

Division 61: Agriculture and Food, \$158 702 000 —

Mr N.W. Morton, Chairman.

Mr D.T. Redman, Minister for Training and Workforce Development representing the Minister for Agriculture and Food.

Mr R. J. Delane, Director General.

Mr G. Paust, Executive Director, Corporate Strategy and Operations.

Mr J. Ruprecht, Executive Director, Agricultural Resource Risk Management.

Mr T. Hill, Executive Director, Irrigated Agriculture and Diversification.

Dr K. Chennell, Executive Director, Livestock Industries.

Dr M. Sweetingham, Acting Executive Director, Grains Industry.

Mr P. Metcalfe, Executive Director, Regional Operations and Development.

Mr A. Abraham, Acting Chief Financial Officer.

Mr B. Annen, Executive Officer, Rural Business Development Corporation.

Mrs L. A. Sniffen, Financial Officer.

Mr D. M. Davies, Principal Policy Adviser, Office of the Minister for Training and Workforce Development.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The estimates committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed in the consolidated account. Questions must be clearly related to a page number, item, program or amount in the current division. It will greatly assist Hansard if members can give these details in preface to their question.

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 30 August 2013. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

I now ask the minister to introduce his advisers to the committee.

[Witnesses introduced.]

The CHAIRMAN: With reference to the time, I ask that members keep their questions to the point, and the minister do likewise in his answers.

Mr D.J. KELLY: The first dot point under "Significant Issues Impacting the Agency" on page 724 refers to the opportunities for neighbouring Asian countries, and I refer to the government's announcement on 9 August of a \$297.5 million agricultural package. What are the specifics of the \$297.5 million program and who is the minister responsible?

Mr D.T. REDMAN: I assume the member for Bassendean is talking about the \$300 million policy the National Party took to the election. In the Regional Development forward estimates there is a figure of \$297 million, and that presently sits with the Minister for Regional Development. Decisions on all royalties for regions funding go through the Minister for Regional Development. In time decisions will be made about the respective components of that fund, of which the lion's share rests with the Department of Agriculture and Food. Some will rest with the Department of Water and the Department of Regional Development, and some perhaps with the Department of State Development. There are still business cases to be drafted and decisions made about the deployment of that resource.

Mr D.J. KELLY: Are the details of the package still to be determined, and is that the responsibility of the Minister for Regional Development, not the Minister for Agriculture and Food?

Mr D.T. REDMAN: The Liberal-National government put into its budget papers support for two policies that both the Liberal and National Parties took to the election. Those two policies have culminated in \$300 million of royalties for regions funding in a regional development global line item, so it is an in globo figure. As with all regional development funding—the member will be aware that \$3.5 billion has been spent over the past four

years—it will go through a process of developing a business case. That business case is then supported by cabinet and then allocated to the various components of that particular program.

Mr D.J. KELLY: Have the business cases not been done yet? I am not trying to be tricky.

Mr D.T. REDMAN: The business cases have not been done. I am sure some background work has been done. As with just about all election commitments, there are commitments around what will be funded.

Mr D.J. KELLY: You promise them and then figure them out afterwards.

Mr D.T. REDMAN: I am sure that in going to the last election the Labor Party would have made commitments for which it would have worked out a business case through the cabinet process. As the member has not been through the cabinet process, I can only highlight to him that cabinet makes decisions around a business case and those are worked up as part of the formal process. I ask Rob Delane to make a comment on this.

Mr R.J. Delane: I am sure members appreciate the royalties for regions business case process, and, clearly, with the delayed budget, it has not been possible to develop business cases quickly after the state election. The minister has outlined that a number of departments are involved in the development and delivery of works under the business case. Quite a lot of work has to be done to bring together the various priority commitments from the election, but in broad terms this major investment in the agriculture and food sector includes significant funding into agricultural research and development and science. It is a significant program, and the numbers will be determined by the Minister for Regional Development with other ministers, so I am not able to put numbers on these. There will be research and development; a significant boost in investment in biosecurity; a significant investment in the food industry and the development of regional food centres, organic food and the Buy West Eat Best program—the business cases for each of those needs to be worked up; an increase in the profile of the agriculture and food sector; and continuing significant investment, started under Minister Redman, in the statewide Water for Food initiative.

The question started by referring to investment flowing from developments in Asia. There will be a significant increase in investment to facilitate local, national and international investment. It will continue work initiated some years ago to boost business skills in the agriculture and food sector and develop a brand to promote the sector generally and the products it has to offer both domestically and internationally. There are also proposals for specific sector work to boost the beef, sheep and grain industries. There will be timely investment to boost grain-grower skills and their ability to manage risks.

Those are the broad titles for business cases that my department, with the Department of Regional Development and the Department of Water, and engaging as appropriate with the Department of State Development, has begun work on. They are substantial business cases and each one will have to go to cabinet as determined by the relevant minister.

Mr C.J. TALLENTIRE: At page 728, under “Resource Risk Management”, the total cost of services is \$101 million. How much of that money is dedicated to the work of the Commissioner of Soil and Land Conservation? How many FTEs are employed under the Commissioner of Soil and Land Conservation? More specifically, how many soil conservation notices are managed by the commissioner in the agricultural and pastoral regions?

[12.40 pm]

Mr D.T. REDMAN: I thank the member for Gosnells for the question. We will have to take some detail on notice, but I will pass over to John Ruprecht to make some comments about the components that he is aware of. While John is looking for that, perhaps we can clarify the elements that need to be taken on notice.

Mr R.J. Delane: In terms of the specific numbers, soil and land management is a very significant part of the department’s activity, and clearly it operates statewide.

Mr C.J. TALLENTIRE: I am talking about the commissioner’s budget, though, Mr Delane.

Mr R.J. Delane: That is right. We will need to take on notice the specific project or even activity level budget for the commissioner, and we will provide supplementary information on that.

Mr D.T. REDMAN: I undertake to provide on notice the information just described by the director general, which is the specific budgets and staffing, I assume, for the soil commissioner.

Mr C.J. TALLENTIRE: That is right; and also soil conservation notices in effect in the agricultural region and in the pastoral region.

Mr D.T. REDMAN: That is not a resource and a full-time equivalent; that is soil conservation notices.

Mr C.J. TALLENTIRE: That is a third element. There is the budget for the commissioner and there is the number of FTEs in the commissioner’s area. I assume that one of the major tasks is the management of soil

conservation notices, so I am keen to know how many of those are in effect in the agricultural region and in the pastoral region.

Mr D.T. REDMAN: Soil conservation notices are a response to degradation issues, are they not?

Mr J. Ruprecht: Yes. With respect to soil conservation notices, we have two that were drafted and remain pending for this financial year.

Mr C.J. TALLENTIRE: Are there only two across the whole state?

Mr J. Ruprecht: Yes. We are investigating a number of complaints—that is, five clearing complaints, six drainage complaints and eight land degradation complaints—and we are following those up. They may or may not lead to a soil conservation notice.

Mr D.T. REDMAN: Can I get clarity now about the rest of the member for Gosnells' question?

Mr C.J. TALLENTIRE: I do not need that figure because it is so appallingly low. Across the whole state, with all the land degradation we have, there are only two soil conservation notices.

The CHAIRMAN: Can the member limit his comments to what he wants as supplementary information.

Mr C.J. TALLENTIRE: I would like the FTEs and the actual budget.

Mr D.T. REDMAN: For the soil commissioner?

Mr C.J. TALLENTIRE: For the Commissioner of Soil and Land Conservation. He has an office and a number of staff who assist him, so I am keen to know how many.

Mr D.T. REDMAN: Yes. We undertake to get by way of supplementary information the number of FTEs that the Commissioner of Soil and Land Conservation has, and the budget for the soil commissioner.

The CHAIRMAN: Does the minister agree to provide that by way of supplementary information?

Mr D.T. REDMAN: Yes, I do.

[Supplementary Information No B8.]

Mr C.J. TALLENTIRE: Further to that, perhaps the minister can indicate to me now what percentage increase to the commissioner's budget was received in or allocated to this financial year.

Mr J. Ruprecht: We do not have the specific information on the soil and land commissioner.

Mr D.T. REDMAN: Can we add it to that last supplementary information as an additional question?

The CHAIRMAN: No, we cannot. We have to issue a new supplementary information number.

Mr R.J. Delane: Because of the delayed budget and other matters, we have not allocated budgets to that level yet, so we may not be able to provide that within the supplementary question timetable, but we are more than happy to provide that information when we finalise the project and activity budget right down to that level. I expect that the funding will be akin to that in previous years.

Mr C.J. TALLENTIRE: Will there not be an increase?

Mr R.J. Delane: There may be an increase. It is a relatively small budget, and we will provide all the detail on that. Perhaps in that information we can indicate the likely trend in that budget.

The CHAIRMAN: I will just clarify the information the member is seeking by way of supplementary information.

Mr C.J. TALLENTIRE: In this supplementary information, I am asking for the percentage increase in the budget going to the Commissioner of Soil and Land Conservation and his office.

Mr D.T. REDMAN: I am happy to provide the additional information the member is requesting, which is, in the current budget, what increase, decrease or otherwise is happening to the soil commissioner's budget, but I will qualify that by saying that, as the director general just described, the allocations right now are not down to that level, so it may not meet the time frame for response that has been put on us under the estimates process. If the member is happy with that qualification, I will put it on notice. If the member is not happy with that, I will have to say no.

Mr C.J. TALLENTIRE: I am happy with that.

[Supplementary Information No B9.]

Ms L.L. BAKER: I refer to page 724 of the budget papers. I am looking at the government goals. I have been drawn to this section because I cannot find what I want anywhere else in the papers. I apologise; it is a fairly generic item. Back in 2009, the minister moved animal welfare administration into the Department of

Agriculture and Food. From my reading of these *Budget Statements*, in 12 pages there is not one mention of the care and protection of animals. Quite rightly, the budget papers refer to economic production, improved productivity and a whole bunch of other stuff, which is really good for the economics of this state.

The CHAIRMAN: Member, I am sorry to interrupt. Can you clarify what line or dot point you are referencing?

Ms L.L. BAKER: It is in the box headed “Government Goal”, which states —

Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.

I cannot find anywhere else to mention this. Given that the minister has 11 advisers, my first question is: which of them is administering the Animal Welfare Act?

Mr D.T. REDMAN: I thank the member for the question. Given that there was a shift of animal welfare legislative responsibilities from local government to the Department of Agriculture and Food, I take it that she is asking what is recognised in the government as an indicator of performance, and the reasons for that. Is that what the member is talking about?

Ms L.L. BAKER: Yes, that is correct.

Mr D.T. REDMAN: I will ask the director general to make a comment, and then perhaps followed by John Ruprecht.

Mr R. Delane: Thanks for the question. The department does administer the Animal Welfare Act, but also has a broader role in animal welfare in industry. I will focus first on the administration of the Animal Welfare Act, which sits within the agricultural resource risk management directorate.

Ms L.L. BAKER: That is all I am interested in; I thank the director general.

Mr R.J. Delane: The budget allocation for that last year—we are still finalising our budget for this year—was \$1.8 million, including an annual allocation of \$0.5 million to the RSPCA for its work.

Ms L.L. BAKER: So, it was \$1.8 million plus \$0.5 million?

Mr R.J. Delane: There are 11.5 FTEs in that directorate. These responsibilities come to the director general and to the Minister for Agriculture and Food. We separate them. Mr Ruprecht’s directorate manages our responsibilities under the Animal Welfare Act. We have responsibilities under that act ourselves, because, of course, we carry out a wide range of programs across the state. In the livestock industries directorate, under Mr Chennell, we also have an industry development responsibility, and Mr Chennell and his team are involved in assisting the development of national standards and guidelines under which all the industries operate and which are developed and approved through the national standing committee and ministerial council process and then implemented with industry. We have a very broad responsibility, part of which is under the state Animal Welfare Act, but a significant part is also under our responsibilities to foster development of the livestock industries, taking into account legal responsibilities as well as, of course, customer and community expectations.

Ms L.L. BAKER: I ask for some clarification. For the people who care about this issue, the fact that the livestock side of it is somewhere else is fine, but am I to understand that \$1.8 million is still the budget for the administration of the components of the act that the minister chooses to administer in the department? This year, will it be the same, or is there a consumer price index increase? What will be the budget this year, and what will be the RSPCA’s budget this year?

Mr D.T. REDMAN: Before the director general responds to some of the specifics around that, the member will recall that when I was the minister—I am not the minister now—the decisions that we made as a government resulted in fairly substantial increases in resources to animal welfare. In terms of total resourcing directly into animal welfare, I think the Liberal —

Ms L.L. BAKER: Is that \$500 000, minister? Is it doubling the RSPCA’s funding that the minister is referring to?

Mr D.T. REDMAN: No, but also increases in previous budgets directly into agencies to support staff on the ground. I remember responding to questions in the lower house, as the member will recall. The Liberal–National government has a good record on its global investments into animal welfare. I take on board the member’s comments now, which the director general can respond to. I think our government’s record is a good one in directing funding, but, of course, we are all attuned to the issues of animal welfare and certainly do not want to see bad outcomes.

[12.50 pm]

Mr R.J. Delane: Funding was boosted when the responsibility was transferred to us. We now have a very effective livestock compliance unit of 11.5 full-time equivalents who operate statewide. By necessity, we must

focus on where we assess the greatest risk to be, such as major livestock aggregation points, saleyards, abattoirs and shipping areas et cetera—areas where one should expect to see livestock compliance unit officers. Of course, we also may see Royal Society for the Prevention of Cruelty to Animals officers working. To 31 July 2013, 885 inspections were carried out.

Ms L.L. BAKER: I do not need all that information. Thank you for that. Did you say the \$1.8 million was for 2011-12?

Mr R.J. Delane: It was for 2012-13. The budget will be at least that in 2013-14.

The CHAIRMAN: Member, I remind you to direct your questions through the minister.

Ms L.L. BAKER: My apologies. Is it fair to say that there has been a consumer price index increase to the \$1.8 million to keep doing that work and that there remain 11.5 FTEs? I am trying to compare 2011-12 with 2012-13.

Mr R.J. Delane: The budget for 2012-13 was \$1.8 million, including \$500 000 for the RSPCA. The amount to the RSPCA stays as it is.

Ms L.L. BAKER: Is it indexed?

Mr R.J. Delane: No. The amount was agreed to as a result of a government decision two years ago. The figure is \$500 000. It is a grant.

Ms L.L. BAKER: I know, but the government has a policy on indexation, which I know intimately because I was chair of the Western Australian Council of Social Service when it was put through. Funding grants and contracts are now indexed.

Mr D.T. REDMAN: Is the member suggesting that the RSPCA grant should have been indexed?

Ms L.L. BAKER: Yes.

Mr D.T. REDMAN: I am not aware of that.

Ms L.L. BAKER: It a whole-of-government contracting policy.

Mr R.J. Delane: This is a grant; it is not a social services contract. At this stage, the minimum figure for 2013-14—we are in the process of finalising the entire department budget—will be a minimum of \$1.8 million. I have no indication that the figure for the RSPCA will be anything other than \$500 000.

Dr G.G. JACOBS: I refer to the fourth dot point on page 724 of the *Budget Statements*. It is probably no surprise to the minister that I have significant interest in the issue as is stated in the *Budget Statements*, which read —

... one of the largest single forces is likely to be access to capital, where a declining appetite for further debt financing is being offset by a growing interest in equity investment.

My question relates to the department and its increasing work with industry participants in and around this area, because it is a significant issue and has been as we face the broadacre —

The CHAIRMAN: Member, I ask you to ask the question quickly because of the matter of time.

Dr G.G. JACOBS: What work is being done and will be done in the area of being investment ready? Does the department support a mechanism or an institution that will allow the agricultural industry to access affordable capital in this reconstruction?

Mr D.T. REDMAN: There are a number of elements to the point. Please bear in mind that I am not the Minister for Agriculture and Food; I am acting on his behalf in the Legislative Assembly. I will not put any of my opinions or positions on behalf of the Minister for Agriculture and Food.

A number of commentators have reflected that access to capital in Western Australian agriculture is one of the barriers to growth and development. The premise of the member's question is farmers' access to capital, specifically in a challenging season. We could also extend the notion of access to capital development of down-line processing, capital development of efficient supply chains to market and capital investment in core infrastructure, such as in the Kimberley and Pilbara regions, which are largely undeveloped agriculturally. The policy taken to the government by the Nationals, with some elements of Liberal Party policy incorporated into it, seeks to overcome some of the barriers to developing agricultural opportunities in Western Australia. Part of that discussion was about access to capital. I will ask the director general to comment specifically on challenging seasons and the more acute issue of those who are facing that challenge now. More broadly, one of the elements of the "Seizing the opportunity" policy position that the Nationals took was having an office of inward investment.

Extract from Hansard

[ASSEMBLY — Tuesday, 20 August 2013]

p138b-143a

Chairman; Mr Dave Kelly; Mr Terry Redman; Mr Chris Tallentire; Ms Lisa Baker; Dr Graham Jacobs

Dr G.G. JACOBS: Minister, I do not want to be rude, but we should probably talk about government policy, not National Party policy.

Mr D.T. REDMAN: The policy position is that the Liberal–National government has it in the budget settings right now. It is Liberal-National policy. Part of it relates to the point that the resources sector largely has very good support from government for managing investment interests and putting that footprint on the ground in Western Australia. As we come down a couple of tiers of investment interest, we have people looking to make investments, but there is no-one from government to show them around. The Department of Agriculture does as much as it can to direct that resource. It has recently done work on the dairy sector, which may help link investment interest with investment opportunities in Western Australia. Part of the package involves the government playing a greater role than it has in the past in linking investment interest with investment opportunities in Western Australia in partnership, whereby the capital investment can help drive and develop agricultural opportunities in WA. The premise to the member’s question, I am sure, is more heavily weighted towards the seasonal challenges, with particular farmers seeking ongoing capital to get into the new season and the challenges involved with that. My comments are, I believe, government policy, because the Liberal–National government put this budget together. I will ask the director general to comment on the more acute challenges of seasonal issues.

The CHAIRMAN: With time as it is, that concludes the time for questions.

The appropriation was recommended.