



## Parliamentary National Party of Australia (WA)

Our ref: 180418/JN

Hon Matthew Swinbourn MLC  
Chair, Standing Committee on Environment and Public Affairs  
Parliament House, 4 Harvest Terrace  
WEST PERTH WA 6005

Via email: [env@parliament.wa.gov.au](mailto:env@parliament.wa.gov.au)

Dear Mr Swinbourn

### **PETITION NO. 058 – AGRICULTURAL EDUCATION FARM PROVISION TRUST**

I write in response to your letter of 11 April 2018 with regard to issues raised in petition No. 058 tabled in the Legislative Council on 10 April 2018. This issue has not been raised with the Parliamentary Commissioner for Administrative Investigations (Ombudsman).

The Agricultural Education Farm Provision Trust (the Trust) model was introduced in the 1980s as a way of allowing Western Australia's agricultural schools to pool money generated by commercial on-farm production. Funding was then allocated back to contributing schools to assist with expenses, farm upkeep and education in the field. Following the establishment of the five-school WA College of Agriculture consortium in 2000, the Trust contribution model was changed from 25 per cent of farm net profit to 40 per cent of gross income. This means 100 per cent of the Trust's incoming funds are derived from 40 per cent of farm revenue contributed monthly by individual colleges at Cunderdin, Denmark, Harvey, Morawa, Narrogin and Esperance Senior High School Farm Training Centre.

Thanks to the Trust, the college system enjoys a level of autonomy when it comes to administration of farm finances, and doesn't rely on full fiscal support from the State Government when it comes to commercial farm operation and infrastructure investment. The Trust is administered by a 16-member Combined Agricultural Advisory Committee (CAAC). The CAAC expends funds in three main streams:

1. **Fixed costs** – CAAC spends approximately 26 per cent of Trust income on fixed costs for colleges and schools in the following areas: machinery leases, vehicle repairs and maintenance, licensing, insurance, State fleet leases, fencing and operational costs.
2. **Contingencies** – Roughly 13 per cent of Trust income is set aside for unforeseen circumstances or events that compromise farm operations, or when urgent unbudgeted investment is required.
3. **Distributions** – Remaining funds are distributed back to the six contributing colleges and 10 non-contributing public schools through twice-yearly allocations following annual needs-based applications.

Since 2002 Trust distributions alone amounted to \$8.5 million for contributing colleges and since 2007 more than \$850,000 to 10 non-contributing public schools in support of their agricultural programs.

At current revenue contribution levels, the Government's plan to take a 20 per cent dividend from the Trust annually equates to more than \$300,000 per year. Such a reduction in the Trust balance will have a dramatic impact on the CAAC's ability to direct adequate funding for updating farm machinery and infrastructure.

There is a real threat this cash grab will impact CAAC's ability to fund machinery and equipment in line with contemporary industry standards, putting student attraction and retention capacity of colleges and the likelihood of related employment post-graduation at risk. An absence of modern machinery also poses a threat to farm safety and could impact productivity in the case of failure at critical times of production. Enrolments at our agricultural colleges in 2018 are at record numbers, including a high percentage of females who this year make up 34 per cent of the total intake.

Agriculture as an industry in Western Australia is experiencing a resurgence and has a production value of more than \$8 billion annually. Unfortunately, a clear skills shortage has emerged as a key issue affecting the ability of industry to grow and meet global food demand. WA Colleges of Agriculture provide exemplary industry-backed secondary education, training and upskilling the next generation of leaders and workers across a range of agricultural sub-sectors. Graduates have a high rate of employment in industry directly out of school and many go on to further their studies at tertiary level.

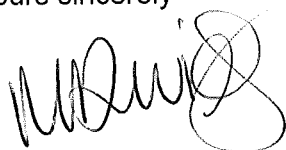
The State Government is aware agricultural education makes an important contribution to the long-term competitiveness of industry and increases general understanding of the importance of agriculture to our economy. In fact the *WA Labor 2017 Platform* commits to improving agricultural education opportunities in regional and rural centres.

Questions must be asked by the Committee about the veracity of the State's decision to dip into 20 per cent of the Trust account balance each year, including:

- 1.) What investigation has been undertaken to determine how taking 20 per cent of the Trust annually will impact CAACs ability to administer the account so colleges can strategically manage operations and modern agricultural education programs?
- 2.) What level of consultation with CAAC, Farm Advisory Boards and school P&Cs occurred prior to the State Government reaching its decision?
- 3.) Will diminishing the fund pose a risk to the safety of staff and students should they not have access to contemporary machinery and equipment?
- 4.) Is the potential absence of a portion of the trust going to limit its ability to meet the needs of contingency funding when required?
- 5.) To what extent will the decision impact enrolment and graduation levels?
- 6.) How does this decision align to the State Government's agricultural education policy?
- 7.) Where will the money taken from the Trust be reinvested?

If you require any further information please do not hesitate to contact my office on 9222 7296 or email [mia.davies@losp.wa.gov.au](mailto:mia.davies@losp.wa.gov.au).

Yours sincerely



Hon Mia Davies MLA

**LEADER**

**10 MAY 2018**