

Division 66: Rural Business Development Corporation, \$200 000—

Mr P.B. Watson, Chairman.

Mr D.T. Redman, Minister for Agriculture and Food.

Mr G. Wilson, Acting Assistant Director General, Business Services.

The CHAIRMAN: Are any other advisers coming in, minister?

Mr D.T. REDMAN: No.

[Witness introduced.]

Mr C.J. TALLENTIRE: I refer to the efficiency indicators under “Farm Business Development” on page 867. From 2008-09 the proportion of expenditure as administrative expenditure was 7.5 per cent. However, in the 2009-10 estimated actual, it is up to 17.2 per cent. Why has there been this dramatic increase in administrative expenditure relating to farm business development?

Mr D.T. REDMAN: I draw the member’s attention to the fourth point at the bottom of the page, which reads —

The proportion of expenditure as administrative expenditure will reduce due to the commencement in 2010-11 of the Western Australia Drought Pilot Scheme. The increase between 2009-10 Budget and 2009-10 Estimated Actual was the result of lower than anticipated Exceptional Circumstances grants advanced.

I will ask for comment from Graeme Wilson on that question.

Mr G. Wilson: Thank you minister. The measure does not accurately depict efficiency in its true sense in that we have to maintain a certain capability of administration, whether there are schemes running or not. In the years when the schemes are low or inactive, we still have a cost component and therefore the efficiency indicators go the wrong way as such. In 2009-10 we had very few schemes. The exceptional circumstances were coming to an end so the administration was low, but the cost is there. We do not have the ability to get rid of our staff just because a scheme has come to its conclusion. We need to maintain that capability, and it will fluctuate depending on the types of schemes in place at the time.

Mr C.J. TALLENTIRE: Can the minister indicate how many farms have benefited from the scheme in the previous and current financial years, so that I can get a sense of what the usual rate of activity is from the farm business development program?

Mr D.T. REDMAN: I will have to take that question on notice in terms of the schemes it is involved with. We will provide by supplementary information the number of farms that have benefited from the farm business development schemes.

Mr C.J. TALLENTIRE: Over the financial years 2008-09 and 2009-10.

Mr D.T. REDMAN: Sometimes one of the schemes under the RBDC is a mentoring program, which is limited to a handful of people. I do not know whether it will be a good measure of success to talk about the number of farms that use it. It basically links business people in the farming communities with mentors in the city to help develop some of their skills.

[*Supplementary Information No B22.*]

Mr M.P. MURRAY: My question refers to “grow zone” mentioned in the third dot point on page 806 under “Significant Issues Impacting the Agency”. If grow zone has been as successful as indicated in that dot point, why is there no further mention of it in this division; will the program be continued; if so, what funding was allocated to it in 2009-10; and will funding be allocated in 2010-11? If it is not to be continued, why not, given its success?

Mr D.T. REDMAN: I thank the member for the question. That is the project I just referred to. It is one of the projects within the RBDC involving mentoring partnerships between farmers and metropolitan-based businesses, as is highlighted in the dot point, to address knowledge and skill requirements. The RBDC has limited resources and it was one of the projects that the board put up to me as something it thought was worthwhile.

Mr M.P. MURRAY: It says in the budget papers that it was worthwhile; that is the point I am making.

Mr D.T. REDMAN: I am not sure of the finishing times. I think it was a one-off project. I think there have been examples in the past, but there has been no decision to run a similar one yet. It had an end date so it was a one-off. I might add that the focus for this year is the drought reform pilot that the member is aware we have been discussing with Tony Burke for some time. The big part of that is upfront training to deal with resilience and a range of challenging issues in developing the knowledge, skills and understanding to improve farmers’ capacity to deal with inevitable dry seasons and challenges they will face in farming in Western Australia over a range of

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shires. We need to make that work. We are responsible for managing the training component of that, which is being developed and rolled out now. Of course, once that happens, there is scope for those farmers to access funds.

Mr M.P. MURRAY: It is quite extraordinary that grow zone rates a mention so highly yet will not be funded.

Mr D.T. REDMAN: It was a one-off project. As I said, it was on the back of other similar mentoring programs that happened in the past. I am trying to think of the number of people who used it. Fewer than 10 farmers were seen as leaders in their community who were linked up to mentors in the city to help develop their skills.

[8.30 pm]

Mr M.P. MURRAY: Some of those 10 people who were using the other program were probably farm leaders.

Mr D.T. REDMAN: Those 10 people got a huge benefit. I have spoken to a number of them. Again, I support the benefits of the program. The priority for this coming year is the drought pilot, which I think will provide an opportunity that was not there before across a broader range of the farming community to hopefully trial what has the potential to be an improvement in the way we deal with and respond to drought in state government policy.

The appropriation was recommended.