively.**

#### **Expenditure**

The costs of the 2017/18 Skeleton Weed Program are presented in Table 1.

Table 1 – Costs of the Skeleton Weed Program

<b>Expenses</b>	<b>\$</b>
Landholder searching subsidies	1 211 675
Employee expenses	799 933
Local Action Group support	740 000
Administration	306 000
Vehicles	110 969
Chemicals	62 943
Contractors	58 269
Travel	48 084
Sensorem (UAV trials)	45 000
Consumables	23 825
Advertising and promotion	13 353
Minor equipment (tablets)	12 573
Communications	8 545
Other supplies and services	4 168
Software licences	3 323
Fuel and oil	1 252
Freight and mail	1 087
Utilities	321
Revenue for fee-for-service work	- 172 701
<b>Total cost of program (2017/18)</b>	<b>3 278 627</b>





Image 7 – Three-horned bedstraw seedling found on a quarantined area

### Bedstraw eradication program

Three-horned bedstraw (*Galium tricornutum*) is a competitive climbing plant. It can cause considerable yield loss in crops and its seeds are contaminants of fodder and grain. In WA bedstraw is targeted for eradication – that is, any bedstraw plants found in the State must be destroyed.

The Grains, Seeds and Hay IFS continued to fund a program addressing bedstraw. The program included activities to eradicate the two known bedstraw infestations in the State and surveillance to detect the presence of other potential bedstraw infestations.

In conjunction with the landholders, management plans were developed and implemented on the two affected properties over the course of the year. The plans, which were designed to eradicate the weed, specified the management practices to occur on the quarantined areas.

Six of the eight arable quarantined areas on one of the properties progressed to the second year of the three-year 'release phase'. The remaining two arable quarantine areas entered the first year of the three-year release phase. Bedstraw continues to be detected in the bush areas of two quarantined paddocks. Timely and successful treatments were applied to both bush and arable areas during the season.

For the other property, the quarantined paddock progressed to the second year of the three-year release phase. No bedstraw was detected during the year, with a timely and successful double-knock treatment applied at the end of the season.

The release phase requires the quarantined areas to be monitored for bedstraw plants. After three 'clean' years the property can be released from quarantine.

## **The program has been successful at preventing seed-set and reducing the soil-borne seed bank on both properties.**

The eradication activities were complemented by a surveillance program that was funded by the IFS in partnership with Cooperative Bulk Handling (CBH) and Bunge.

A total of 8063 grain samples from the 2017 harvest were collected from targeted CBH and Bunge sites and screened using Eyefoss screening technology. The Eyefoss technology, which uses image analysis software, is used by CBH for commercial grading of grain. The partnership between the IFS and CBH has allowed this technology to be used to screen grain for contamination with bedstraw seed.

Of the 8063 samples that were screened, no bedstraw was detected. Continued surveillance is recommended as the risk of bedstraw incursions into WA is ever-present and early detection is the best strategy to quickly eliminate infestations at a minimal cost.

The costs of the 2017/18 Bedstraw Eradication Program are presented in Table 2.

Table 2 – Costs of the 2017/18 Bedstraw Eradication Program

Item	\$
Employee expenses	154 310
Vehicles and administration	65 686
Eyefoss surveillance	54 545
Contractors	31 204
Chemicals	9 958
Travel expenses	6 738
Communication	644
Other expenses	552
Minor equipment	545
<b>Total cost of program</b>	<b>324 182</b>

The Bedstraw Eradication 2017–2018: Report to grain growers (available online at the DPIRD Agriculture website) provides a full report on the operations of the program for the 2017/18 financial year.





Image 8 – Round hay bales

## 2017/2018 financial details

The IFS finances are administered by the Director General of DPIRD through an agency special purpose account called the Grains, Seeds and Hay Industry Declared Pest Control and Compensation Account (the IFS Account). DPIRD manages these funds on behalf of the Committee and prepares financial reports including the end of financial year statements.

- The balance of the IFS Account was \$9 648 923 at 30 June 2018.
- The total cost of the 2017/18 Skeleton Weed Program was \$3 278 627 and the Bedstraw Eradication Program cost \$324 182<sup>3</sup>.
- Two compensation payments associated with the bedstraw program were paid. These totalled \$106 706; however, one of the payments was for the 2016 season.
- Industry contributions to the IFS totalling \$3 891 230 were received by DPIRD in 2017/18; however, \$30 641 of this was reimbursed to growers that had opted out of the Scheme in the previous financial year.
- Interest applied to the IFS funds during 2017/18 amounted to \$195 636.
- The activities of the Committee resulted in expenditure of \$21 533.

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<sup>3</sup> Some of the costs of the 2017/18 programs were deducted from the Account during the 2018/19 financial year.



Tables 3 and 4 contain the financial details for the 2017/18 Grains, Seeds and Hay IFS.

Table 3 – Grains, Seeds and Hay IFS income and expenditure for 2017/18

Expenses	\$
Programs:	
Skeleton weed	3 278 627
Bedstraw	324 182
Other expenses:	
Board member fees and travel	16 384
Advertising/media	3 720
Meeting expenses	1 342
Consumables	87
Compensation	106 706
2016/17 opt out refunds	30 641
<b>Total expenses</b>	<b>3 761 689</b>
<b>Income</b>	
Contributions	3 891 230
Interest revenue	195 636
<b>Total income</b>	<b>4 086 866</b>
<b>NET COST OF SERVICE</b>	<b>- 325 177</b>

Table 4 – Balance sheet for the Grains, Seeds and Hay IFS at 30 June 2018

Balance sheet	Total (\$)
<b>EQUITY at 30 June 2018</b>	<b>9 648 923</b>

Note: the listed expenses are the total cost of the 2017/18 programs. Some of these costs were debited from the Account during the 2018/19 financial year. The balance sheet identifies the actual equity at 30 June 2018.

**The net cost of service for the 2017/18 Grains, Seeds and Hay Industry Funding Scheme was -\$325 177.**

## Direction for 2018/2019

The Committee is committed to furthering discussions on the biosecurity priorities of the WA grains/seeds/hay industry. The development of an industry-government consultative group on grains biosecurity is an important task being coordinated by DPIRD. The IFS Management Committee will watch how this unfolds with interest, with an expectation that the new 'group' will be in a strong position to provide the Committee with advice and recommendations on the industry's biosecurity priorities.

Discussions around the role of the three IFSs in contributing funds to maintain the State Barrier Fence are likely to gain momentum as the funding used to supplement the DPIRD investment draws to a close. The Grains, Seeds and Hay IFS Management Committee are open to these discussions if/when they may occur. However, any potential change to the IFS will be thoroughly discussed with the industry before the Committee make any decision.

In partnership with DPIRD, the Management Committee will continue to manage and monitor the programs it has in place to address skeleton weed and three-horned bedstraw. As the final stages of the bedstraw eradication program come to a conclusion, the Committee will work closely with DPIRD to document the learnings and translate these into a revised plan for managing any future bedstraw incursions.

As the changes to the IFS regulations are put in place, the Committee will review the draft amendments to ensure the changes will meet the needs of the industry.

The Committee will also continue to work to address the issues identified through the joint meeting of the three IFS Committees. This includes:

- Participating in the review of the IFS provisions as part of the anticipated review of the *Biosecurity and Agriculture Management Act 2007*
- Actions to improve the rigour and transparency of the Management Committee's investment decision-making
- Clarifying IFS roles and responsibilities, including evaluations of IFS-funded programs
- Facilitating the recruitment of members to the Committee
- Developing a broad policy framework across the three IFSs
- Industry engagement.

**Industry feedback is critical to the Scheme's success. The Committee welcomes feedback and input to the Scheme, its programs and grains/seeds/hay industry issues in general.**

The Committee can be contacted at any time through the Executive Officer. The Committee is particularly keen to hear the industry's views on the biosecurity risks and opportunities. Committee members are available to participate in industry forums, meetings and field days to discuss the Scheme and answer any questions from industry.



## Appendix 1

### Committee terms of reference

1. Act in good faith at all times, and without conflict of interest, to fairly and impartially represent the best interests of the industry concerned and the contributors to the Scheme.
2. Provide effective governance over the Scheme.
3. Discharge the functions conferred on the Management Committee by the *Biosecurity and Agriculture Management Act 2007* and the enabling Regulations, including but not necessarily limited to:
  - advising the Director General of the Department of Primary Industries and Regional Development on the administration of the prescribed account
  - recommending annually to the Minister for Agriculture and Food the area(s) of the State in which the Scheme should operate
  - recommending annually to the Minister for Agriculture and Food the rate or rates at which contributions are to be paid
  - approving programs and other measures to be implemented under the Scheme
  - approving payments from the prescribed account for compensation in respect of losses (as described in the regulations)
  - consulting annually with the industry for the purpose of ascertaining industry views on the operation of the Scheme and the performance by the committee of its functions
- reporting at least annually to the Minister for Agriculture and Food on the operation and effectiveness of the Scheme, and any matters relating to the operation of the relevant regulations as the Minister specifies.
4. Undertake such other functions related to the operation of the Scheme as required.