

Division 13: Agriculture and Food, \$157 695 000 —

Ms D.J. Guise, Chairman.

Mr M.P. Whitely, Parliamentary Secretary representing the Minister for Agriculture and Food.

Mr I. Longson, Director General.

Mr R.J. Delane, Deputy Director General, Biosecurity and Research.

Mr G. Wilson, Director, Policy and Planning.

Mr R. Lucas, Director, Finance.

Mr R.L. O'Dwyer, Executive Director, Industry and Rural Services.

Mr E. Wright, Manager, Natural Resource Management Strategic Analysis.

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

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. This is the prime focus of the committee. While there is scope for members to examine many matters, questions need to be clearly related to a page number, item, program, or amount within the volumes. For example, members are free to pursue performance indicators that are included in the budget statements while there remains a clear link between the questions and the estimates. It is the intention of the Chairperson 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 parliamentary secretary may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the parliamentary secretary to clearly indicate to the committee which supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the parliamentary secretary's cooperation in ensuring that it is delivered to the committee clerk by 6 June 2008, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the parliamentary secretary to cooperate with those requirements.

I caution members that if the parliamentary secretary 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. Only supplementary information that the parliamentary secretary agrees to provide will be sought by 6 June 2008.

If members seek a further question, I will allow it within reason on a particular line of questioning. Members just need to ask that of me and we will go forward.

Mr M.W. TRENORDEN: You have reasonable members here, Madam Chairperson.

The CHAIRMAN: I am sure I do, so we will get along swimmingly.

Mr M.P. WHITELY: I was going to begin with some opening remarks.

The CHAIRMAN: No, I do not think so. Member for Moore.

Mr G. SNOOK: I direct the parliamentary secretary's attention to page 249 and to the total appropriations provided to deliver services. The estimate actual total for 2007-08 is \$176.934 million and the 2008-09 budget estimate is \$153.971 million. By my calculation that is a \$22.963 million reduction. Is this a correct calculation and assessment? Can the parliamentary secretary identify which areas in the agriculture and food budget following after this page have had their allocation reduced and which area or service has had the largest reduction?

Mr M.P. WHITELY: I was obviously anticipating this question because the headline figure represents an approximately \$20 million decline on estimated actual. That is somewhat misleading because the major reason for the variation is the termination of the national action plan funding agreement, which finishes on 30 June 2008, and the transitional arrangements towards the federal government's Caring for Country program. The member will be familiar with the NAP funding agreement's conclusion from previous estimates processes whereby the NAP money was five years of funding but was bunched in the later years, so that most of the funding came through in the later years of the NAP agreement; hence there is an artificial inflation of the previous year's headline figure. The provisions that have been allowed for in the Caring for Country program

this year are somewhat smaller than could be anticipated in out years because we are in a transitional phase of the Caring for Country program, which is being developed.

Mr P.D. OMODEI: Can the parliamentary secretary explain the Caring for Country program?

Mr M.P. WHITELY: I will. I will just answer the member for Moore's question first. The NAP funding termination culminated in the provision of \$46 million less to the headline budget figure, and the provision of \$15 million under the Caring for Country program added \$15 million, so the net effect is the appearance of an artificial \$31 million cut in funding, but in fact it will have no operational effect because with the NAP funding there are sufficient carryover funds into 2008-09 to meet all the operational requirements of the various programs that are being run. The Caring for Country program funding is set at about 70 per cent of anticipated ongoing levels, which is considered adequate by the department and the program deliverers who have been consulted through this process. With the excess carryover funds from previous years and the Caring for Country program funding, there will be no operational effect. Therefore, the net effect of those two items is to explain a net \$31.1 million difference. There are some other minor variations in the funding, but if we exclude the artificial effect of the transition from the NAP to the Caring for Country program, the rise in funding is about 6.4 per cent.

Mr G. SNOOK: Is the parliamentary secretary saying that the real cut is 6.4 per cent?

Mr M.P. WHITELY: No, I am saying that the real increase is 6.4 per cent.

Mr G. SNOOK: The parliamentary secretary is saying that there is a real increase hidden in amongst this apparent cut of \$22 million.

Mr M.P. WHITELY: That is fundamentally what I am saying. There is a real increase. The way we can facilitate the transitional process from national action plan and Natural Heritage Trust funding to the Caring for Country program funding is that we have carryover funds that have not yet been expended and that could be expended on the operational requirements of all the programs that are run. There has been sufficient new funding to top that up and to keep those programs running through the Caring for Country program. Yes, it creates a misleading picture. Even if we were to accept, which we do not, the \$157 million figure as being the actual budget, the recurrent appropriation for the Department of Agriculture and Food has risen from \$98 million in 2001. Even on that baseline figure, which artificially deflates the real commitment to this sector, there has been a 61 per cent increase over the life of this government.

[2.10 pm]

Mr G. SNOOK: Can the parliamentary secretary explain to the committee what these "carryover" funds comprise, where they are located, the exact amount and the reason for them being carryover funds?

Mr M.P. WHITELY: We anticipated this question so I have a spread sheet for members. I will get the director general to comment on its detail. Can I table it?

The CHAIRMAN: The member cannot table anything in estimates, but the member is quite welcome to give members the paper.

Mr I. Longson: Members have before them now a table that shows the expenditure over the life of the current national action plan and NHT 2 plan, which is a commonwealth-state jointly funded program that finishes in 2007-08. Members will see the previous year's expenditure detailed there, including the expenditure in 2007-08—the last year of the program. They will note that that is a total of \$170.1 million, which was a ramping up of expenditure in the last year of the program. In fact, that extraordinary amount of money was spent, but there is, as members will see, for 2008-09 a significant amount of \$73 million of funding approved already by the state and the commonwealth that will carry over into this transition year to the new commonwealth program called Caring for Country. In addition to that, the commonwealth has already flagged—in the state's forward estimates there is \$15 million—a total of \$67.3 million worth of new funding for the Caring for Country program in 2008-09. That shows a total expected amount of funding of \$140.3 million for 2008-09. Beyond that, both the state and the commonwealth will have bilateral negotiations during 2008-09. We will decide the ongoing out-year expenditure under Caring for Country. The state budget papers show an amount of \$104 million over the four out years of the program in the state budget papers.

Mr A.D. McRAE: Given we are all looking at this sheet together, do members mind if I chip in and ask about this particular sheet?

Mr M.W. TRENORDEN: We should all be asking about it.

Mr A.D. McRAE: It is a useful tool for us all to understand what is being put to us.

The CHAIRMAN: The member for Moore will continue. I am happy to allow others to chip in.

Mr G. SNOOK: I am happy to do that, but I want to conclude my section.

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The CHAIRMAN: Yes, certainly.

Mr G. SNOOK: The director general mentioned \$15 million worth of state money. Can the parliamentary secretary clarify that more succinctly? Is it part of the five-year program of \$25 million a year that was going to be matching funds from the commonwealth, which I understand ceased with the change of government and the change to the name of Caring for our Country? Has the state not yet determined its contribution because it was waiting to see the outcome? There was a lot of apprehension among catchment councils that contacted me and expressed a lot of concern about the unknown. Given that this all goes through the agriculture and food budget, it is appropriate we get that clarified. Can the parliamentary secretary explain succinctly the reference that the director general made to the \$15 million, if I heard correctly, and, from my assumption, that \$21 million—it should be \$25 million but I have heard it is \$21 million—that the state will consider in matching allocations?

Mr M.P. WHITELY: The simple answer is yes, but I will invite the director general to provide more detail.

Mr I. Longson: It is complicated. In the forward estimates, \$15 million of state funding has been allocated to Caring for our Country. A proposal is before cabinet to carry over the \$6 million in unspent, uncommitted funds by the state from 2007-08 into 2008-09, which adds to the \$15 million, making \$21 million. As members can see, with the \$104 million in the out years, it makes the \$125 million that the member for Moore referred to as being talked about as a potential state commitment to NHT 3 of the previous government, so the numbers are there. They are in the forward estimates, but the actual expenditure and on what it is to be spent are yet to be approved by cabinet.

Mr M.P. WHITELY: To put it in a slightly broader context, my understanding is that there is \$2.25 billion in commonwealth funding for Caring for our Country over the next five years. The detail of it is yet to be worked through. There is an enormous bucket of money that needs to be worked through and allocated. This has all been possible through the application of carryover funds that will not affect any program that is otherwise operating.

Mr G. SNOOK: Can we be assured that there is no smoke and mirrors; in other words, it is not a matter of now we see this carryover and now we do not see it? Is it correct that it is real money—that is, unspent money—that is allocated in this year's budget?

Mr M.P. WHITELY: That is true. There has been consultation with the groups that had the capacity to be affected or were concerned about that, and their concerns have been allayed by having it explained to them. It is a valid question, but there are no smoke and mirrors here.

Mr G. SNOOK: Real money?

Mr M.P. WHITELY: It is real money and there has been adequate consultation with the groups that are delivering programs on the ground.

The CHAIRMAN: Do the members for Riverton and Avon want to explore this further?

Mr M.W. TRENORDEN: Yes.

Mr A.D. McRAE: Yes.

The CHAIRMAN: The member for Avon will have the call first, and then the member for Riverton. When seeking answers to information on the sheet, members should try to link it back to the overarching budget papers.

Mr M.W. TRENORDEN: Speaking directly to the handout, I am not quite sure exactly what is being said here. My comprehension is that these funds were allocated in this current budget for the next budget—or are they allocated for expenditure in this budget?

Mr M.P. WHITELY: The \$15 million has been allocated for expenditure in this budget. The member for Moore suggested that if it was the only pool available, it would represent a funding decrease and would have an operational effect.

Mr M.W. TRENORDEN: By “this budget”, I meant this calendar year.

Mr M.P. WHITELY: I am sorry; I am talking about 2008-09.

Mr M.W. TRENORDEN: I am looking at 30 June 2008. Are these funds allocated in this year for the year starting 1 July 2008; or were they allocated for this year to have been spent by 30 June 2008?

Mr I. Longson: What is shown in the green area for 2007-08 is actually what was allocated and is expected to be spent within 2007-08.

The CHAIRMAN: Because we are unable to table documents, for the purpose of *Hansard*, I ask the director general to refer to the amount of money rather than the “bit in green”. That would be helpful, thank you.

Mr I. Longson: My apologies. In 2007-08, allocated from the state and to be spent in 2007-08 is \$43.4 million; and, from the commonwealth, those amounts that make up a total expenditure of \$170.1 million that will be spent in 2007-08. In addition to that, carryover funds are indicated for 2008-09, comprising, as can be seen, “State funds” of \$9.4 million to “State projects”; \$18 million through projects with the regional groups; and, from the commonwealth fund source, \$30 million through the regional groups and \$15.6 million of additional commonwealth funding. In other words, these are funds that have been committed to projects that will not be completed in 2007-08 but will run into 2008-09. Additional funds have also been allocated by the commonwealth and the state. As the parliamentary secretary has indicated, the state has allocated an additional \$15 million in new funds. The state is also seeking approval, through the cabinet process, for the carryover of \$6 million of uncommitted funds from 2007-08 to 2008-09.

[2.20 pm]

Mr M.W. TRENORDEN: I have some difficulty with the word “carryover”, because, from my experience, what that word means in budgetary terms is moneys that should have been spent in the previous year. The director general has just said that there is a two-year or three-year program, and the moneys for that program are partly spent in one year and partly spent in the coming year. I am not trying to put words in the director general’s mouth. However, am I right in saying that that is what is happening in this case?

Mr I. Longson: The member is quite correct. That would be the normal way in which everything would run. A carryover is an unintended consequence of that. However, because of the enormous amount of moneys that would have had to be expended in 2007-08 if we were to acquit all the funds that were available, both the commonwealth and the state have agreed with the regional groups to carry over those funds, and those projects that are yet to be completed, from 2007-08 to 2008-09. That is unusual. It is not good practice, normally. It has been done purely because of the large amount of moneys involved and the fact that the on-the-ground expertise and skills were not available to enable all those projects to be put in place before 30 June 2008.

Mr M.P. WHITELEY: The table that has been given to members indicates quite clearly the lumpiness of the funding, if I may use that term. The table shows that the total for 2005-06 was \$97.1 million, and the total for 2006-07 was \$98.4 million. When that is compared with the totals for the earlier years, the lumpiness of the funding is quite clear. Therefore, there was a need to spend those moneys effectively rather than spend them all artificially in the financial year for which they have been allocated.

Mr M.W. TRENORDEN: I think it is reasonable to ask for supplementary information on this matter so that we will all be aware of the programs that the parliamentary secretary is talking about, because those of us who live in these areas will probably be asked this question by the people on the ground.

The CHAIRMAN: For the purposes of *Hansard*, I ask the parliamentary secretary to please tell us exactly what supplementary information he will be providing to the member.

Mr M.P. WHITELEY: We will be providing details of the carryover funds and details of the individual programs to which those funds apply. We are happy to provide that information.

[*Supplementary Information No A24.*]

Mr A.D. McRAE: I refer to the sheet that has been distributed today. The parliamentary secretary has just started to get to the point that I am keen to examine. The reason we are having this discussion is that the member for Moore began his comments by comparing the 2007-08 budget actual of \$175 million with the 2008-09 allocation of \$157 million. He then said that that suggests that there has been a \$22 million reduction in funding. The parliamentary secretary has used this sheet to suggest that, because there are some significant carryovers from year to year, there is in fact no real reduction. I have looked at this sheet and at the total amounts allocated for 2003-04, 2004-05, 2005-06 and 2006-07, and also for 2007-08. The allocation of \$170 million for 2007-08 is the largest of all the allocations in those five financial years. That gives us an average over those five years of about \$80 million a year. From my understanding of how the carryover works, if I wanted to understand what the average across those five years was, I would total up the years 2003-04 to 2006-07, add the year 2007-08, and divide by five. I would then get an average of about \$80 million a year. I could then, for comparative purposes, look at what the parliamentary secretary has suggested will be the average in the out years; namely, \$104 million a year. Is that a reasonable comparison? I have put that suggestion so that we do not get caught up in this bind of trying to understand the effect of one year’s carryover —

Mr M.P. WHITELEY: I do not think the member’s comparison is valid. We are looking at a total allocation of state funds and commonwealth funds. The commonwealth was the primary source of external funds in the years 2003-04 to 2006-07. The contribution of the state government to that funding is \$104 million over four years, or \$26 million a year. We are not sure what total that funding will translate to in the end, because we are still in the process of negotiation, and that part of that \$2.25 billion that has been identified by the commonwealth for the

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Caring for our Country program over five years has not been detailed yet. However, there is certainly sufficient capacity to expect adequate funding, and possibly improved funding, from the commonwealth in the out years.

Mr P.D. OMODEI: In other words, an excellent initiative by the former Howard coalition government!

The CHAIRMAN: Have members finished with this line of questioning?

Mr P.D. OMODEI: No, Madam Chair. I refer again to the carryover funds in 2008-09 of \$15 million, plus the \$6 million from the national action plan. Am I correct in understanding that while those are carryover funds, cabinet has not yet decided what those funds will be spent on? Is that what the parliamentary secretary is saying?

Mr M.P. WHITELY: The \$15 million has been approved, and the \$6 million is awaiting cabinet approval.

Mr P.D. OMODEI: These are carry-forward funds?

Mr M.P. WHITELY: No.

Mr P.D. OMODEI: The budget last year was about \$21 million. Is the parliamentary secretary telling me that a lump sum was just put in the budget, without specifying what it is for?

Mr M.P. WHITELY: Is the member talking about how those amounts of \$15 million and \$6 million relate to 2008-09?

Mr P.D. OMODEI: Yes, as they have been carried forward from previous years.

Mr M.P. WHITELY: The \$15 million is not a carry forward. The \$6 million is subject to cabinet approval. The director general might want to add to that.

Mr I. Longson: I should add that the \$15 million has been allocated by the state government in 2008-09 for the Caring for our Country program.

Mr P.D. OMODEI: Can the parliamentary secretary specify what those funds are for? Are they for drainage?

Mr M.P. WHITELY: That has yet to be determined. That amount of \$15 million has been determined. We are seeking cabinet approval for what that \$15 million, plus the \$6 million, will be expended on in terms of state priorities in the 2008-09 transition year. We are waiting on the commonwealth to announce its priorities for the 2008-09 budget year for its funds. Some bilateral discussion is taking place on that matter. It is true that the money is earmarked. It is a matter of the state agreeing on what it will be expended.

[2.30 pm]

Mr A.D. McRAE: That is an improvement on the coalition years.

Mr G. SNOOK: What percentage of funding has been allocated to the catchment councils so far for them to keep on functioning because of all this uncertainty? Has there been a percentage of allocation to them so that they know what they have got?

Mr M.P. WHITELY: Yes.

The CHAIRMAN: Is the member for Moore referring to the line under "Delivery of Services" on page 249?

Mr G. SNOOK: Yes.

Mr M.P. WHITELY: The commonwealth has announced funding of \$29.4 million for 2008-09 and we have announced \$15 million, plus the potential for an additional \$6 million subject to cabinet approval, which we spoke about earlier.

Mr G. SNOOK: What percentage of the allocation does that give them?

Mr M.P. WHITELY: I will invite the director general to respond.

Mr I. Longson: The commonwealth has factored in \$29.4 million based on 60 per cent of the previous allocation that the regional catchment councils received, plus an additional amount, which it calls "hardship"; that is, about 15 per cent on average, but it varies between the six catchment councils in Western Australia. However, the total amount allocated by the commonwealth is \$29.4 million. Therefore, somewhere between 60 and 75 per cent of the previous level of funding from the commonwealth government has been allocated as new money in 2008-09. As I said, we are awaiting confirmation from the state cabinet on how that money will be expended, but it is \$15 million of new money, plus \$6 million of carryover of uncommitted funds from 2007-08.

Mr G. SNOOK: Could the parliamentary secretary just explain the term "plus hardship"?

Mr M.P. WHITELY: I will ask the director general to respond.

Mr I. Longson: This was entirely a matter for the commonwealth. It did not involve the state government at all in any determination. The commonwealth had earmarked 15 per cent, as I mentioned, of normal expenditures for all the 56 regional councils throughout Australia to go into a hardship basket of money. It then sought to allocate that to those it thought would run out of project funding from carryover funds and/or other sources. My understanding is that the Swan Catchment Council and the northern —

Mr G. SNOOK: The NACC?

Mr I. Longson: No, not the Northern Agricultural Catchment Council. The Rangelands National Resource Management Co-ordinating Group was the recipient of hardship funds. I do have the amounts of the commonwealth allocation of hardship funds to the six regional councils in Western Australia, and could provide them as supplementary information.

Mr M.P. WHITELY: I highlight once again that these are transitional arrangements that are made possible without any diminution in the operation of any of the projects because of the lumpiness of previous funding and the carryover of funds that are available to finance the cash flow for ongoing operations.

Mr P.D. OMODEI: I refer the parliamentary secretary to the service and appropriation summary on page 252 under “Service 3: Biosecurity”, which shows expenditure in 2007-08 of \$68.785 million and \$64.395 million in the budget estimate this year. I then refer the parliamentary secretary to page 262, which explains service 3, and states —

This service contributes to the protection of our productive resource base through the:

- maintenance of effective barrier quarantine and protection requirements to minimise the risk of introducing new pests and diseases and to maintain market access;
- operation of effective surveillance programs to ensure early detection and diagnosis of incursions, define the status for market access and justify quarantine barriers;

I then refer quickly to the following division on page 272, which states that there has been —

- 37 per cent increase in interstate flights into Western Australia;
- 14 per cent increase in interstate vehicles;
- 16 per cent increase in the lines of produce/products inspected for Quarantine Risk Material; and
- 35 per cent increase in interstate/sea rail containers.

I am saying that there has been a reduction in this budget of \$4 million-odd. On the lips of every single farmer in Western Australia is the fact that they are expected to have the most stringent quarantine and phytosanitary measures to produce their food, yet food that comes into this country does not face the same stringent guidelines. Why has the budget been reduced by \$4 million when in fact there has been a huge increase in the amount of materials coming into the state and a requirement for more strict biosecurity, particularly for incoming products?

The CHAIRMAN: As the question referred to another division, I ask the parliamentary secretary to answer that question as it pertains to division 13.

Mr M.P. WHITELY: I thought the question was in two parts. One part sought an explanation of the decline from \$68.7 million to \$64.3 million between the 2007-08 actual expenditure and the budget estimate for 2008-09. The major reason for some \$4 million in the variation is explained by the conservative nature of revenue estimates; typically, they involve an underestimation. The member will see that in the previous year, 2007-08, actual expenditure was some \$6.5 million greater than the budget expenditure because of the conservative nature of the estimates of revenue forecasts, which explains the difference there. In terms of biosecurity expenditure, the point made —

Mr P.D. OMODEI: Why is it a conservative estimate? An amount of \$7 million was spent in 2006-07. The budget and spend for the following year was \$68 million. Now the amount is going back down again. Surely the budget estimate must be higher, given the increased activity in the area of imported goods.

Mr M.P. WHITELY: I will address the second part of the question and get to the nuts and bolts on biosecurity. To clarify the question, the member is saying that there has been an increase in biosecurity requirements.

Mr P.D. OMODEI: Yes.

Mr M.P. WHITELY: The member wants to know whether the funding is adequate to finance the increased demand on biosecurity.

Mr P.D. OMODEI: Particularly given the concern by producers in the community. It is an uneven situation.

Mr M.P. WHITELY: I will ask the director general to respond.

Mr I. Longson: I hope I got the correct gist of the question. Given the length of the question, my understanding may be incorrect in terms of the information being sought. However, the reduction in expenditure on biosecurity, notwithstanding the important points the member made about the increase in risks, principally relates to some wind-downs of particular problems that were funded in 2007-08 that no longer require funding in 2008-09. The principal one was the European house borer program, which is now being nationally funded rather than being borne by the state. That resulted in a reduction of \$4.4 million in the funding requirements for biosecurity. There were also some changes in funding for the red imported fire ant. Whilst the member's point about the continuing risk and the need for further expenditure in biosecurity is valid, the main items that resulted in the reduction for this year relate to the winding up of the funding requirements for that program. There was also some locust funding activity, which was a lot lower this year and which is anticipated to be lower in 2008-09. Reductions in some specific allocations were made last year.

[2.40 pm]

Mr M.W. TRENORDEN: I wish to ask a generic question about the first series of dot points headed "Climate Change" under "Significant Issues and Trends" on page 249. Members may have an interest in the area of climate change. What money will be put towards climate change processes? I have been reading through the budget papers. They contain a considerable amount of information on programs related to climate change. How much money is allocated to the 20 or so programs that I found? Could we talk about that in a generic sense? How much money will be available for climate change and where is that money going?

Mr M.P. WHITELY: I will answer the question in two parts. Firstly, I will highlight some of the initiatives that have been taken by the department on climate change and risk management. The first dot point on page 249 refers to a number of issues. It says that there is a need to manage risk to agriculture associated with climate change. Referring specifically to the north west wheatbelt, research is being undertaken aimed at developing more reliable yields in an area that recent history has shown is likely to be subject to less reliable rainfall. There has been research into ultra-wide row seeding, inter-row spraying and genetics. The department has a very strong working relationship with Zhejiang University in China on genetic research. They are some of the initiatives that the department has undertaken to manage the risk associated with climate change and its effect on agriculture.

We have taken a cooperative approach to working with the federal and state governments to produce a common uniform national approach to a national emissions trading scheme, which is covered in the final dot point on page 249. The government is working through the COAG process with other states and the commonwealth to the benefit of Western Australian growers. The second dot point refers to responding to changed climatic circumstances and the change to rainfall patterns and perhaps taking agriculture to where the water is. It refers to the initiatives that the government has undertaken in the northern part of Western Australia to enhance agriculture in the Gascoyne valley and the Carnarvon artesian basin. In his budget speech the Treasurer announced an allocation of \$15 million to the Ord expansion project, and \$3 million to be spent on phase 2 of the Carnarvon artesian basin. The third dot point concentrates on the leading role Western Australia is taking in research to look at the medium and long-term response to climate change. Western Australia leads that process nationally.

In a broader context, the transition from the Howard government's approach to the Rudd government's approach has shown that climate change is one of the major focuses of the Rudd government. The allocation of \$2.25 billion to Caring for Country over five years means that there are considerable contestable funds. We can expect that a large proportion of those funds will be spent on the response to climate change, and a large proportion of that will be spent in our state. We will certainly be making representations to ensure that we get our fair share to ensure an adequate response. The director general may like to add something to those comments.

Mr I. Longson: The member asked for the specific amounts allocated to climate change. That is not something that these budget papers show, nor is it a figure that I could lay my hands on within the Department of Agriculture and Food. As the parliamentary secretary has indicated, there is pervasive activity through a lot of our programs, particularly our food and industry development output. We have an internal task force, led by the acting executive director of the natural resource management program, Mr Eric Wright, which coordinates all our activities dealing with climate change. Mr Rob Delane is on a national committee looking at coordinated research into climate change adaptation and mitigation. It is true to say that at the commonwealth and state level we are in that coordination phase of preparing for major programs of expenditure and research programs into climate change. As I said, it is embedded but there is nowhere that I could lay my hands on a summation of that. We have various proposals before government and funding bodies, including a national coordinated research program. We have put up our own climate adaptation program with our research partners at universities through

the Agricultural Research Western Australia initiative, and we are awaiting government consideration for funding of those programs. It is a good question but there is no objective finite answer to it.

Mr M.P. WHITELY: Perhaps some initiatives, such as the response to dryland salinity, will not necessarily be a salinity response or a climate change response, so they may not necessarily be tagged one way or the other. They have a dual purpose. These things do not necessarily have a sole intent.

Mr M.W. TRENORDEN: That does not necessarily faze me. The answer I was given is fine. I will move on to more precise issues, such as the fourth dot point on page 249. The last sentence states —

Carbon offsets on agricultural land may be a significant early component of future national emissions trading scheme.

Unfortunately, the operative word there is “may”. That is why I was interested in whether funds have been targeted. These are the issues that will be paramount in the next few months and years as farmers plan for the onset of carbon trading and what impact carbon trading will have on farm revenues and access to farm land. There are significant amounts of probability out there.

Mr A.D. McRAE: Did the member say “profitability”?

[2.50 pm]

Mr M.W. TRENORDEN: No, I said “probability”, but profitability is part of it. People are surmising what will happen. People are looking for, with great difficulty, some direction from the Department of Agriculture and Food about likely outcomes in carbon trading as it relates to agriculture. Is there a particular emphasis, for internal planning and for agriculturalists, on planning for what will actually happen when the Kyoto Protocols and other issues final lead to a carbon trading scheme?

Mr M.P. WHITELY: I invite the acting executive director of natural resource management, Eric Wright, to detail some of the specific initiatives the department is engaging in.

Mr E. Wright: The department is having some input into the advice to the Australian government, which is preparing the design rules for an emission trading scheme. We are working closely with the Office of Climate Change and the Department of Treasury and Finance to ensure that the issues that are relevant for agricultural industries—whether it is a covered or an uncovered sector in the scheme, and the ability to participate in emissions trading through the use of carbon sequestration offsets—are captured in the design of the emissions trading scheme when it commences in 2010 or 2011. We have been working with the other state agencies I have mentioned on some modelling and generally exploring issues for the agriculture sector. We have made that point in our submissions to the Garnaut review and to the state negotiating position that is informing the emissions trading scheme design that is currently happening.

Mr M.W. TRENORDEN: I will not make any further comment, other than to say that “may” is the operative word. The way I read it, there is a great deal of uncertainty about whether agriculture will play a role in carbon trading. Agriculture must play a role in carbon trading; the only question is at what stage of the process it will play a part.

Mr G. SNOOK: Can the parliamentary secretary explain to the committee what impact a carbon trading scheme would have on input costs as a percentage, if implemented across the commonwealth? Has the agency any percentage figures available on how input costs would be affected? I know that the costs will have to go up.

Mr A.D. McRAE: What price is that based on?

Mr G. SNOOK: I am wondering what work the agency has done, in the implementation of a carbon trading scheme across the nation, on the extent to which input costs would rise, as a percentage.

Mr I. Longson: The best estimates are being done at the moment by the Australian Bureau of Agricultural and Resource Economics. I would be happy to provide those to the member. They indicate increases, even if agriculture is not involved in emissions trading, resulting from increased costs of fuel, fertiliser and chemicals. The impact will be over 10 per cent for cropping and slightly under 10 per cent for animal industries. I will again defer to Eric Wright, who keeps a close tab on these things. I think it will require supplementary information to provide the data from ABARE that includes the estimates.

Mr G. SNOOK: I seek supplementary information on that matter.

Mr M.P. WHITELY: I will provide to the member as supplementary information the ABARE estimates of how the response to climate change and emissions trading will add to the costs of agriculture.

Extract from Hansard

[ASSEMBLY - Wednesday, 21 May 2008]

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Chairman; Mr Max Trenorden; Mr Martin Whitely; Mr Gary Snook; Mr Paul Omodei; Mr Tony McRae; Mr Paul Papalia

[*Supplementary Information No A25.*]

Mr E. Wright: The only thing that I can add is that the increase in input costs of between five and 15 per cent, particularly in dry land agricultural systems, is likely to lead to a reduction in profit of up to 40 per cent. It depends on the scheme's operation and the price of carbon, and how those costs flow through to fuel and fertiliser. We are working with models at the moment and we will be able to perhaps define those models a bit better when the design rules about which industries are in or out and how the scheme will work become a lot clearer in a couple of months' time.

Mr M.W. TRENORDEN: Moving to the other side of the question about costs, is work being done currently to establish how agricultural land will be used in the carbon trading process?

Mr A.D. McRAE: Is the member talking about net cost benefits?

Mr M.W. TRENORDEN: I am talking now about benefits. I have not asked for it as supplementary information. What work has been done on where the Department of Agriculture and Food thinks that benefits may flow through? How will that apply to land?

Mr I. Longson: We are at an early stage of that work, but some work is being done in conjunction with our fellow agencies across Australia. The simple answer is that trees offer the most promising form of land use in agricultural areas. It depends on the definition of whether that is agriculture or not. Certainly, that is the stand-out one. In terms of the other ideas, of carbon in soils, perennial plants and so on, the jury is out on whether these would ever qualify for emissions trading. It is a very speculative area at the moment, and some rapid work is being done to try to put some facts behind the ideas that are flying around. It would be premature to make judgements about that at the moment. An intensive program of work will be undertaken over the next six months, including, as the member would be aware, in response to the new-found reticence of New Zealand to rush into having agriculture included in emissions trading. There is a lot of work to be done, not the least of which is to determine whether, as a major exporting country, if we move into emissions trading and include agriculture in that emissions trading at an early stage, that could be to the disadvantage of our export industries. As the member is picking up, there are many questions and not a lot of answers. There is a lot of work to be done over the coming 12 months.

Mr P.D. OMODEI: In relation to the comments made by the director general when he talked about trees, I presume he was talking about timber rather than apple trees. The second part of the question is: is the impact on the cost of food resulting from increased costs of production being investigated?

Mr I. Longson: Again, that is being done in a very perfunctory way and is at a very early stage. Subjectively, we know of the connections between food prices and how they impact on agriculture. In relation to the member's question on trees, that is also an area that is under research—how long do trees have to be in the ground, can they be harvested, what happens to fruit trees, and so on.

Mr M.W. TRENORDEN: Those are very complex questions.

[3.00 pm]

Mr I. Longson: They are very complex questions. They are as much policy questions as they are science questions. I think it is sensible that we join with the rest of Australia in trying to provide the sensible answers to these questions.

Mr P.D. OMODEI: Hasten slowly.

Mr I. Longson: Hasten slowly. I think there is a lot of enthusiasm for jumping into emissions trading, but we see a lot of pitfalls in jumping in too quickly.

Mr P. PAPALIA: I refer page 257, and service 1, "Food and Fibre Industry Development". The third dot point under "Major Achievements For 2007-08" refers to the state-of-origin branding scheme called Buy West, Eat Best. Can the parliamentary secretary inform us of the state of the introduction of that scheme?

[Ms K. Hodson-Thomas took the chair.]

Mr M.P. WHITELY: That is a very timely question from the member. I am pleased to say that this morning the Minister for Agriculture and Food undertook the consumer launch of the Buy West, Eat Best program. This followed an industry launch by the Premier in November last year. There has been a very encouraging industry take-up of the program. Food businesses participating in the voluntary program must meet specific local content, quality, safety and registration criteria. I believe there is a minimal charge of \$220 to apply to be part of the program. The Buy West, Eat Best program is represented by a unique logo, which members can see on the minister's tie. It is a green map of Western Australia with a bite taken out of it to indicate just how green and

fresh Western Australian produce is. The program is to be backed up with significant funds to be spent on marketing. In fact, I heard a radio advertisement for the Buy West, Eat Best program this morning while driving to Parliament. It had a verbal description of the logo, which, as I have said, can be seen on the minister's tie. Over three years, \$1 million will be spent on the marketing campaign alone—administrative support does not form part of the \$1 million—with \$280 000 being spent in the current financial year, \$450 000 in 2008-09 and a further \$270 000 in the out years. It is a magnificent initiative that builds on the reputation of Western Australian agriculture producing clean and green quality produce.

The CHAIRMAN: I remind members that there are a number of other divisions to deal with in the next hour. It is up to committee members to make a determination about how to deal with these appropriations. However, I suggest that members need to be mindful of the time and keep their questions short, and the answers should be even shorter.

Mr G. SNOOK: I think I speak on behalf of everybody when I say that food is a very important item, so this division needs some pretty detailed coverage. I will be guided by my committee colleagues.

Mr M.W. TRENORDEN: I suggest that advisers from the development commissions go and get a cup of coffee. That might be their only contribution for the afternoon!

The CHAIRMAN: Indeed.

Mr G. SNOOK: I refer to “Service 3: Biosecurity”, on page 252. This point has already been raised by my colleague the member for Warren-Blackwood. There has been a drop in funding from last year to this year. Can the parliamentary secretary explain to the committee what funding has been made available for our barrier and vermin-proof fences, some sections of which are in a very poor state? What money has been allocated for maintaining, upgrading and retrofitting those very important barrier fences?

Mr M.P. WHITELY: I thank the member for Moore for the question. The basic purpose of the state barrier fence is to minimise the impact of migrating emus on agricultural lands and general public land in the south west land division of the state.

Mr G. SNOOK: It lets a few dingoes through as well.

Mr M.P. WHITELY: And also dogs to a lesser degree. The simple answer to the question is that the allocation in 2007-08 was \$410 000. The same allocation has been made in 2008-09 and it rises to \$600 000 in the out years. A case is being prepared for cabinet consideration for significant improvements to the fence and an extension of the fence to cover the Yilgarn to Esperance agricultural areas. This submission will include a request for significant capital expenditure, which of course will make the increased maintenance allocation—that is, the rise from \$410 000 per annum to \$600 000 per annum—necessary. The attitude of the government to the state barrier fence is that it serves a valuable and useful purpose. There is a strong case for extending, improving and maintaining the integrity of the fence, and it deserves active consideration.

Mr G. SNOOK: The parliamentary secretary will be well aware of the calls from the pastoral industry and people in agricultural areas adjacent to the fence for a new state barrier fence because of the problem of wild dogs encroaching on agricultural land. I know the minister was to meet with a group lobbying for funds to get that fence underway. I think some money was put on the table by the minister some time ago. Is that money still there or has it been expended? What is the government's view of the proposal to build a new barrier fence?

Mr M.P. WHITELY: We are talking about another fence now. The government's attitude to the merits of the proposal for a wild dog fence is far less enthusiastic. However, the government made an offer to allocate half the total of \$50 000 if the proponents of the fence could find a source of similar funds.

Mr G. SNOOK: In this year's budget?

Mr M.P. WHITELY: No. If the proponents could secure federal funding for a feasibility study or were prepared to stump up the money collectively, the government would be prepared to match the money. The total cost of the study is anticipated to be \$50 000, of which the government is prepared to meet half. I put on the record that the state government's attitude to the wild dog fence is nowhere near as enthusiastic as its attitude to the state barrier fence. I understand from discussions I had with the minister yesterday that the problem of wild dogs will not be solved by a specific wild dog fence. Much of the wild dog problem arises from dogs coming out of towns, not necessarily out of the desert. A wild dog fence would simply prevent dogs from towns going into the desert. Dogs are more territorial by nature than emus. Dogs are smarter.

[3.10 pm]

Mr G. SNOOK: Has the parliamentary secretary experienced any of this?

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Mr M.P. WHITELEY: The integrity of a dog fence is even more paramount. I might just point out too that the state government has made a significant contribution to the control of wild dogs. When we left government in 1993, there were, I think, 12 doggers. By the time we returned to government in 2001, there was one, and now in 2008, there are 17 doggers, three of whom are paid for through the Department of Environment and Conservation. The simple answer is yes, that money is still there if the proponents can find somebody else to source dollar for dollar. However, the government does not have any great enthusiasm because it does not think that it warrants a feasibility study. If the proponents want to stump up the money, the government is prepared to match them dollar for dollar. The government takes the issue of wild dogs seriously, as demonstrated by the number of doggers employed. If the member contrasts our performance in government of 12 doggers when we left in 1993, and one when we came back, and 17 now, he will see that it indicates that the government takes the issue very seriously.

The CHAIRMAN: I remind the parliamentary secretary to keep answers short. That way we can progress other members' questions.

Mr G. SNOOK: Succinctly, what is the parliamentary secretary's government's plan to alleviate this huge problem for the pastoral industry; can he tell us what will solve the problem?

Mr M.P. WHITELEY: If I can characterise that response, bearing in mind the comments of the Chairperson, responsibility for dog management is not the responsibility of the government but the responsibility of landowners. When the government is the landowner, that responsibility falls on the government, and we accept that. The role of government is largely to assist landowners by looking at various technologies that are useful, and developing new baits and providing training. I might ask the director general whether he thinks there is anything to add to the answer.

Mr I. Longson: With your permission, Madam Chairperson, I will defer to the executive director of biosecurity, Mr Rob Delane.

Mr R.J. Delane: Just to continue, through the Agriculture Protection Board and the department working with all landholders through zone control authorities, including the Department of Environment and Conservation as a major land manager, policies and processes are worked up that underpin the landholder responsibility for wild dogs. The vast majority of wild dogs currently exist on and around properties. It is not the department's advice to government that the so-called biosecurity fence will be of substantial benefit to pastoralists or the state because, as the parliamentary secretary has indicated, a lot of dogs already exist west of where that fence is proposed. Landholders have decreased their investment in wild dog control on their property very substantially over the past decade. This is related to the decline in profitability of sheep in particular. The government's investment through the department and APB in wild dog control continues at approximately \$1.1 million a year. That partners with funds raised by pastoralists via the pastoral rate of approximately \$650 000 a year. The department maintains a number of programs, including the approval process, training of doggers and the development of a new sausage or salami-style bait. That enables us to produce baits at about less than 30 per cent of the cost of previous baits, which will make a substantial difference to the cost-effectiveness of wild dog control. APB has run a review process that clearly established that landholders need to do more. In some cases that is occurring but in many cases it is not occurring. Until we have a holistic and collective approach to it, we will not make serious inroads against the wild dog population in some areas.

Mr P.D. OMODEI: Have you considered doing what was done with blackberries; that is, going and doing it and then charging them?

The CHAIRMAN: The member for Warren-Blackwood knows better than to simply interject in the chamber at an adviser. He must direct his questions through the Chair. Perhaps he might like to come back to that question after the member for Avon's questions.

Mr M.W. TRENORDEN: My question relates to page 256 and to service 1, which deals with food and fibre industry development. This process was once upon a time very substantially based on research stations throughout the state. I would like to know what is happening to each of the current research stations in Western Australia and, in particular—surprise, surprise—I would like to know about one. I do not expect the parliamentary secretary to be up on this but his adviser should be. I would like to know where Avondale Research Station stands. I have done a fair bit of work on this issue in my community in an attempt to find a resolution. At one stage I attended a meeting at Beverley Town Hall of 400 people. I am wondering where Avondale Research Station stands. I do not expect the parliamentary secretary to give me a detailed explanation on each research station. I would prefer that to be given by way of supplementary information because that would save us a bit of time.

Mr M.P. WHITELEY: I ask the director general to respond.

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Mr I. Longson: We have operated Avondale Research Station for a number of years, but we have reached a point at which our research requirements on the station will cease in March 2009. We do not require it any longer for field trials; indeed, we are looking at rationalising those to the Muresk establishment run by Curtin University, which is in the nearby vicinity. I might point out that today I think it will be announced by the Commonwealth Scientific and Industrial Research Organisation that it will also be selling Yelbeni Research Station in the area as part of a cost-saving mechanism.

Mr M.W. TRENORDEN: I am sorry to cut in, Madam Chairperson, but that is probably a little different. The CSIRO will probably make a lot of money out of that.

Mr I. Longson: Indeed. Our purpose in ceasing operations at Avondale is not to make money; it is that we simply no longer require it for our research activities. We still operate 14 research support units across the state and 13 research stations at present. We are finding that we are doing more than 65 per cent of our research activities on commercial farm properties. Our need to hold land for research stations is a lot less than it used to be. It is also a fact that we are no longer operating demonstration farms for farmers; we are holding research stations only for research purposes. To complete the story, having established that we no longer require Avondale Research Station for research activities, there are some particular issues with Avondale because it houses a historical precinct and a considerable machinery collection. We are in negotiations with the National Trust to establish that as a museum and have the trust take over operation of it. We are also in consultation with the Shire of Beverley to try to retain that tourism precinct for the Shire of Beverley while relinquishing that research station. I can assure the member that there are no other plans at this time to relinquish any other research stations per se. As I say, we are continuing to rationalise and lease out land that we do not require on existing research stations. That is where we are at this point in 2008-09.

[3.20 pm]

Mr M.W. TRENORDEN: When I last spoke to the director, there was a budgetary question on this process. Have the department's internal problems been resolved, or do I need to keep knocking on a few doors?

MR M.P. WHITELY: I will defer to the director general because the member's question might mean something to him.

Mr I. Longson: I think the member is privy to some information that, in moving our research operations from Avondale, it will require some expense to move staff and facilities to our other facilities. We were seeking to recover some of those costs by selling some of the Avondale research station land, if not all of it. Those negotiations continue with both the National Trust and the Beverley shire to make sure that we are certainly cognisant of their needs before we make any decisions about selling land at Avondale to pay for our relocation.

Mr M.W. TRENORDEN: For the director's sake and for my sake, is there a time frame on this?

Mr I. Longson: No; obviously, the earliest we will be looking to move will be as soon as we finish trial operations in March 2009, but there is no extreme urgency other than, obviously, making the best use of government's resources that we can, as quickly as we can.

Mr M.W. TRENORDEN: And meeting community expectations.

Mr I. Longson: And meeting community expectations.

Mr P.D. OMODEI: My apologies for my previous outburst. I refer the parliamentary secretary to page 251, and in particular to "Resource Base Management", under which the last dot point states in part —

Management of declared plants and animals has struggled to keep pace with expansion in the number of regulated pest and disease species . . .

On page 263, under "Major Achievements For 2007-08", it refers to leadership being provided to community and industry groups in coordinated management of serious pests and successfully delivering pest management services for external funding bodies to the value of over \$8 million for donkey control. Where did that funding come from? Secondly, in relation to feral animals, particularly feral camels, I understand that the number of feral camels is between 800 000 and one million. How much has been spent on that area? Obviously, part of it is a Department of Environment and Conservation responsibility. It seems to me that the number of feral camels is reaching the stage of exponential growth in numbers and is, therefore, a threat to biosecurity and resource management. Where did the \$8 million come from and was it matched by the state?

The CHAIRMAN: Is that about whether it was matched by federal funding?

Mr P.D. OMODEI: It is about whether it was matched by state funding, because it was external funding.

Mr M.P. WHITELY: I will invite Rob Delane to respond to the member's question.

Mr R.J. Delane: There are roughly small allocations of resources to date, largely for surveillance of feral camels to determine the scale and type of issue in the more western parts of the desert in Western Australia. Some work has been done on the practicality of aerial shooting and aerial tracking using radio collars that have been used successfully with feral donkeys. There are reports of a large-scale problem. Yes, there are reports of significant numbers now appearing on the eastern edge of some of the pastoral zone. At this stage, we do not have funding or well-developed plans to address that issue. Some parties believe there is a market to export camels. As the member will appreciate, the camels are in rather isolated areas and it is unclear whether that would be feasible, except in very isolated cases. There are also issues with the land managers and owners in those areas, who have different attitudes to camels than do some of the pastoralists whose properties they may be beginning to affect. That area is emerging as a significant issue. Exactly what we will do about it at this stage I cannot say.

Mr P.D. OMODEI: I understand the explanation given by Mr Delane. I understand DEC has been doing significant studies of the number of camels in very recent times and that, in the not-too-distant past, a report indicated that there were 800 000 camels. I understand there are now close to one million. I wonder at what point the state government will believe that camels are a serious environmental problem. Given the Labor Party continuously tells everyone about its significant environmental credentials, surely the government must acknowledge that a million camels are doing tremendous environmental damage. The report itself, by that very brave bureaucrat, said that management of declared plants and animals has struggled to keep pace with their expansion. That person should probably be promoted rather than demoted.

Mr M.P. WHITELEY: I thank the member for Warren-Blackwood for alerting us to the information. We will liaise with the Department of Environment and Conservation, source that information, and act appropriately.

Mr G. SNOOK: I seek some information on the capital works program and the relocation of the headquarters of the biosecurity facilities to Murdoch, and phase 1 of the relocation of Agricultural Research WA to Murdoch. Can the parliamentary secretary inform the committee of the current progress of that project? Is it on schedule? Has there been a reappraisal of cost estimates for the relocation?

Mr M.P. WHITELEY: It is really at the planning and design stage. A commitment has been made. The proposed relocation of the biosecurity headquarters to Murdoch is estimated to cost \$159.73 million. Currently, \$130.336 million has been allocated in this budget and for the out years. The balance of \$29.394 million is yet to be funded. It will obviously be funded. We would not fund 80 per cent of a project and not follow through with it. However, given the current cost environment, and still unresolved design issues, some further work needs to be done on costing. That work is being done and it is scheduled to be completed in 2012.

Mr G. SNOOK: Are we talking about construction?

Mr M.P. WHITELEY: Yes. Is the member interested in the head office move to Murdoch or is he also looking at the —

Mr G. SNOOK: Both.

Mr M.P. WHITELEY: Funding for the Agricultural Research Western Australia component, most of which will be located at Murdoch, although there will be some small capital program works done at the combined UWA-CSIRO site at Floreat and Curtin University, has a total estimated cost of \$111.76 million, of which \$56.27 million has been allocated, with a further \$55.49 million yet to be allocated. The process is the same as I outlined for the head office move, in that, at this stage, funds have been allocated for the planning and design phase. Of course, the issue of firming up the costings will resolve how much is needed in the out years to fully fund this project.

[3.30 pm]

Mr G. SNOOK: The figures that the parliamentary secretary has just cited do not correlate with the figures in the capital works program of \$130.3 million and \$53.3 million. Why has the parliamentary secretary cited figures that are significantly expanded from those that are printed in the *Budget Statements*?

Mr M.P. WHITELEY: The figure of \$130.3 million figure to which the member has alluded is the approved funding for the headquarters move. As I have indicated, the current estimate is \$159.7 million. A further \$29.4 million is currently unfunded. However, that is, as I have said, because we are in the planning and design phase. That will be costed up when further details emerge. What was the other figure that the member mentioned?

Mr G. SNOOK: It was \$53.3 million for Agricultural Research WA, phase 1.

Mr M.P. WHITELEY: The approved funding is \$56.2 million. I can give the member a breakdown by year if he wants. Again, the extra funding that is anticipated is \$55.4 million. I think that clears that up.

Mr G. SNOOK: So the project is on schedule and on budget?

Extract from Hansard

[ASSEMBLY - Wednesday, 21 May 2008]

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Mr M.P. WHITELEY: The anticipated award of the construction contract for the head office move is September 2009, with completion and occupation in December 2012. For the Agricultural Research WA project, the award of the construction contract is anticipated to occur in July 2010, with completion and occupation in October 2012.

Mr G. SNOOK: Would it be possible to obtain the details of that as supplementary information?

The CHAIRMAN: If the parliamentary secretary is willing to provide that by way of supplementary information, yes. It is up to the parliamentary secretary. The member can seek that information through the Chair, if he likes.

Mr M.P. WHITELEY: We are happy to provide that by way of supplementary information.

The CHAIRMAN: I ask the parliamentary secretary to please explain exactly what he will be providing by way of supplementary information.

Mr M.P. WHITELEY: The member is seeking a breakdown of approved and anticipated funding for the new headquarters and biosecurity relocation for DAFWA, and also for the Agricultural Research WA component. We are happy to provide that information.

[*Supplementary Information No A26.*]

Mr M.P. WHITELEY: I invite the director general to add some detail.

Mr I. Longson: The planning will continue in 2008-09, with the Department of Housing and Works and Treasury deeply involved in watching over the cost escalations and the actual planning of the space requirements and so on. Therefore, we have been required to spend another 12 months in that planning phase. As the parliamentary secretary has said, the initial indication is that if we build what is currently designed and planned, these sorts of cost escalations will be required. To some extent, these cost escalations will be offset, obviously, by the increasing value of the 20 hectares of land that we are occupying in South Perth, which Treasury will value at market rates. Therefore, to some degree, the two figures will balance out. It is true that Treasury and the Department of Housing and Works want some more detailed planning to be done before they will recommend that additional funds be allocated to complete the project. An amount of \$186 million has been committed for these two projects. We expect that to be completed on schedule by 2012 after this next 12 months of detailed planning has been undertaken.

Mr M.W. TRENORDEN: I refer to page 251. The last dot point under the heading "Productivity" refers to a trend towards the intensification of animal industries in Western Australia. What is happening with the saleyards? Obviously, the intensification of animal industries will involve a higher focus on saleyards. As the parliamentary secretary is probably aware, a proposal has been put that funding be provided to establish some commonality among regional saleyards. Has that been budgeted for in this budget?

Mr M.P. WHITELEY: I invite the director general to respond.

Mr I. Longson: This is not a direct activity of the Department of Agriculture and Food; therefore, it is not part of our planning. However, the WA Meat Industry Authority, which comes under the portfolio of the Minister for Agriculture and Food, is currently running plans for both the relocation of the saleyards from Midland to Muchea, and what is called the regional saleyards strategy. The regional saleyards strategy is a proposal that seeks state support for the establishment of three major regional saleyards; that is, new saleyards at Mt Barker and Katanning, and a replacement saleyard at Boyanup. The decision on that matter will be made after the full cost of the Muchea relocation is known. The Meat Industry Authority is continuing to engage in dialogue with the industry on that matter and will be taking a proposal to the minister in due course for him to take to cabinet for the funding or support of regional saleyards. I think the minister is on record as saying that the first priority is to relocate the Midland saleyards to Muchea. The second priority is to address the appropriate role for government in the support of the three major regional saleyards. I think that is the status report. It is not a matter that is directly covered by the activity of the Department of Agriculture and Food. However, we do provide advice to the Minister for Agriculture and Food.

Mr M.W. TRENORDEN: I would like to know more about that advice. This is a long saga, and I do not want to make it any longer here. However, questions have been asked about what will happen to the proceeds of sale of the Midland saleyards, and what will happen at Muchea. The Department of Agriculture and Food must have a planning process and a view of what it thinks would be best for the industry.

Mr G. SNOOK: Cabinet wants to pinch the minister's money!

Mr M.W. TRENORDEN: These are genuine questions. I am asked these questions frequently. It would be nice at some stage—I note the minister is sitting in the wings—to be able to give an answer to some of these

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questions. I put it to the director general that people who live in the area in which the minister used to farm often talk to me about where they will be able to take their livestock and so forth. It is an important planning issue in the central wheatbelt.

The CHAIRMAN: I hope the member for Avon is directing that question to the parliamentary secretary.

Mr M.W. TRENORDEN: I am. I want to know what planning role the Department of Agriculture and Food is playing in that matter.

Mr M.P. WHITELY: I think that was more in the nature of a statement for the benefit of the minister—who is sitting at the back of the room—than a question.

Mr M.W. TRENORDEN: I still want to know.

Mr M.P. WHITELY: I note the member's request for information, and I will make sure the minister is informed—as he is.

Mr M.W. TRENORDEN: I am not going to get an answer!

The CHAIRMAN: Does the member have a follow-up question?

Mr M.W. TRENORDEN: I have other questions that I would like to ask, but I am aware of the time.

Mr P.D. OMODEI: I refer to page 272 of the *Budget Statements*. There has been a \$30 000 increase in the budget for the Agriculture Protection Board. The second dot point under the heading “Significant Issues and Trends” states that there has been a 56 per cent increase in the seizure of quarantine risk material. That is just for material that has come in from the eastern states. How does the parliamentary secretary justify a —

Mr P. PAPALIA: We have not reached division 14 yet.

The CHAIRMAN: I am sorry. I did not hear the page number that the member mentioned.

Mr P.D. OMODEI: It is in the next division, yes. Are we dealing with all these divisions together, or one at a time?

The CHAIRMAN: I do not think there has been any agreement that we will deal with these divisions concurrently.

Mr P.D. OMODEI: I am easy about that.

[3.40 pm]

The CHAIRMAN: No comment. The member for Avon with the next question.

Mr M.W. TRENORDEN: I refer the parliamentary secretary to page 253. The issues referred to under “Effectiveness Indicator — Uptake of Department Varieties” worry me the most in the whole agricultural budget. I am very concerned at the transfer of research from the direct role of the Department of Agriculture and Food to a range of other entities. My feedback is that it is not working and that there is not enough concentration on the agricultural requirement in that research in the new institute. That is a very significant issue. I have checked it and checked it and my view is that I am right. There is not enough rigour in ensuring that the people in the new entities, including the department, are doing enough of the right research for the right outcomes for world demands on the Western Australian agriculture industry. I would like some response.

Mr M.P. WHITELY: It is difficult to know the time frame the member is applying to that analysis. There was a marginal improvement in performance in 2006-07 in terms of the uptake of crops and varieties developed by the department. Although there is a marginal decline in 2008-09, I point out that these are, in a sense, rough-and-ready estimates. I think the member is drawing a long bow on the basis of the evidence there to suggest that the department is not providing adequate and relevant research. Unless the member can provide more specific evidence, I do not know whether I can help him.

Mr M.W. TRENORDEN: I will be more specific. I believe the Department of Agriculture and Food has been excluded from the process. I do not believe, in the new mechanism for scientists and universities to make applications for significant sums of research funds, that the industry and the department have enough of a say in where that money goes.

Mr M.P. WHITELY: Again, that was in the nature of a statement rather than a question.

Mr M.W. TRENORDEN: The parliamentary secretary can hardly say that. We on all sides of this house collectively agreed that we would move towards a better research process to capture more research funds. I am totally supportive of that argument; I think it is absolutely right. What I am concerned about is the natural process of individuals, particularly those in universities, pursuing their own outcomes and that the agricultural industry does not necessarily win the argument that it needs to win. My concern is, not that the input of the good

people of the department is not strong enough, but that it is not registering strongly enough in the new entity. I believe that is a certainty. I have checked it and checked it and I believe I am right. If I am right, there is a significant issue here about who develops what, where the money goes and what role producers and the department play in determining where that money goes.

Mr M.P. WHITELY: Could the member just elaborate on which entity and which process he is referring to?

Mr M.W. TRENORDEN: The new institute of agriculture.

Mr M.P. WHITELY: I will invite the director general to give a brief response to that comment.

Mr I. Longson: I assume the member is talking about Agricultural Research Western Australia.

Mr M.W. TRENORDEN: Yes.

Mr I. Longson: It used to be referred to as the institute. Perhaps I should start by explaining to members that the original concept of forming a combined agricultural research institute—a new body—was a concept that we pursued some three to four years ago, and we started on that journey with the universities. We quickly realised that there were different cultures and different drivers for the organisations and that proposal has since morphed into what is now known as Agricultural Research Western Australia. It is better described as a research alliance between the Department of Agriculture and Food, Curtin University of Technology, the University of Western Australia and Murdoch University; and I am pleased to say that the Commonwealth Scientific and Industrial Research Organisation has now joined that research alliance. It is therefore a much better arrangement that suits the reasons for being and the objectives of those organisations. We have joined together to harness the firepower of all those organisations, people and staff to run joint research programs. However, we retain our entity, our own purpose in being and our own budgets. I should say that the concept of the institute no longer exists. What we have formed is a very effective research alliance. As part of that commitment, the Department of Agriculture and Food, as the member knows, will be relocating its South Perth operations to the university campuses to strengthen those research alliances. I think that is all I can comment on. The world continues to evolve. Research is very much something that is now done nationally, if not internationally, and we are trying to form the best collaborations and partnerships that we can for the Western Australian industry.

Mr M.W. TRENORDEN: I will make a final point. I think everyone would agree that a read of the *Budget Statements* indicates that research in agriculture is becoming more important rather than less important. Good research is the framework on which the future of agriculture will hang. I say to the parliamentary secretary that I remain concerned about how I should evaluate that process, sitting from where I will sit when I return to my constituency. I am letting all members know that I am very uncomfortable about the current process and I do not see where the value is coming from for the people who substantially generate those investment funds.

The CHAIRMAN: Members, please do not test my patience. This estimates hearing is not about making statements; it is about members asking questions and getting answers.

Mr M.W. TRENORDEN: The question is: how do I evaluate the process?

The CHAIRMAN: Does the parliamentary secretary want to comment? I understand that there is some keenness to move to the next division—division 14. With the committee's agreement, I recommend that appropriation for division 13 be recommended.

The appropriation was recommended.