

AGRICULTURE — FUTURE SECURITY

Motion

HON NIGEL HALLETT (South West) [11.58 am] — without notice: I move —

That this Council commends the Barnett government for the new and innovative initiatives relating to the future security of agriculture in Western Australia.

As all members know, agriculture has taken a back seat with many previous governments, but the Premier and the Minister for Agriculture and Food have certainly taken on the world focus on food security. Western Australia is well poised to take advantage of the increased demand for food security.

To give members a bit of background, it is predicted that by 2050, the world population will be some nine billion, with two-thirds of that population living in the urban surrounds of their cities. The population of China is now some 1.4 billion, and it is predicted that by early 2020, about one billion of the population will live in the cities, and that within the next 10 years, 70 per cent of the population will be declared middle class. That will mean that the demand from China for fresh food and animal products will grow enormously. The Chinese now eat 10 per cent more meat than they did five years ago. We also have Korea on our doorstep. Korea produces only 2.5 per cent of its food requirements.

There is no quick fix to this looming challenge of how the world will be able to feed this predicted population of nine billion—about two billion more people than we have today. This state is now in a place in which it can access these growing markets. But we have this growing population, we have land degradation, and we have climate change, all of which are merging into an international crisis. It has become clear that food security is the number one priority in many countries around the world, whether it is the Middle East or Asia. In Australia in the past decade, growth in agriculture has slowed from 2.2 per cent a year to just 0.4 per cent. The state government has brought in many initiatives. One of the initiatives it has brought in to help the livestock industry is the More Sheep initiative. Western Australia had around 25 million sheep at its peak; it is down to about 14 million sheep now. The nation's sheep flock was 180 million, but that is now down to about 80 million or 85 million. We have seen significant drops in production, which has flowed through to the processes et cetera and is putting a lot of stress on businesses. We have seen the new grains research centres in Merredin and Katanning. We have seen the \$30 million contribution to the Australian Export Grains Innovation Centre. These are all helping to amend the slowing growth rate in productivity that has occurred.

I would like to emphasise that it is not the government's role to subsidise industry, and I am pleased to say that the government has kept moving forward with that policy. There is no doubt that last year we saw the introduction of a risk management scheme for our grain growers, and that has proved to be a significant success. It has been totally unfunded by government. It has become a grower initiative whereby farmers decide the risk and whether the risk factors warrant an insurance policy. That has given farmers the option to assess their business, their financial risk and their budgetary needs and to insure to the level they want. It is very common insurance in countries around the world, but there is a lot of government assistance involved in it. The government has the opportunity now to encourage companies such as Viterro, Monsanto and DuPont that are trading heavily with our agriculture sector to use the parent company and provide this. Once again, it is without government assistance.

We can look at the regulation of genetically modified crops. With the exception of canola, GM crops have certainly contributed to the decline in productivity, and that has been particularly evident in Western Australia. GM food crops are a powerful tool. They have the potential to transform productivity in this state. In less than a decade in Canada, canola has become the second biggest crop, and in 10 years in Ontario, canola has taken over from wheat as the number one crop. If seasonal conditions are put aside—we all acknowledge that the past two or three years have been pretty average in many parts of the wheatbelt—productivity levels can grow significantly with better technology and greater investment in research and development. The farming community must have this capacity to invest in new technologies, and the government can bring in competitive marketing and a reduction in the red tape bureaucracy and competitive interest rates. The interest rates for our overseas business competitors in countries such as Canada are two to three per cent. Their debt levels appear to be much higher, but when government national borrowings are roughly \$100 million a day, Australian businesses will not enjoy the competitive world interest rates that their competitors do.

We have seen a government take on the protection of some of this land in Western Australia, such as through the greater Bunbury region scheme, the agriculture resource policy and the Warren-Blackwood rural planning policy. Some of our best land has been subdivided for primary lifestyle purposes. In Australia in the past three decades, there has been a 60 per cent increase in agricultural land under foreign ownership and agribusiness.

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That equates to approximately 11 per cent. That is agribusiness, not landownership. The Premier has recently stated that it needs to be closely watched and monitored. On a global level, the world is losing about one per cent of productive farm land a year, which equates to about 50 000 square kilometres. The decline in arable land across the globe gives us a significant advantage. Some \$200 million was given to the Ord venture, with a total production area of some 30 000 hectares, so the ability to develop into the Asian market is enormous. These things have happened under the current government, and we must commend the minister and the Premier for these actions.

We must increase global food production by 50 per cent in the next 15 years. Many commentators have said that we are rapidly heading into the perfect storm of shortages. I will put this in context. In Western Australia some 90 per cent of the domestic food supply is grown and produced here, but we produce only enough food for 60 million people. When we look at countries on our doorstep, such as Indonesia with 230-odd million people, Korea with 70-odd million and China with 1.4 billion, we can see that our presence is fairly small, but the ability to grow is there.

We have also seen the development of horticulture in the Carnarvon area. I know that Hon Ken Baston has put a lot of time and effort into supporting these projects. As a pastoralist from up there and a former shire councillor, he has a strong desire to see that area develop.

As we know, the resource sector in Western Australia has been burgeoning, but it is also giving the government the opportunity to link up with our sales. Our Premier has been very strong in wanting to expand agriculture, along with increasing sales and trade partnerships with many countries. We know that agriculture produces some 27 per cent of the gross domestic product in the Australian economy. It is worth some \$400 billion, but it also employs 1.6 million people across the whole spectre of agriculture. When we consider those sorts of statistics, we ask why the government is not paying more attention to this sector. When we look at some of the immediate requirements, we look at where we are. Where is finance going to be over the next three to five years? We have seen the events of the global financial crisis, and we have seen a major change in local bank lending to this sector. Let us not forget that agriculture has been one of the safest investments in Australia's business history. We saw a lot of American money come into the state in the 1960s. The Rockefellers and Linkletters developed the Esperance region. We saw the Camballin development, which, unfortunately, failed. Now we are seeing further expansion with the Ord project, as I touched on earlier. Many countries see Australia as a good place to invest. We have a stable government and we have the workforce that can do it.

We can look at skills trading and the investment in the next generation. I must congratulate Hon Peter Collier for having the vision to commit to a \$25 million agriculture college for Harvey. That will create the next generation of skilled agriculture people, whether they be farmers or people in associated areas such as veterinary services et cetera. Hon Peter Collier made that election commitment and, fortunately for Harvey, it has become a reality and construction is well underway.

We can look at research. Innovation is vital to growth, profitability and sustainability in rural communities. When we look at where Canada hopes to be with its agriculture by 2020, we can see that we certainly have a lot of catching up to do. In the Canadian system, most young farmers go to university. The University of Guelph is its major university for developing the rural sector. Whether it involves agriculture, environmental science or planning, some 800 researchers and lecturers work at that college full-time. Their goal is to double agrifood exports over the next 12 years to \$75 billion, which is a huge amount of money. They want to produce and supply 75 per cent of their own food and generate revenue and efficiency in biometals and biofuels to 75 per cent. Those are fantastic goals, goals that we in Western Australia and Australia should be trying to attain. There are many issues to go through. I want to touch on genetics and breeding. I know that Hon Brian Ellis has quite a bit to say about genetically modified grains.

One issue that occurred here last year involved the ABC documentary "A bloody business". It had an enormous impact on agriculture, particularly the sector in the north of the state, because of the decision to ban the export of live cattle. The Minister for Agriculture and Food went to Indonesia straight away and worked hard to reengage the Indonesian government. We jeopardised a nation's food security. As an Indonesian minister, one would be looking for an alternative. Australia chopped supply overnight. What did we get out of it? We have lost our market and our reliability. On the world stage we are now viewed as an unreliable supplier. Our exporters have done an outstanding job implementing the export supply chain assistance scheme. Has there been any acknowledgement of that from those opposed to that trade? No, there has not. It gets under my skin when I see advertisements in the local Melville paper taken out by Hon Lynn MacLaren—indeed, I take exception to them—that show a picture of a small lamb next to the caption "End live exports". She should be accountable to the Western Australian public and not be so misleading. The industry does not need that.

Hon Giz Watson: I think you will find public opinion is with us on this one.

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Hon NIGEL HALLETT: I can tell Hon Giz Watson that it is not.

It is time people such as Lynn MacLaren and the president of the Royal Society for the Prevention of Cruelty to Animals—I acknowledge that he went to the south east wheatbelt to see firsthand where things are at—are accountable to the Western Australian public.

HON JON FORD (Mining and Pastoral) [12.13 pm]: The Labor Party does not support the motion. I am not a farmer; rather, I am a miner from an engineering perspective and a tradesman. I have some knowledge of agriculture, but I do not have the depth of knowledge of other members in this place. However, I can comment on a lot of the things that Hon Nigel Hallett said from the perspective of my constituency, which includes a large agricultural area.

I will begin with food security, because that is where Hon Nigel Hallett started. Food security is a big issue both locally and internationally. A number of issues from a food security perspective have been raised with me by varying sources. Interestingly enough, pastoralists and members of the resource sector have raised with me the issue of the way in which mining tenements are released. The resource sector has told me that a big problem is the way that the Department of Mines and Petroleum releases tenements, because it releases them in blocks, seemingly with no strategic thought in mind other than to see what the prospectivity will be. The fact of the matter is that people spend a lot of money exploring those tenements and carrying out assessments. When some who are trying to get a project off the ground sit back and look at it, there is no reasonable prospect of their project going ahead. The Margaret River coal project is one such project. The DMP policy is one that governments, both Liberal and Labor, have continuously used. That issue needs to be dealt with. We have to be more strategic in the way we marry up land use. We can see the perfect storm that is occurring in Queensland with unconventional gas. We have also seen the fights, battles and community division that has occurred on the west coast of the United States. The government must start thinking strategically about land use. Certainly, that is the feedback that I have received from both the resource sector and the pastoral industry.

Members of the pastoral industry have come to me to raise their concerns about mining. They are finding that wells have to be reworked and that artesian bores have to be reworked and put down deeper because the water table is dropping away. The advent of rail lines around the place is affecting the sheet layers on surface water, and that is affecting the viability of the properties with regards to the animal-carrying capacity of those particular lands. Where can they go to get advice? They end up finding their way to my door because they are not getting the advice they need from the Department of Environment and Conservation and the Department of Agriculture and Food. The other day I looked at some estimates. The commentary said that the Department of Agriculture and Food has reduced its full-time equivalents across the board by 150—75 of those being from regional areas. That tells me that there is no investment to assist those who work the land. The net result of that in my neck of the woods will be people walking off the land because it is just not worthwhile carrying on.

We heard brief arguments that the live export bans are a contributing factor. The government cannot ignore Australian public opinion. Sure, I am the first to agree that the federal minister could have handled the issue a heck of a lot better. As was pointed out to me by a bunch of pastoralists, they pay \$1.30 a head for an industry body to oversee the overseas marketing and regulatory business. That body did nothing. It failed to react long before the issue was raised on the ABC. Members opposite cannot point a finger at a minister whose job it is to recognise the concerns of the Australian constituency and who acted in what he thought was the best way he could. It was sudden. I have a view that the story was presented in a sensational manner and was not challenged objectively but was presented to increase ratings and without thinking about the damage it could do to the industry or the outcomes for those animals. Nevertheless, it happened so the minister had to act. However, the industry knew about that situation and had failed to act. Western Australian businesses, particularly Kimberley pastoralists, have been affected fairly badly by that and will feel the impact for a long time to come. We cannot ignore the Australian community.

The other issue that Hon Nigel Hallett touched on was training. I constantly hear that one of the biggest issues facing the agricultural parts of my region is attracting and retaining competent people to the industry and having meaningful and interesting employment. The industry is struggling to find people in the government who will listen to them. Perhaps I will accept what Hon Nigel Hallett said and say that if they are being heard, we are not seeing action. That passes across another part of primary industry, which is fishing. We have trouble attracting people into processing and working on the fishing fleets. We have problems attracting and retaining skilled skippers. We have problems attracting simple people like jackeroos and jillaroos—they are not simple people, they are the bread-and-butter workers on those pastoral leases. Yet we have a huge readymade workforce who would like to work on those leases—the Indigenous people in those areas—but we have failed to attract them. That is a failure of the government. The government cannot claim it is making great steps forward when it is not.

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Hon Nigel Hallett said that he was happy that the government was not subsidising industry. Let us look at the Ord River scheme. That has to be one of the biggest industry subsidies ever. The member mentioned \$200 million a year. What have we got for that money? That \$200 million is not taking into account the Ord River dam. We still hear members of this government from time to time talking about damming the Margaret River, or the Fitzroy River up in the Kimberley, yet we still have not found a meaningful cost effective and viable industry for the Ord; it is limping along. One of the problems, of course, is its location. It has plenty of water, but we do not see corresponding development there because of the issues associated with the long supply chain that raise the cost of the produce to a level at which it is not economically competitive with other areas.

HON PHILIP GARDINER (Agricultural) [12.23 pm]: I rise to speak to the motion moved by Hon Nigel Hallett and I will keep my contribution to the future security of agriculture and not cover fisheries and forestry.

Agriculture in Western Australia comprises only about 2.8 per cent of our gross state product, which is somewhere around \$216 billion to \$220 billion, which is 14 per cent of Australia's GDP. As of 2011, only \$6.26 billion of that was agricultural production. Agriculture is a small sector in the Western Australian economy. This state's exports totalled about \$112 billion in 2010–11, which is nearly half of this country's exports. This is essential to provide for the imports of capital and goods that we need to keep our economy vibrant and functioning. Of that \$112 billion, agrifood and fibre comprise only \$5.2 billion, which is 4.6 per cent. In that context, agriculture is a small component of our economy. However, we should not let that be the factor that decides how important that sector is. It is easy to say that we will always need food and that people go onto their farms and produce food because the world needs it and that it all works okay. It is much harder than that, and mostly it is not working okay. It is quite a transitional industry, because new capital comes in; it works for a while but then gets caught up in the risks, loses money, and land changes hands. The players change, but the land stays. In a way, agriculture has this great sense of taking those into it who have this sense of curiosity to try to find out what makes the ecosystem and the agricultural systems work and to try to manage that climatic risk—the biggest risk of all—but it is very difficult for most of them to get that sufficiently right to be sustainable; therefore, families come and go on the land.

When we look at exports of what comes out of the merchandise part of agriculture—again I am focusing on the primary sector and not on the agrifood industry—the largest export is cereal, with about \$2.5 billion in 2010–11. Members should bear in mind that that was a very tough climatic year for wheat and that in a very good year that would probably rise by about a billion dollars to \$3.3 billion. Cereal is the largest export. The second largest export is horticulture, with \$1.5 billion of our exports. The third largest export is meat, with about \$1.4 billion, which is almost as big as horticultural exports. The fourth largest export is wool; once it was the largest, but now it is only \$0.65 billion; and the fifth largest is dairy with \$0.15 billion.

As members can see, the largest export is food, and fibre is falling behind. Of those exports, 70 per cent go into Asia. That is how important that market is. In the context of Hon Nigel Hallett's comments about food security, we all understand that Asia is close and that more of their land is being taken up, and as that land is taken up by their own growth in population, that will be the driver for us. That is because we are fortunate enough to have plenty of land that will not be seriously encroached upon by an increasing population—not even by mineral exploration, in my view. We have a strategic advantage with land and we have some water. But, again, as Hon Jon Ford alluded, the Ord River scheme is a high-cost agriculture area if we take out what the government has provided for it. That is because it is very rare that irrigated agriculture is fully costed. But we have that capacity in the Ord, and we have a market in which it is steadily becoming a higher cost to produce food, which is going to result in the opportunity for us.

Agriculture in this state is important for a whole lot of other different reasons—societal, investment in regional communities and all that kind of thing. Over the time of this government, Minister Redman has emphasised the functionality in what the department should do, rather than just by product and by industry. He has reflected the investment based on what our big exports are, largely grains. With grains we have the new work that is going into finding new genes so that we can have a sustainable grains industry well into the future. That is also supported by universities around the country. Even though agriculture faculties have shrunk over the last 25 to 30 years, there is still extremely powerful research going on, especially into plants. We used to talk about mitochondria and nucleus in cells. Now research has penetrated those entities and is finding a whole lot more—amino acids and interacting chemical bodies—which is leading towards identifying the processes that kick off plant growth and sustain it when conditions become dry and so on. We are world leaders in this field and this will be exciting for the future.

Above all, we produce food for a market and therefore need to know what the market wants. Unless we have that very clear, we could well end up producing the wrong product in the way the wool industry did. The wool

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industry had a huge stockpile for years when it was producing wool that was not right for the market, because we did not know or did not focus on what the market required. The nirvana for any agriculture is market differentiation, which is hard to get, but once obtained gives a chance of being a price maker and not a price taker. Agriculture is normally a price-taking business and, unfortunately, suffers structural issues. The government must look at who the buyers are and at the ethics we need to follow to ensure that our products have credibility in these markets. We have to be on the front foot. We cannot wait and react. We need to service these markets from the ministerial level down, and Minister Redman has begun and continues to do that. He did an excellent job in going to Saudi Arabia to find out why the Saudis were not buying our wheat after ceasing their own irrigated wheat crops. He found that the issue was about the specification of Western Australian wheat. He therefore negotiated with the Saudis to get them to change that specification, following which they took a cargo of wheat that, I am told, produced bread and so on suitable for Saudi Arabians.

In the context of horticulture, which is one of those big export areas, there are huge investments—as Hon Jon Ford indicated—into the Ord and into the Gascoyne. We also need to consider what we do in the smaller horticulture areas—for example in the west midlands, where two large groups produce oranges, in part for the domestic market but also about 40 per cent of production for the export market. However, do members know what these growers do not have? They do not have good roads for the container vehicles to get to these places to take out the fruit. They have water, they have land, but they do not have the infrastructure. Like everything, it is a package.

On the genetically modified organism issue, we must have GMO research to discover new ways of doing things, but there are difficulties. There has to be respect between GMO producers and non-GMO producers. In the world's markets, non-GMO canola receives a premium of \$50 to \$60 per tonne because buyers do not want products contaminated with GMO. There needs to be self-regulation, which the minister has put in place, but any self-regulation needs policing—or a big stick!—otherwise it never works. I have covered very few aspects of this topic in Hon Nigel Hallett's motion. However, we need to protect that small segment of our economy by way of education and training to make it sufficiently sustainable, to develop the productive capacity, to know what the markets want and to service those markets in a meaningful way so that we are not surprised when things go wrong.

HON MATT BENSON-LIDHOLM (Agricultural) [12.33 pm]: I welcome the opportunity to speak to this motion and to place on the record my views about agriculture in Western Australia. On face value, this motion simply serves to congratulate the government and/or the minister for making a few changes that somehow or other will lead us into the rest of the century and, I suppose, be the financial salvation of the farming community in Western Australia. I do not necessarily agree with that. If I read Hon Nigel Hallett's motion correctly, I believe the intention of the motion and the intention of government intervention in agriculture is fine, but I put to members that the actions do not match the rhetoric.

I need to speak about a few things mentioned by both Hon Nigel Hallett and Hon Philip Gardiner. I will start with reference to Hon Nigel Hallett, who mentioned that we need to feed nine billion people. In some way I can understand where the member is coming from, but if the member is to convince people about the need to produce food, as Hon Jon Ford mentioned, food security first and foremost in Australia is a greater issue. I am not saying that we should not produce for the export market, as they are the markets in which our farmers are predominantly involved, but our first responsibility is to the food security of Australians and Western Australians.

Hon Nigel Hallett talked a lot about genetically modified crops. Members looking at me will see a fellow who has a wine producer's licence. To be honest, if it were not for GM technology, many of the wines that members opposite no doubt and I consume and enjoy would not be produced. However, ultimately, the point I will make is that if we cannot sell something—this is perhaps where I need to focus on what Hon Philip Gardiner said—or cannot convince people in the marketplace to consume food products that are manufactured or grown and, in turn, processed with GM technology and sold to consumers, then we are wasting our time. The problem with GM technology, in particular GM canola, is that now the product is out there in the marketplace, there is no stopping it.

I return to the issue of our overseas markets. The Japanese economy and many European markets—despite the best intentions of people producing GM canola and other GM products—do not want a GM product, which is why we now see premium prices associated with people producing non-GM canola; it is what the market wants. If as a wine producer I like drinking a different or particular style of wine and that is what I want to get involved in, and I start producing sweet fruity spatlese-style wine from the great southern and try to sell it in the sorts of circles I frequent, I would not sell a bottle of the stuff! However, if I produce what the market wants, I have a good chance of it being viable. There is not much point in those engaged in agriculture producing something they like doing if the market will not accept the product. That is my point about GM canola.

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An article in *The Australian* on Monday, 23 April written by Natasha Bitá, the consumer editor, states —

Global agribusiness Viterra is paying a \$45 a tonne premium for standard canola in Western Australia—8 per cent more than for the GM herbicide-resistant canola, which was introduced to Australia eight years ago.

The nation’s biggest co-operative—WA grain growers’ giant CBH Group—is paying \$40 to \$45 a tonne less for GM canola, a 6 per cent markdown.

The question that must be posed then is: why would a grower continue to do that? The problem of course is that we are dealing now with a grain that will be here for good. Perhaps Hon Nigel Hallett should stand and say that this government will try to convince or educate the masses into accepting this product. There is not much point in saying, “Let’s go ahead and go down the pathway of GM wheat”—as I think the Premier once indicated—because the public will not buy it. I am pretty sure that the member knows that is not going to happen.

Hon Nigel Hallett: Why is Canada having no problems selling its GM crop?

Hon MATT BENSON-LIDHOLM: I beg to disagree with Hon Nigel Hallett. Perhaps it is because there is no option. At least in Australia we have the South Australians who have found this beautiful niche market, and they are the ones who will benefit from this. But once genetically modified canola becomes an all-pervading thing across Australia, there will not be an option. The problem I have, though, Hon Nigel Hallett—which probably goes back to the Department of Agriculture and Food WA selling seed rights to groups like Nuseed, which is part of Monsanto—is that I dare say that the intention of those multinationals is to control the world’s food supply. Is that not what a company in the business of providing seed to growers ultimately wants to do? That is why they are in the business of providing GM canola seeds. If I was keen on advancing a business like that and satisfying the shareholders, I am sure that is what I would do. Hon Nigel Hallett is involved in private enterprise, and I am sure that is exactly the sort of thing he would be endeavouring to do.

So, understand right from the very start that this trip down the GM canola pathway is something we just cannot go back on; we are set down that particular path. I have said before that I went and visited Steve Marsh’s farm west of Kojonup. This GM canola decision was put in place without any serious consideration for people like that guy, whose livelihood has been impacted to such an extent that he has to now rely upon outside help to even fund his legal case. I might also say that Hon Kim Chance stood in this chamber a few years ago and gave an example of Monsanto’s capacity to determine the supply of this particular grain in Western Australia. If members recall, Hon Kim Chance endeavoured to set up a trial plot in, I think, Esperance, if I am not mistaken, and I think his comment to the house was that everything was basically in place. There was an agreement with Monsanto—because it owned the rights to that particular seed—to get that seed to Esperance, and then I think he mentioned the fact that there would be a release of the results by the government through DAFWA. The response of Monsanto was, “Hang on a second—no, you don’t. That’s our responsibility; that is our right”, as it were. Obviously, with that sort of an outlook on the supply of something like GM canola, then I am afraid the state is on a hiding to nothing. I do not for one minute doubt that Canada—this is a long response to Hon Nigel Hallett’s question, I know—has GM canola across its length and breadth and there is no going back; at least in Australia we have the South Australians.

Jeepers, I almost feel like standing here now and reading this litany of things I think the government needs to have a little look at. I mentioned consumers being sovereign; I really believe in that. If consumers do not want GM canola, then farmers should not be producing it.

Another issue I was going to talk about is Muresk, which is a real problem. That is the brains of agriculture going to Curtin University.

Hon Max Trenorden: We are working on it.

Hon MATT BENSON-LIDHOLM: That is a terrible situation.

Tier 3 railway lines; salinity problems; research and development into biofuels—that is where we will get our security in agriculture from.

The DEPUTY PRESIDENT (Hon Michael Mischin): I will give the call to Hon Giz Watson, who stood earlier.

HON GIZ WATSON (North Metropolitan) [12.44 pm]: This is a great motion to speak to. It is not one we can support, but nevertheless it gives me an opportunity to say a few things about agriculture in Western Australia.

This motion simply seeks to commend the government for its new and innovative initiatives related to food security of agriculture in Western Australia. I am sure people in Margaret River might have a different view about the government’s approach to food security in their region, but I will not talk about that today. I am going

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to talk a little about what the annual report of the Department of Agriculture and Food details with regard to food security in Western Australia, and I wanted to talk about the situation in regard to basically selling off the farm to Monsanto.

I will start with the overall direction that been painted for agriculture in these new initiatives that are summed up in a campaign called “Agrifood 2025+: the future WAY”, which was launched in February 2012 and promised key initiatives, including —

looking over the horizon and talking about some of the challenges and opportunities for the sector over the next few decades’.

The website also states what visionary things that would include. I quote from the department’s website on one of the intentions of the initiative, which was —

Promoting a positive profile of the WA agriculture and food sector’

That is all about looking good, not necessarily about anything real on the ground. It also included embracing future technologies, including the creation of a Twitter account—so we can rest assured that agriculture is in safe hands with a Twitter account!

Hon Matt Benson-Lidholm made the point that in terms of real future-looking innovations and diversification, those are the areas that we argue are now at a reduced capacity in the Department of Agriculture. The Department of Agriculture has been emaciated. If we look at the actual figures of the cuts to the Agriculture budget since 2008, the government has changed the direction of the Department of Agriculture and Food and the public sector has increasingly become a facilitator of services rather than a direct provider, with delivery undertaken by the community and business sectors. Government delivery of services has been concentrated on areas where there has been market failure. Since 2006, the number of full-time equivalents has been reduced from 1 800 to a now targeted 1 350, but the actual number is even less, at 1 214 FTEs. So, we are seeing a department that is being reduced, and in a minute I will table the graph of the FTE equivalents. We are looking at reduced research capacity and reduced capacity to manage biodiversity risks.

Country members in this place know—I have been speaking to many constituents in the country—that people do not see the agriculture department as anything like it used to be in terms of providing service, particularly in terms of natural resource management or Landcare initiatives; the whole Landcare initiative has stalled profoundly and is going backwards. So, we can talk up the agriculture sector and talk up exports, and there is a future in terms of industrial agriculture, but unless we have the land base on which to base that we are not going to actually see a healthy, sustainable agriculture sector.

That brings me to the Department of Agriculture’s 2011 annual report. Page 141 relates to the conclusions on where we are going with the underlying capacity of the land to produce things. I will give members the highlights. The first bullet point states —

Secondary salinity due to altered hydrological processes in response to agricultural land use was estimated in 1996 to have seriously affected 957 600 ha. While 5.4 million ha of land in the south-west is potentially at risk of salinization ...

The next bullet point states —

By Autumn 2011, all agricultural regions were at an unacceptably high risk of soil erosion with 10 per cent of the Central, 6 per cent of the Southern and 5 per cent of the Northern Agricultural region sites rated as being at moderate to very high risk of erosion compared with the 3 per cent sustainability target.

In regard to the Carnarvon irrigation area, which we know is subject to severe floods —

The Carnarvon irrigation area is located on an active river delta and is particularly vulnerable to flooding and associated severe erosion where soils are intensively cultivated for vegetable production. Current vegetable production practices are clearly not sustainable.

I read the detail under that topic further back in the annual report. Given that we are trucking in enormous amounts of topsoil to replace that which has been lost, and given we are likely to experience further unusual or extreme weather events, it is interesting that the Department of Agriculture’s own annual report states that the current vegetable production practices are not sustainable.

With regard to soil acidity, about 50 per cent of the sites monitored had a subsoil pH less than the critical level of pH 4.8. That is 50 per cent of the sample size. The report continues —

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Long-term nutrient export from agricultural land on the Swan Coastal Plain is significant and regularly causes eutrophication of wetlands and rivers, despite research and extension programs to minimise this form of land degradation.

That is what happens when we do not support programs to ensure slow-release fertilisers, which programs have been abandoned by this government. It continues —

In the rangelands, land degradation in the form of loss of productive palatable perennial species is ultimately reflected in reduced carrying capacities.

It refer to the different areas of the rangelands, but it concludes with the following comment —

The decline in desirable species suggests that management response was inadequate in the face of the dry conditions.

The very basis of agricultural production in Western Australia is in a declining state. We should not kid ourselves and simply pat ourselves on the back and say that Monsanto is going to come and save us. While I am talking about Monsanto, it is worth noting that we have said, and I say again, that the Greens are profoundly opposed to the partnering of Monsanto with the Department of Agriculture and Food, the increased industrial partnership, especially the sale of part of InterGrain to Monsanto and the recent budget cuts to the Agriculture budget. InterGrain Pty Ltd was formed in October 2007 when the Western Australian state government, through the Western Australian Agriculture Authority and the Grain Research and Development Corporation, transferred the wheat breeding program from the Department of Agriculture and Food to InterGrain. In 2009–10, WAAA and the GRDC agreed to expand the InterGrain business and transfer the barley breeding program from DAFWA to InterGrain. In August 2010, Monsanto joined InterGrain as an additional shareholder with the purchase of 19.9 per cent share equity. The involvement of Monsanto is based on a collaboration that involves exchange of germ plasma, access to high throughput molecular technologies and access to new biotech traits in the long term. The department website states —

InterGrain’s capability has been significantly increased with the access to the high throughput genotyping capability and new biotech traits through the collaboration with Monsanto.

We see this differently. Monsanto has received access to invaluable germ plasma data for the development of future Monsanto products. We have seen the first GM barley field trials approved in WA, no doubt with the long-term objective of producing GM barley and other GM cereals here in Western Australia. The government has put itself in a very precarious position. On the one hand it is a partner and shareholder of this company, InterGrain, and on the other hand the Department of Agriculture and Food is the regulator for GM agriculture here in Western Australia. I have no doubt this conflict of interest is unlikely to be resolved in any way other than in favour of Monsanto. Monsanto got a very cheap deal and access to the publicly owned research and intellectual material. InterGrain was sold in a secret process without tender and without proper community consultation and in very unfair circumstances. The share transfer came as a surprise to many members of this house. The value of the intellectual property was kept secret as commercial-in-confidence and only revealed from the minister under pressure on 13 October, six weeks after the sale was made. The 19.9 per cent investment by Monsanto in InterGrain is to the value of \$10.5 million, which puts InterGrain’s value at around \$53 million. We are very unhappy with that; we think it is a very dangerous path.

HON KEN BASTON (Mining and Pastoral) [12.53 pm]: In the time I have left I will speak briefly in support of the motion. I refer to the approach to the Ord taken by the government to realise the vision of the Ord. As many members know, Lake Argyle’s capacity is some 10 763 gegalitres of water, and I think less than eight per cent of it is now being used. Even Ord stage 2 will use only about 16 per cent of that water. To put that in perspective, Carnarvon irrigation uses only 11 gegalitres of water. Ord stage 2 will take its use on 14 000 hectares, with another 15 000 hectares to bring it to 29 000 hectares, with the possibility of further developing the Northern Territory later.

There used to be a sugar mill in Kununurra. I remember the saga of the sugar mill in the Ord Valley and I looked up a copy of *Hansard* from when we were in opposition at that time. I asked Hon Kim Chance, the then Minister for Agriculture and Food, a question without notice about what was happening with C J Ord River Sugar Pty Ltd. That company had been waiting and waiting for more land to enable it to reach an economy of scale. That sugar mill was just a pilot project and was never intended to be the sugar mill of the Ord. But C J Ord River Sugar, a South Korean company, which owned and operated the mill, was waiting for more land. We reached a stage where the government said, “No more land, we can’t guarantee an economy of scale, so we will close the mill.” That left a lot of people, of course, very much disadvantaged. I asked questions to that effect because we were pushing for it to proceed. At one stage it looked like \$25 million worth of sugar would be just left on the ground to become some 375 tonnes of highly polluting, rotting vegetation, as the minister indicated in his answer.

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We have moved on from there now and expressions of interest have been sought for its development. Fourteen national and international groups have expressed interest in the land release. According to the press, one is a Chinese company. The talk of the Ord is back to sugar. Imagine if we had moved in 2007 to develop that land; we would probably now have a very profitable sugar mill. At the time, sugar prices had gone down. The interesting thing is now they are up. I can remember Hon Kim Chance asking, "If sugar is so good, why aren't they all growing it?" Agriculture is never like that; there should always be a balance, which is needed to ride out the highs and lows of the seasons.

The government, including the feds, and the growers have put some \$19.9 million into the Gascoyne region to deliver a better system of pipeline irrigation. In the West Kimberley \$5 million has been invested to assess the value of agriculture. Currently, two operations there, Shamrock and Shalimar, are producing in the order of \$30 million a year of agricultural products. I am running out of time, but as Hon Nigel Hallett said, money has been set aside for rebuilding the flock. That would not happen unless we controlled the dogs and money has been set aside for that as well. Thank you very much.

Motion lapsed, pursuant to standing orders.