

Mr Paul Miles; Mr Terry Redman; Mr David Templeman; Mr Ian Blayney; Mr Chris Tallentire; Mr Michael Sutherland; Mr Mick Murray; Mr Vincent Catania; Chairman; Mr Frank Alban

Division 67: Agriculture and Food, \$164 019 000 —

Mr J.M. Francis, Chairman.

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

Mr I.G. Longson, Director General.

Mr M.J. Marsh, Executive Director, Business Services.

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

Mr E. Wright, Acting Executive Director, Natural Resource Management.

Mr D. Collopy, Acting Executive Director, Biosecurity.

Dr M. Sweetingham, Acting Executive Director, Research.

Mrs K.M. Blenkinsop, Senior Policy Officer, Office of the Minister for Agriculture and Food.

The CHAIRMAN: Good afternoon ladies and gentlemen. This estimates committee will be reported by Hansard. 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. Although 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 Chairman 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 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. For the purpose of following up the provision of this information, I ask the minister 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 minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 5 June 2009, 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 minister to cooperate with those requirements.

I caution members that if the 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. Only supplementary information that the minister agrees to provide will be sought by Friday, 5 June 2009. It will also greatly assist Hansard if, when referring to the program statements volumes or the consolidated account estimates, members give the page number, item, program and amount in preface to their question.

[Witnesses introduced.]

The CHAIRMAN: The member for Wanneroo.

Mr P.T. MILES: In my question to the minister I refer to page 859 under the heading "Significant Issues Impacting the Agency". Can the minister explain how the issues listed were identified?

Mr D.T. REDMAN: I thank the member for the question. One of the first things I did when I became the minister was to go through an exercise for determining this government's priorities in agriculture. They were largely to develop a plan to respond in terms of government resourcing and, I guess, to signal both to the agency and to industry the directions that this government would take. I believe that agriculture deserves a better direction than the direction it has had in the past and that the profile of agriculture needs to be lifted. Agriculture is a significant contributor to the economy of this state, and that, I guess, gave us good reason to put a plan into it and give it some direction. It is interesting to note that in the past there was not that level of clear direction from government, and it was very important to us that we gave it a clear direction. In developing that plan, we developed five key priorities, largely to redefine or re-centre the agency as an economic agency. Those five priority areas included plans to improve the long-term profitability; to develop an effective natural resource management policy; to build industry capacity to adapt and grow in the changing environment in which we find ourselves; to improve market access for Western Australian product; and to promote a positive profile for the WA food and agriculture sectors. Those priorities are very important and we have laid out some tactics for achieving them. We are using those priorities to inform both the agency and industry. Industry has had a chance

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to comment on them and at this point industry is reflecting fairly positively on those directions. Those are high-level priorities but there are also some specific tactics in response to them.

As the member for Wanneroo would appreciate, we are expecting in the budgeting process a shift in resourcing in support of those priority areas, again centring the department and the decision-making processes in the department, as an economic development agency, to ensure that activity gets to the ground and that decisions that are made move to the further development of the industry in Western Australia. As I said, it is the first time this has happened. There are a couple of factors in that exercise. One, as I said, is to refocus the department's economic development agency; and, secondly, to use the industry development plans—including a bit of work that had been done some time ago under the previous government—in the key areas of grains, animals, horticulture, food and trade development. Those industry development plans will inform us, obviously with a close link to industry and its development, on what the priority research and development areas are and need to be; and hence that will inform us as to where the resourcing needs to go to support, in this case, the research and development activity that needs to occur to further that industry in Western Australia. We believe that what we have laid out has given a clear articulation of where this government sits in respect of agriculture. We believe that it will in time give us the directions and resourcing necessary to shift agriculture forward in Western Australia.

Mr D.A. TEMPLEMAN: My question relates to page 859, the first dot point, "Improving the Long Term Profitability of the Agriculture and Food Sectors". I am interested in the first dash point under that dot point, which refers to "the identification and zoning of agricultural and food precincts". Also underneath that reference is a reference to "delivering a whole of government food strategy". As part of that strategy the minister is obviously talking about identifying existing and new areas where agriculture and food production could be taking place in the future. I am interested in knowing where some of those areas are, including my electorate in the Peel region. The other issue in the minister's research on this is the whole question of climate change and the nature of land use for agriculture into the future, specifically with regard to climate change. Can the minister give me some more detail on those two key areas?

Mr D.T. REDMAN: There was a lot to the question from the member for Mandurah.

Mr D.A. TEMPLEMAN: First of all, the identification of where close to the city we will grow food to supply the metropolitan area in particular.

[2.10 pm]

Mr D.T. REDMAN: I will make a couple of general comments and I will get some of my advisers to assist in this regard. Firstly, the member for Mandurah made reference to the food strategy. That was an initiative of the previous government and it is an initiative that I think has a lot of merit. In fact, I have included it as part of one of my priorities in this government and a strategy that we want to move forward. In essence, it is a strategy that targets the notion of developing both food and processing precincts. It is amazing how often planning affects agriculture. The impact of planning is significant to agriculture development in Western Australia, and hence our engagement with the relevant planning departments and the Minister for Planning is significant. I will talk more about precincts in a second. The two main components of the government's food strategy are, firstly, the development of agriculture precincts; and secondly, food integrity, the Buy West, Eat Best campaign. Although this was an initiative of Hon Kim Chance, the inquiry that resulted in that campaign came about through a motion that I introduced into Parliament. That is an interagency program and is not one that we can fully fund in our current budget. However, the government has put forward the agriculture component of that as a priority to work forward, and also the notion of precincts. A number of threats—that is the best way to describe this—exist to this: one is dealing with noxious products, that is, organic waste from retail butchers, from meat, fish, and chicken processors, and so on. If the people who deal with that waste now were to close up shop, that would be a significant issue for Western Australian industry. It is important that we identify sites and appropriate buffers so that when we go forward into the future, as our industries further develop, these issues are dealt with. We need to start that process now. Likewise, with meat processing in respect of abattoirs and so on, we are engaged in a similar process to look at appropriate sites around Western Australia to support industry processing facilities, and hence the appropriate buffers and infrastructure that need to support that. We need to take a bit of an industry stocktake and to look at the significance of those sites and those components of the industry to support the industry growth in general. That is key to the government's priorities and to its food strategy and to what we want to see move forward.

In respect to the broader question from the member for Mandurah on land use planning and identifying agriculture precincts, the project we are undertaking at the moment is aimed at identifying three to five agriculture precincts in Western Australia. That analysis will be completed by 30 June this year. That is something that the government has put in place to happen. The broader question of land use planning is significant. We find that this urban encroachment happens, not only in the metropolitan area but also in some of

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our regional communities that are trying to open up land. Do we push that urban area out into what one might call prime agricultural land? The challenge of those competing land uses is significant. We have already had a level of engagement with the Minister for Planning, and we want to strengthen that to ensure that the decisions we make in planning fit with the development of the agriculture industry in Western Australia and the natural resource management issues and all those other competing land use issues that follow from that. It is complex, but it is an issue that we need to ensure we bite off. I pass over to the director general, Mr Ian Longson, to make some additional comments.

Mr I.G. Longson: As the minister indicated, we are looking at two components. One is intensive agriculture production areas in all shires that wish to have those activities occur in their shire boundaries; things like feedlots and intensive animal production, such as poultry, piggeries and so on. As the minister indicated that is largely an interactive exercise with the departments of planning, environment and conservation and water to identify those appropriate areas in shires that can be allocated to intensive agriculture production. In terms of the food processing precincts—perhaps coming to the area of the member for Mandurah—we have been in discussions with the Peel, the South West and the Wheatbelt Regional Development Commissions as the three development regions surrounding the metropolitan area. Through that exercise, as the minister indicated, we hope to identify three to five possible precinct sites that would suit industry. Typically, they need to have access to water, waste disposal, and power, and preferably gas. That exercise is underway with the development commissions, and a proposal has been made to the royalties for regions program so that those development commissions can, if we like, finetune the work and do the analysis on that work.

Mr D.A. TEMPLEMAN: Just a supplementary question, Mr Chairman.

The CHAIRMAN: Before you ask the question, member for Mandurah, I ask that you refer to extra questions as further questions rather than supplementary questions.

Mr D.A. TEMPLEMAN: The minister's answer highlighted the importance of liaising with his planning colleague, the Minister for Planning. The concern I have is that in a number of shires, and particularly in my area, the Shire of Murray, where we are seeing more land being zoned urban or urban deferred, that puts a premium price on land. It changes the land use from agriculture-horticulture to urban. That land is then lost forever—because it is then a monetary issue—to potential ongoing agriculture or horticulture production. I am interested in the timing of how quickly the minister will designate these areas that he is interested in as agriculture precincts and what powers the minister has to say to a shire—say, the Shire of Murray or the Shire of Serpentine-Jarrahdale—that the government will prohibit urban encroachment by enshrining an agricultural use on that land that might otherwise fall to urban development?

Mr D.T. REDMAN: The member for Mandurah needs to separate the two issues in his question. In my response I referred to the notion of developing agriculture precincts for either food processing and/or intensive agricultural activities such as feedlots and abattoirs and other supporting agriculture industries. I see precincts for that in a different category than that which the member is talking about in the development of land for urban, rural and residential or whatever purpose it might be.

Mr D.A. TEMPLEMAN: True, however, as soon as an area is designated for a potentially noxious-type activity, and if urban development is allowed to continue in and around that area, there will be a direct conflict.

Mr D.T. REDMAN: Of course, and highlighted in that is the desire to choose a site that, one, is appropriate to the industry, and, second, we can put in the necessary buffers and environmental controls and impacts—and deal with those impacts—and, of course, the necessary servicing arrangements to support such a precinct. We believe that it is very critical to identify early such sites, whether they are located further out in the rural areas or located, in a lot of cases, in close proximity to fairly big populations. Such things as abattoirs need a big workforce to support them, so the location is critical, hence the priority the government is putting on this is because it sees this as a potential threat to the industry. It is important that that planning is done well and for all the relevant groups to have a level of engagement in this to ensure that in 10, 20, or 30 years' time we are not faced with a situation in which those activities come under such pressure that they are a direct threat to the industry itself.

Mr I.C. BLAYNEY: On page 859 of the *Budget Statements*, under the heading “Improving the Long Term Profitability of the Agriculture and Food Sectors” reference is made to accelerating access to new technologies, including biotechnology. With the rain over the past week, can the minister update the committee on the process of the GM canola trials? Are all crops in the ground?

[2.20 pm]

Mr D.T. REDMAN: Last week I attended a Primary Industries Ministerial Council meeting and a Natural Resource Management Ministerial Council meeting in Hobart, so on Wednesday I missed out on seeing first-

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hand the rain here in Western Australia. I was impressed to follow through the media the rain events of last week. Although there have been reasonably significant falls, they have been a bit spasmodic. There is a stretch between Newdegate and Lake Grace down south and then off to Ravensthorpe and Esperance in which that rainfall was a little light. As an agriculture minister, I would love to see extensive rains across the wheatbelt. They have been well received so far and I am sure there is a lot of activity in grain production in those areas.

With respect to the GM trials, the member would be aware that we have taken a very cautious and considered step forward. Whilst there is no direct activity with GM cotton in the Ord, an opportunity exists for potential investors in that region. After 10 years of trials, that is obviously a big possibility. I am advised that three-quarters of the 20 GM trial sites that we identified have already been planted. With this rain, they will be starting to grow soon. Whilst we are taking a very cautious and considered approach to this, we recognise that there are potential benefits in this technology for the farming community and for the environment. In my opinion, cotton is one of the stark examples of a crop where significantly fewer chemicals are used than might otherwise be used with a non-GM plant. There are opportunities that we should not be shy of. It is a sensitive issue in the public arena. There is a reasonable amount of misinformation about GM crops and their potential impact, value and use. From my perspective, it is important that a level of communication and information is available to people who want to access it. Hence, we have done that through the Department of Agriculture and Food. Significantly, in having trials this season we will look at not only the potential agronomic benefits but also the capacity to segregate GM from non-GM in our handling systems. It also triggers people who might otherwise not have looked closely at GM to do their own research and check it out and maybe attend a seminar or visit one of our stands at the numerous agriculture shows to get a better understanding of the opportunities that GM crops present. That will be one of the peripheral benefits. From my perspective, this is about choice. We understand that people still want to grow non-GM canola. It is a choice that they will have. I have confidence in the handling systems. This year's trials will give us a measure of that. Likewise, it will also give a measure of a number of studies, including potential gene flow in canola to reinforce some previous studies. That will certainly help to inform people about the science behind the decision that we have taken.

I am a little cautious of misinformation around the place. I will not highlight some of the examples. It is important that people take the opportunity to research for themselves from credible sources and build their understanding such that they can make an informed decision about their views on GM crops. It is certainly pleasing to see the amount of rain we have had. It is also pleasing to see that these trials are now underway. I am looking forward to the results.

Mr C.J. TALLENTIRE: I refer to the three per cent efficiency dividend on page 857. There is reference to a changed funding regime for management of selected pests and diseases. Well over \$1 million has been slashed from the budget of the control of selected pests and diseases. Can the minister tell us which programs have been slashed?

Mr D.T. REDMAN: We are looking at a number of decisions. There is a trend towards arrangements whereby there is a 100 per cent industry benefit in the control of certain pests and diseases. We are following on from the previous government, which was moving towards a user-pays arrangement in which the broad farming community, not just the local community, benefits. That is a theme that is happening. That will result not necessarily in a reduction in control of some of these pests and diseases but a funding regime that moves from the state to industry itself. We are working on regulations in the Biosecurity and Agriculture Management Act. Some of the pests and diseases that fit into that include Mediterranean fruit fly, foxes, rabbits, footrot and wild dogs, where there is a significant private benefit. I have had a number of discussions with a number of industry groups about how they feel about some of the choices. Clearly, people do not like to shift from a regime in which the state has largely funded the control of some of these pests and in which there is a significant industry benefit towards one in which industry has a greater proportion of payment. It is a trend that we need to support. Before any significant decisions are made in that regard, we will have a level of consultation with industry to ensure that any of the little nuances that we might not have picked up are given to us to form part of that decision.

Mr C.J. TALLENTIRE: I have a further question. As the government is moving toward this regime, what happens in the meantime and where in this budget is the money to establish that new user-pays mechanism?

Mr D.T. REDMAN: I might pass this question on to Damian Collopy as it partly relates to biosecurity. A big part of the mechanism sits in the Biosecurity and Agriculture Management Act. The regulations are still to be drafted and gazetted, which will enable industry to make decisions about what it wants to fund and to what extent. There are processes in play to do that. An amount of \$600 000 has been allocated for 2009-10, which will go towards dealing with the development of those regulations and getting that mechanism in place. That does not mean that we are putting a stop on it, saying it is not happening from now on. There is certainly a level of control but there is a bit of a glide path to shift that funding arrangement. Mr Collopy may wish to make some additional comments.

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Mr D. Collopy: There are two main schemes under the band of legislation that we are hoping to implement in the next 12 months, hopefully by the end of the next financial year. One is the industry funding scheme. The savings of \$1.1 million that we are looking at will be retrieved from schemes that are currently funded by the Department of Agriculture and Food on behalf of industry. We already have industry agreement that it will repay that amount in the future and, in some cases, such as the skeleton weed program, for which the government pays a significant amount of the cost, we will now be sheeting that cost back to industry. It is aware of that at this stage. It is the same with the footrot program; industry has agreed to take over that program as it is a direct benefit to the industry rather than the general community. That is where most of those savings will come from. The other part of that funding mechanism under the band of legislation is the regional biosecurity group funding mechanisms. We are hoping to get some funding to pilot that scheme over the next 12 months.

Mr C.J. TALLENTIRE: I understand that there is already a levy related to skeleton weed. I am not sure why we can say that there will be a saving because the industry user-pays approach already exists. On the animal side, what is happening to the wild pig eradication program?

[2.30 pm]

Mr D.T. REDMAN: With regard to skeleton weed, it is not entirely correct that the department does not put resources into its eradication. The department spends approximately \$600 000 a year supporting the skeleton weed program. It is not 100 per cent industry supported. The total budget for the program in 2008-09 was \$3.945 million. Yes, there is a significant industry component. Currently, the program is funded by a levy. A review was undertaken by the previous government and presented to me. The Agriculture Protection Board needs to make recommendations to me about the continuation of that program. This year, the budget for the program from the consolidated account is down from \$600 000 to \$100 000, and totals \$3.945 million. The same amount is going to the program but the industry is paying more. There is a real reduction in the government's contribution to that program. In regard to the future of the program, a review of the program was conducted and the APB is looking at that review. It will then recommend to me what will happen to that program. The two choices are that either it will be stopped or the program will continue in the same or a different format.

I will get Mr Collopy to talk to the member about the wild pig situation. There is the capacity for a shared government-industry arrangement because wild pigs also come under the Biosecurity and Agriculture Management Act. It is one of those tragedies whereby the legislation is in place but a bucketload of regulations must also be put in place. We are trying to fast-track those and to see what components can be pulled in so that we can deal more expeditiously with the things that the member talked about.

Mr D. Collopy: The member for Gosnells was probably talking about the Lake Muir Feral Pig Eradication Group. That group has been active for a few years and has been very successful. It is a successfully co-funded operation. The department matches the landholders' investment and we are trying to get some coordination between the landholders. Rather than each landholder trying to individually manage the pigs on his property, which is quite ineffective, the declared species group scheme is designed to coordinate management across a number of landholders, including the state government in the adjacent land where feral pigs make their home. That operation will continue. Today I committed extra funding to that declared species group. We envisage that any new funding that might be provided for a pilot recognised biosecurity group scheme will also be a further opportunity for that group to expand. We are hoping and planning that the model that the group has demonstrated will be extended to a larger area across the south west, where the pigs are a problem.

Mr M.W. SUTHERLAND: On page 862 of the *Budget Statements*, under "Explanations of Significant Movement", I note the government's \$30 million investment in the natural resource management program for the next financial year. I understand that is \$4 million more than the previous government had committed to. Will the minister please describe the government's new NRM policy position?

Mr D.T. REDMAN: I thank the member for Mount Lawley for the question. He has quite rightly raised a significant component of the state budget for agriculture—natural resource management. This government has committed \$30 million in this coming financial year towards that. It is interesting that the previous forward estimates figures in the last set of *Budget Statements* allocated \$26 million, so this is a \$4 million increase on that figure. The forward estimates of the previous government reflected the bilateral arrangements that used to exist between the Western Australian government and the federal government under the old national action plan for salinity and water quality and Natural Heritage Trust funding arrangements when we had to commit our share to that. The \$26 million was in the forward estimates in anticipation that that arrangement would happen again. However, there have been significant changes from the federal perspective. It has moved from that regime under the last conservative federal government to the Labor government's Caring for our Country arrangement. I cynically referred to it in the early days as the "caring for the east coast" arrangement rather than the "Caring for the West Coast" arrangement because I did not think that we would fare as well out of that arrangement as we

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should have. The Caring for our Country funding does not require a bilateral arrangement whereby the state government must commit state funds to match the federal government funding. Of course, the federal government is asking for that, but of significance to us will be the delivery of our priorities for natural resource management.

When I first came to office, I undertook a review of the natural resource management arrangements in Western Australia. That review was chaired by Mr Garry English, who for some time was the chair of South Coast Natural Resource Management Inc. Mr English is an impressive individual and a farmer in the Esperance region. He is well respected in the farming community and in natural resource management circles. He highlighted a number of outcomes from his deliberations and has presented that review to me. I will release that review in the next couple of weeks and also the government's response to the review and, following that, the state government's policy on natural resource management in Western Australia. It is significant that we are putting in place a plan, a policy and state priorities for natural resource management, which were not in place under the former government. That will provide the state with a very clear direction. The allocation in this state budget of \$30 million is a measure of our commitment to that. Beyond then there is no money in the forward estimates for that plan. We must demonstrate that we can deliver on that plan. The regional NRM groups will be significant players in that. In some of the transitional funding arrangements, \$1.5 million went to the regional NRM groups to support a base level of administration. They have received reasonably significant carryover funds from the Caring for our Country transitional arrangements from past funding arrangements; hence the necessity to have significant funding this year has not been high on our priority list. Those groups will be critical for identifying the NRM assets and the priorities of those assets in the groups' regions. They are very close to the communities and groups that care about those environmental assets. The groups will also play a significant role in evaluating the efforts of government regarding funding projects to support the improvement of our natural resource management assets. Those groups will play a significant role.

Although the policy has not been released, I will highlight that a significant pillar of the policy will be the recognition of a range of groups, not just the regional NRM such as the South West Catchments Council and the South Coast NRM and the like, but also non-government organisations, local government and other catchment groups and land conservation district committees that have the capacity to deliver natural resource management outcomes. It is critical that the best people we have manage our resources. I expect that that will give a measure of contestability to that policy. The groups will also support the state's priorities, which we will articulate to the broader agricultural community. It is significant that \$30 million has been allocated for this in next year's budget. That is the level of priority that we place on natural resource management. We have a plan and policies, and our priorities will be released soon. That will give us the capacity to leverage the Caring for our Country funds to support good outcomes in Western Australia.

The CHAIRMAN: Before I call the member for Collie-Preston, I point out that we are pressed for time and I ask members to keep their answers and questions as short as possible.

Mr M.P. MURRAY: I refer to the line item on page 857 to postpone selected research and development programs. My question is probably a follow-on to, although not totally the same as, the subject the minister just spoke about. What programs have been selected to be postponed? If the programs have not been selected yet, what criteria will be used to select the programs to be postponed?

[2.40 pm]

Mr D.T. REDMAN: The member will recognise that postponing a program will not actually take it out of play; it is simply shifting the commitment.

Mr M.P. MURRAY: It depends on whether it is a 10-year postponement or a two-month one.

Mr D.T. REDMAN: It is a one-year postponement, because the member can see that there is no three per cent efficiency dividend commitment in 2009-10. About 40 per cent of research and development programs are funded externally. A number of those programs have allowances for time variations due to issues related to weather, industry positioning, market factors et cetera. That will allow our 2008-09 target to be met. Some of the selected research and development programs postponed in part include wheat breeding; evaluating barley, oat and lupin grain quality; potato industry development; competitive supply chains for fruit and vegetable industries; integrated parasite management; precision wool production; lupin breeding; and various agronomy programs. I will ask Ian Longson to make additional comments.

Mr I.G. Longson: When the government announced that the three per cent efficiency dividend would need to start from 1 January 2009, because most of our activity is tied up in staff, the only possibility for us to immediately yield that dividend was to look at postponing the programs that the minister has just outlined. This was largely done in consultation with industry funding bodies that were funding some of those projects, and by

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letting contract staff go as their contracts came up for renewal. We basically stalled the progress on some of those projects. They will continue in 2009-10, but that was a way of immediately delivering on a fair amount of the \$2.7 million efficiency dividend that was required in six months. That was the best way we could achieve that without disrupting the priority projects and services for the organisation.

Mr M.P. MURRAY: The minister was saying that his projects were not wiped out but just postponed. How many jobs will be postponed in the meantime?

Mr I.G. Longson: In order to yield that efficiency dividend and look at moving staff to higher priority project areas under the government priorities, we are bringing about a reduction in the number of staff, and that is illustrated in the forward estimates further on in the papers. We are bringing down the staff numbers in the department from approximately 1 650 to 1 450. That will free up some operating money to address some of the higher priority areas. We have been able to achieve that reduction in staff, not by affecting permanent employees, but by not renewing contracts when they come up for renewal, and by reallocating staff to the high priority project areas. That process has gone on since January, and the numbers of full-time equivalents are shown in the forward estimates.

Mr D.A. TEMPLEMAN: I refer the minister to the section headed “Natural Resource Management” on page 859 of the *Budget Statements*. The fourth dash point under that heading reads —

new approaches to soil and fertilizer use and management are being developed in order to meet water quality targets in identified areas;

Can the minister give us some information about the identified areas?

Mr D.T. REDMAN: I will make a couple of comments, and then I will pass the question on to Mr Eric Wright. There is a big issue environmentally, particularly on the Swan coastal plain, about nutrient run-off. The level of fertiliser regime from the farming community is a contributing factor to that. Under the heading of the water quality improvement program the department, linked with the Department of Environment and Conservation, is doing a lot of work examining the fertiliser activities in the farming community. I went to the recent launch of the Fertcare program, under which accredited fertiliser advisers will appropriately advise farmers on the timing and the quantity of fertilisers to maintain a level of production while significantly minimising the amount of nutrient run-off into streams and hence the development of eutrophication. Ongoing laboratory, glasshouse and field trials to develop and test soil amendment and low-solubility, high-efficiency fertiliser as alternatives to current high-solubility products are also being assessed in that regard. The Minister for Environment recently announced one of the natural resource management projects supporting work in that area. It is a significant issue for the environment. A lot of work is being done in the Department of Agriculture and Food to improve fertiliser practice and deal with the nutrient run-off issue. I will ask Eric Wright to make some additional comments on that subject.

Mr E. Wright: The identified areas that have been targeted are those that have had water quality targets set for them and water quality improvement plans developed; namely, the Swan-Canning, Peel-Harvey and Vasse-Wonnerup catchments. The work will benefit fertiliser management and water quality improvement across all areas, particularly the Swan coastal plain, where there are high-leaching soils for fertilisers and run-off. The key areas that are being targeted at this point are the Swan-Canning, Peel-Harvey and Vasse-Wonnerup catchments.

Mr D.A. TEMPLEMAN: Is the government committed to the phasing out of high-phosphate soluble fertilisers?

Mr D.T. REDMAN: The member is talking about something that is within the brief of the Minister for Environment.

Mr D.A. TEMPLEMAN: But it is very pertinent to agriculture.

Mr D.T. REDMAN: I will say that the department is doing a lot of work on the whole nutrient run-off issue, particularly with those accredited regimes such as Fertcare, which will improve the quality of fertiliser advice about the timing and quantity of fertilisers to both maintain a level of reduction and have a significant impact on the environmental concerns raised by the member. We are developing and evaluating a range of best management practices for nutrient management in a variety of agricultural land uses. The government is committed to the issues of the fertiliser regime on those farms and the potential role that plays in nutrient run-off into streams, but the member’s specific question is better directed to the Minister for Environment.

Mr P.T. MILES: Under the heading “Election Commitments” on page 857 of the *Budget Statements* there is a line item of \$100 000 for a biosecurity feasibility study. I know the minister has touched on this before, but can he advise on how that money will be spent?

[2.50 pm]

Mr Paul Miles; Mr Terry Redman; Mr David Templeman; Mr Ian Blayney; Mr Chris Tallentire; Mr Michael Sutherland; Mr Mick Murray; Mr Vincent Catania; Chairman; Mr Frank Alban

Mr D.T. REDMAN: A number of issues about the southern rangelands area were raised. It covers a whole raft of areas centred around the changing land tenure arrangements. The issues concern the viability of sheep on those rangelands and pest management, of wild dogs in particular. Following those concerns I instigated a review that Hon Wendy Duncan is chairing. She has had meetings with a number of pastoralists and held a number of pastoral get-togethers, if we like, where there are cattle sales and so on, and engaged very strongly with the pastoral community. Indeed, I think meetings are happening in Kalgoorlie today. That \$100 000 is towards travel and support for that committee. I do not expect the whole lot will be spent but that will contribute towards that review, which I think will be significant in informing us on how to respond to those critical issues in the southern rangelands area. For many years they were strongly engaged in sheep management and the issue of wild dogs, which has been very difficult, hence the viability arrangements have changed somewhat. Likewise, a number of those stations are now owned by mining companies. Their commitment has probably not been quite the same as that of traditional landowners with respect to biosecurity matters. That committee is working through a very complex array of arrangements and concerns to inform the government how to respond, including, I might add, on the notion of stewardship, whereby government may well make a contribution. Again, I am speculating. I do not want to put words in the mouth of the committee, but it is looking at the notion of stewardship whereby government might support someone to stay living out on those areas in exchange for environmental outcomes and maintenance of biosecurity, natural resource management concerns and, indeed, maybe even supporting some of the pastoral leases owned by mining companies to deal with some of those matters. I am really looking forward to the outcome. The committee did ask for an extension because it was having a lot of engagement. I do not want to sell the committee short. I think it will report in about September, and I am looking forward to the outcome. It will certainly inform us on where we should have our government settings.

Mr V.A. CATANIA: I refer to the last point under the heading “Improving the Long Term Profitability of the Agriculture and Food Sectors” on page 859. Can the minister perhaps elaborate on what “leading the enhancement of the Gascoyne irrigation area” means?

Mr D.T. REDMAN: I think the member asked a very similar question of Hon Brendon Grylls regarding royalties for regions this morning. I was listening on the monitor. As with its support for the Ord River development, this government is committed to the Gascoyne food bowl initiative. A range of things is happening. I guess I would not call them competing issues, but the member is very aware of the water issue regarding the 400 hectares there. The ministerial council group—Hon Brendon Grylls, Graham Jacobs and I—is working through the challenges they face and what support the government can offer in the development of the water distribution systems. Likewise, a fair amount of work is going into other water sources such as bores and so on to check out another four gigalitres, from memory, and likewise the potential for another 400 hectares of irrigation land potentially becoming available. We see that as an opportunity for the region. Discussions I have had with the community there suggest their strong support for developing the irrigation opportunities in their area. The locals have a number of concerns about how that next 400 hectares might well be rolled out. Hon Wendy Duncan is chairing a community consultative group to tease out some of the competing issues that might be there to help us make the right decisions from a government perspective.

Mr V.A. CATANIA: Has the minister ever given the impression to the community that, if it wants an upgrade to its irrigation system, the community will have to accept expansion of the horticultural district in Carnarvon?

Mr D.T. REDMAN: I have had discussions with a number of the horticulturists there about the challenges they face. They took me for a tour of the irrigation areas. In fact, the water losses and so on were raised with me recently by the Sweeter Banana Company when I was there in the past couple of weeks. We are committed to supporting the horticultural opportunities in that region. There is a fair amount of work to be done and a lot of decisions to be made. Some of that is around water supply and distribution systems and some is around the expansion of the other potential irrigated area.

Mr V.A. CATANIA: Does the irrigation system not rely upon the community having to accept expansion of the district?

Mr D.T. REDMAN: The expansion of the horticultural area is obviously premised on available water, so the necessary work must be done to ensure the water is available to enable expansion.

Mr V.A. CATANIA: If the water is not available to enable expansion, will the government still upgrade the irrigation system in Carnarvon?

Mr D.T. REDMAN: I cannot imagine why we would upgrade land if there is not water.

Mr V.A. CATANIA: Will the government upgrade the existing infrastructure if there is not enough water available to expand?

Mr Paul Miles; Mr Terry Redman; Mr David Templeman; Mr Ian Blayney; Mr Chris Tallentire; Mr Michael Sutherland; Mr Mick Murray; Mr Vincent Catania; Chairman; Mr Frank Alban

Mr D.T. REDMAN: Two decisions are being considered: one is the support that the agricultural community is asking for regarding the issues with their current water distribution system. Secondly, we are looking at the opportunities to expand the other 400 hectares. Hon Wendy Duncan is a member of a committee that is looking at the issues and challenges that are part of that. There is not a unified view across the horticultural community up there about how some of that may well roll out. I might add that the commitment from government in that region goes well beyond that Carnarvon precinct, if we want to call it that, to the whole artesian basin out in some of the pastoral areas and the opportunities that exist there.

Mr V.A. CATANIA: I understand that. I am focusing on horticulture because there is quite a bit of concern about the expansion.

Mr D.T. REDMAN: We are strongly engaged with that community. We have a number of issues to work through and the water distribution system is one of those.

Mr I.C. BLAYNEY: I refer to the Ord stage 2 project on page 859. What work has been done to establish cropping options as part of the second stage of the project?

Mr D.T. REDMAN: I thank the member for the question. A significant contribution has been made by this government to Ord stage 2 to the tune of some \$220 million. I have just had a recent update from the ministerial council of the four relevant ministers, including the Premier, about where things are at. It is very encouraging that a significant amount of progress has been made. Obviously, it is an agricultural development alongside a lot of the social development that is occurring in the community to support that. Given that project is happening, it of course is a priority of this agency to support those developments in looking at both the water issues: how much water is available and how far that can go from an agricultural perspective. Obviously, irrigation is part of that. There is support for—I think they are currently occurring—soil surveys in the Cockatoo Sands, which is outside the immediate black sands and heavier sands in the valley. It is an opportunity that goes well beyond the scope of what Ord stage 2 and the next step are and, of course, looking at crops that would suit that. This government's decision to lift the moratorium on GM cotton in that region presents GM cotton as an opportunity to be one of those potential backbone crops to support the development of the Ord.

[3.00 pm]

I did a tour of that area late last year and one of the other crops was gubinge, a local fruit, which the Miriuwung Gajerrong have an interest in. A fair bit of work is being done into looking at the agricultural opportunities and the level of support our agency can offer to the growth in development of the Ord.

Mr D.A. TEMPLEMAN: We were very keen to get one more question in on this division and we are on time. Can I have one more question after this?

The CHAIRMAN: The division can keep going.

Mr D.T. REDMAN: They all have to be done by 3.30 pm.

Mr I.G. Longson: I do not have much more to add other than some facts. The minister has highlighted the key areas in which the Department of Agriculture and Food is providing support. One is to have a technical team reviewing the crop options that could be grown on the Ord. I think 40 different crops could potentially be grown on the Ord. A technical team is supporting that. In addition, as the minister mentioned, there is a soil survey of the suitability of Cockatoo Sands, which is about 100 000 hectares in area, to determine whether other crops could be grown, such as cotton, peanuts and so on, depending on water availability. A lot of intensive work is going on to determine what can be grown and over what area with the available water.

Mr M.P. MURRAY: I refer to page 857 and the line items "Reduce Project Activity" and "Reduce Project Activity Not Directly Related to Economic Development". As these have been listed as two separate items, is the first line item related directly to economic development? If not, why is the distinction made and what project activity will be reduced?

Mr D.T. REDMAN: In my opening statement in response to a question from the floor about the priorities this government is putting on the agency, I highlighted the redefining of or enhancing the agency as an economic development agency. The last item about reducing project activity that is not directly related to economic development is in line with the government's priority in terms of the basis for making decisions on a range of areas.

I guess a couple of things happen. One is a commitment to deliver to the government a three per cent efficiency dividend. That means we put a ruler over everything that we do. Therefore, we have criteria on how to achieve that. By focusing on the direction of the department as an economic development agency, it means that if something is not going to contribute to or support the economic development of agriculture in Western Australia, it would be good reason to have a close look at whether it is an activity we want to continue or downsize. Those

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sorts of decisions are looking at everything that the agency does. I also highlighted that we are shifting a measure of resource towards supporting the priorities of this government.

Likewise, I mention that moving towards the notion of beneficiary pays is a trend that was started by the previous government and it is a trend I support. We are moving towards industry paying a bigger proportion of commitment in some areas, such as research and development and biosecurity when there is a demonstrated 100 per cent industry benefit from those activities. We have already talked about the mechanisms for how we might achieve that.

Some activities include, for example, the red imported fire ant program—this is interesting from a biosecurity perspective. I was at a Primary Industries and Natural Resource Management Ministerial Council meeting in Hobart recently. There are infestations of red imported fire ant in Queensland. We have European house borer here and they have the red imported fire ant. It is not a bug that we want, but we make a contribution to that program because of interstate agreements to keep it at bay in Queensland. Likewise, they make a contribution to what happens here with the European house borer. They have told the Western Australian government that they believe industry here should be funding 20 per cent of the European house borer eradication program. We could ask: where is the point of obligation on industry to pick up the tab on European house borer? The European house borer largely resides in dead pine trees. There is a lot of infestation in the dead pine in the Gngangara pine forest. Industry harvests that timber and it is sold. If the infestation is not detected at that point, it goes into somebody's house. There is a significant community benefit from us maintaining a strong program with regard to the European house borer. However, the other states are putting pressure on us to find somewhere in industry to pick up some of the tab. We are having this toing and froing about our commitment to our European house borer program. The other challenge for us is that we are funding the red imported fire ant program in Queensland. There are challenges in this debate on what we fund and to what extent we fund it. Mr Longson might want to make additional comments.

Mr I.G. Longson: That distinction, as the minister indicated, is purely reflecting the non-project activities, largely biosecurity and NRM expenditure. We are looking at how industry can pick up more of the tab for those things. We are also looking at how we do our business internally, such as more use of electronic communication, rather than printed materials, and reducing advertising and media costs. They are non-project activities that we undertake on behalf of the community.

In terms of project activity, we are still working through the full list of those projects. The intent is to keep the amount of activity going and to simply talk to the industry funders to increase the amount of industry funding going into those areas, be it grains or horticulture, and reduce the amount of the consolidated account going into those areas. We have a list that we have not yet finalised because we are still working with those funders.

Mr M.P. MURRAY: I am not sure whether I did not hear the answer. Has the relocation of the agricultural research headquarters been deferred?

Mr D.T. REDMAN: Is it a further question?

Mr M.P. MURRAY: It is a further question because we are talking about projects.

Mr D.T. REDMAN: I am happy to answer it.

Mr M.P. MURRAY: How many job losses will there be in the relocation of the Murdoch headquarters?

Mr D.T. REDMAN: It is on a different page. The member is right about the deferral of the relocation. There are a couple of reasons for that. This government's forward estimates for this are the same as the previous government's forward estimates. The previous government's forward estimates were not enough to fund the full relocation of what was defined by the work that has been done. Expenditure in that relocation has already occurred. It is largely around decisions of planning and design that goes with a move. We have made the decision to move off by a couple of years that relocation as part of the economic order process. Across the forward estimates there is something over \$7 billion worth of cuts because of the financial times we find ourselves in. That is a decision we have had to make. I might add that we are having a close look at the original plan, not necessarily the physical plan of the buildings, on how it was funded. The intent here and the intent of the discussions to this point is that government will fully fund the projects located at Murdoch, the University of Western Australia site at Floreat and some facilities at Curtin University of Technology where there are synergies with certain activities and research in particular with which the department engages. Whether there are other ways of funding those projects is something that we are having a close look at. If the member is referring to the timing issue and if we are to stick to the old plan of the timing being two years, we need to find another \$150 million, amounting to a total of \$350 million, which we simply have not been able to achieve in the current financial environment. We are committed to the project; it is just that the timing has moved and we are having a look at whether we can do it in our different funding model.

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[3.10 pm]

Mr F.A. ALBAN: I refer to the third dot point on page 859 above “Natural Resource Management”, which states that there is the need for an effective saleyard capability. Exactly what is the progress of the Muchea livestock centre and how does it fit in with the government’s regional saleyard strategy?

Mr D.T. REDMAN: The member will be aware that one of the first decisions I as minister and the government made was to commit ourselves to the Muchea relocation at significant cost—more than \$50 million. It was pleasing to see that site go from a bare site to driving past recently and seeing it with the roof up now that the rains have started. It means that a significant amount of work can now occur under sheltered arrangements. It will be a state-of-the-art facility and is a facility that industry has been looking forward to for some time. It was a serious concern to the government to have a facility to replace what I would describe as a Third World facility at the Midland site. We need to get off that site as soon as possible and we therefore made the decision to move. It is a substantial decision from a funding perspective and a significant decision from industry’s perspective. That project will be completed by the beginning of next year. I might add that it is within a week or so of being on track.

We are also committed to the rest of the state saleyard strategy. Although it is not a particular line item in the budget, funding from the sale of the Midland site has not been lost. We are presently working through the strategy, bearing in mind that proceeds from the sale of land under the current Midland site will be realised only when the shift of those saleyards is effected. Presently, we are working through the arrangements for our commitment to both the great southern saleyards in the Shire of Plantagenet and Katanning saleyards in the Shire of Katanning. We are also looking at potential options for Boyanup saleyards. We are working through a number of issues and we are committed to that strategy. I have made that statement a number of times in the house and I am certainly looking forward in the early part of the next financial year to making some announcements in that regard.

Mr D.A. TEMPLEMAN: Mr Chairman, I am keen to move on to the Agriculture Protection Board, given that we have just over 15 minutes to go.

The CHAIRMAN: Is the member for Gosnells happy with that?

Mr C.J. TALLENTIRE: Yes.

The appropriation was recommended.