

Chairman; Mr Terry Redman; Mr Paul Papalia; Ms Lisa Baker; Mr Vincent Catania; Mr Martin Whitely; Mr Ian Blayney; Mr Ian Britza

Division 63: Agriculture and Food, \$155 404 000 —

Mr P.B. Watson, Chairman.

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

Mr G. Paust, Acting Director General.

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

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

Dr K. Chennell, Executive Director, Livestock Industries.

Mr M. Bowley, Acting Executive Director, Regional Operations and Development.

Mr K. Waller, Acting Executive Director, Corporate Strategy and Operations.

Mr J. Murgia, Chief Finance Officer.

Dr M. Sweetingham, Director, Grains Industry Development.

Ms C. Buckland, Chief of Staff.

Mr J.P. Henderson, Principal Policy Advisor.

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

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

The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 8 June 2012. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office.

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

[Witnesses introduced.]

The CHAIRMAN: Is there anyone left in the Department of Agriculture and Food today?

Mr D.T. REDMAN: There are still a few!

Mr P. PAPALIA: I refer to the efficiency dividend under the "Major Spending Changes" table on page 757 of budget paper No 2. What existing programs and services will be cut to achieve the minister's notional dividend?

Mr D.T. REDMAN: I thank the member for the question. He will certainly be aware that across government all agencies have undertaken to make an efficiency dividend. In the first year—2012–13—that is a two per cent efficiency dividend. As the member knows from the item in the budget papers at the bottom of the page to which he refers, the dividend is \$2.798 million. We are working through a process to identify that. I must say that the Department of Agriculture and Food has been very proactive in working up both the process, which I am very happy with, and also taking the time to articulate to staff in the first instance that process so that people as far down the organisation as possible can be engaged in that. At this time, we have not made a decision about what those changes or cuts will be, but it is important that we maintain a high level of service to the sector. I will highlight some of the key things that will not be cut. One will be the —

Mr P. PAPALIA: I thank the minister, but I am not interested in what will not be cut.

Mr D.T. REDMAN: I am attempting to answer the question.

Mr P. PAPALIA: I have only about an hour, I assume, because the minister has other portfolios; we are restricted with time and the government's troops will no doubt interject with some dorothy dixers before long. I am really interested in the nature of the cuts that will be achieved in not just this budget year. I know that the Premier does not believe in the forward estimates, but the forward estimates are in the budget. The cuts that are listed are very specific. They are not just generalised round figures; they are very specific numbers. In 2015–16,

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the cuts will amount to \$7.385 million. We are talking about it and we have a good process in place. Therefore, I assume that the minister should be able to provide that information to the estimates committee. This is the minister's last opportunity before the election next March to tell people in the sector what will be cut and to be honest and up-front with them. The minister should tell us what services will be cut to meet the efficiency dividends.

Mr D.T. REDMAN: With respect to the member for Warnbro, those figures are very specific because they are simply a percentage of the appropriation. That is why they are specific. They are not specific because they relate to a particular decision that has been made. As I highlighted, no decision has been made about exactly what will be cut and changed. We have put a lot of effort into the process to ensure that we are working through the areas that are most important to the department. The areas that will not be cut are those areas that are significant to the ag sector in Western Australia.

Mr P. PAPALIA: What percentage do those figures reflect?

Mr D.T. REDMAN: It is a two per cent efficiency dividend in the first year. That has been articulated to the public already. The agencies have undertaken to put in place a two per cent efficiency dividend to reflect the budget challenges that we have this year. One of the main reasons for that is that we have a huge challenge with the GST returns to Western Australia.

Mr P. PAPALIA: As a follow-on question, is it true that the directorates within the Department of Agriculture and Food have been asked to find cuts to expenditure of 10.1 per cent because a large component of the budget cannot be touched because it is associated with pay increases and other factors that people in the department are prevented from cutting? When the minister talks about services, he is talking about in excess of 10 per cent cuts. Is that not the case?

Mr D.T. REDMAN: A number of things in the budget clearly cannot be touched. Obviously, we cannot touch the wage arrangements for staff because the industrial position cannot be cut and a range of other mandated services are required to remain. Also, the state government is putting in place a number of policy decisions it has made—no doubt the member will hear about some of those today—that will not be changed. When making decisions about where changes are made, often a smaller area will take the brunt of the change. We will focus on the 90 per cent of work that the agency does that is actually really important to the industry. I believe that over the term of this government the department is very focused on those needs of the sector. The department is more focused than it has ever been with a strong executive team to deliver key services to the industry to build the ag and food sector in Western Australia.

Mr P. PAPALIA: Is it true that when it comes to the provision of services, it is likely that the minister will cut 10 per cent of the budget, as opposed to the two per cent blanket cut across the entire budget?

Mr D.T. REDMAN: The point I made—this is what the member is implying—is that some areas of the budget cannot be cut for a range of reasons. The point is that other areas of the budget will have to take a more than two per cent cut to deliver an overall two per cent efficiency dividend.

Mr P. PAPALIA: Will that be to any services?

Mr D.T. REDMAN: The department does a range of things to support the industry's growth and development in Western Australia, and some of those services are high-priority services. In determining what will be targeted to deliver a two per cent efficiency dividend to government, we must understand exactly which services will be more critical than others—the higher priorities areas that must remain untouched—and we are working through that process.

[9.10 am]

Mr P. PAPALIA: But 10 per cent will be taken out of service provision.

Mr D.T. REDMAN: The point I make, member, is that there will be areas in the department that we will have to make cuts to that will be greater than two per cent.

Mr P. PAPALIA: You sound like Sir Humphrey!

Mr D.T. REDMAN: I highlight to the member that no decision has been made about what will be cut at this point. There is an understanding that we have to make those changes, and that is articulated within the budget.

Mr P. PAPALIA: Is the reduction in full-time equivalents part of the planned cuts?

Mr D.T. REDMAN: I expect that there will be a reduction in FTEs. A range of contract services are delivered to the agency. When some of those contracts finish, they will not be renewed. Decisions around exactly what that is are still to be determined. At this time the agency has been very proactive in articulating to staff where we are at, and I am really pleased about that because it is being up-front and open and trying to engage staff in the process. There will also be a level of natural attrition of staff who will not be replaced; hence there will be an impact on

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staff. But that is part of the game: to find that balance between the skills set and FTE resource that the agency has and ensuring that it has a level of cash available to respond to industry's needs. This is not something new. This is something that the agency and I have been articulating to the sector for the last three and a half years.

Mr P. PAPALIA: In discussing that with employees, has a reduction figure of 100 FTEs been contemplated?

Mr D.T. REDMAN: I have not heard what the Director General of Agriculture and Food has said to staff, but I am aware that there will be —

Mr P. PAPALIA: The acting director is sitting next to you; perhaps you could ask.

Mr D.T. REDMAN: There will be a fairly significant impact on staff, and that will be notably in the areas of not renewing contracts and of natural attrition over time. What is important in this is the service provided to the sector. What has happened over the last three and a half years, and will happen through this process, are measures to ensure that we find the right balance between the level of staffing and the skills set of the staff we have and the cash available to respond to industry's needs. That balance is really important, and that balance is about service provision.

Mr P. PAPALIA: Can you ask whether 100 is the figure that has been discussed?

Mr D.T. REDMAN: Member, you have no doubt had someone out there say to you that something has been said —

Mr P. PAPALIA: No. At the outset of your response —

Mr D.T. REDMAN: — and I am articulating government's response. Mr Chair, I think I have been accurate in responding to the question.

Mr P. PAPALIA: No. At the outset of your response you said you have not discussed it with the director general.

The CHAIRMAN: Member, let the minister have his say.

Mr D.T. REDMAN: The point I make is that the member is right: certain areas of the agency will take a bigger hit than others, simply because some areas should not bear a two per cent cut. Therefore, natural mathematics says that other areas take a bigger hit to get a two per cent efficiency dividend. The second point the member makes is around staff reductions. There will be staff reductions. That will be something we will have to work through, simply because we need to ensure that we have that balance between staff and the skills set of staff and available cash to be able to respond to industry. A lot of resources within the department are leveraged with other funds that come in from outside—whether it be from some of the research and development corporations or from universities—such that we need to have the cash on the table to be able to drive the directions that we see we need to drive to support industry.

Mr P. PAPALIA: So —

The CHAIRMAN: I give the call to the member for Maylands. The member for Warnbro had 12 minutes. I think that is enough for one question.

Ms L.L. BAKER: Minister, I am looking at the total appropriations column in division 63 of this same budget paper No 2 at page 757. I have been through the whole of the agriculture and food section in the budget paper several times and have not found anywhere in the total appropriations, or anywhere else, any mention of the animal welfare work that is done by the Department of Agriculture and Food now, which the department inherited or took from local government. How much of that money is being spent on this? I would appreciate some guidance on where it is shown. In particular there is absolutely nothing in any of the statements that follow under "Services and Key Efficiency Indicators" or "Significant Issues Impacting the Agency". There is absolutely no mention of it anywhere.

Mr D.T. REDMAN: Thanks, member, for the question. The question is quite a general question, I guess, relating to an area that I know she is very passionate about—the animal welfare area.

Ms L.L. BAKER: It is pretty specific.

Mr D.T. REDMAN: As the member is aware, in the middle of last year the Department of Agriculture and Food took on responsibility for the Animal Welfare Act. The member will also note that I spent a lot of time explaining to the house the fact that this government actually doubled resources into that area, and notably doubled the resources to the RSPCA, which I am sure the member is appreciative of. In terms of animal welfare compliance and enforcement, in 2012–13 there is a budget of \$1.76 million. There is also some resource that goes across the agency, as the member would appreciate. There are livestock compliance officers out there who all have roles in identifying animal welfare issues, and of course, I could probably argue a big proportion of the

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livestock section in the department notably has a focus on ensuring that there is compliance and an understanding of general animal welfare conditions. However, I think this government holds its head pretty high in ensuring that we have a strong focus on animal welfare, and rightly so.

Ms L.L. BAKER: Does the minister have the budget figure for 2013–14 as well? He has given me a \$1.76 million figure for 2012–13; does he have the 2013–14 for me?

Mr D.T. REDMAN: I have total figures in the out years for 2013–14 of \$1.765 million.

Ms L.L. BAKER: Thank you; and 2014–15?

Mr D.T. REDMAN: I just have an out years figure, so I do not have that hidden.

Ms L.L. BAKER: Can the minister break that figure down a little and tell me how much of that money is actually contributing towards investigating cases for prosecution under the livestock section? How much of \$1.76 million will be spent on investigations and prosecutions?

Mr D.T. REDMAN: I will ask —

Ms L.L. BAKER: It is a costly thing to do, so I am assuming the minister has made some sort of budgetary commitment somewhere.

Mr D.T. REDMAN: Is the member seeking information that specifically relates to ensuring compliance out there?

Ms L.L. BAKER: Yes. Is there a further line item? I am sorry but I genuinely could not find anything to tell me this. Does the minister have any idea of what the department anticipates it will spend on investigating cases for prosecution in the livestock section? I think the gentleman up the back might know something.

Mr D.T. REDMAN: I will pass the question on to Mr John Ruprecht.

Mr J. Ruprecht: There is no explicit line item regarding the investigations. We are undertaking a number of investigations at the moment and a number are before the courts. We are working very strongly with the State Solicitor's Office with those. In addition, we work with the livestock compliance unit and with WA Police regarding stock theft and the like where we provide the training and advice.

Ms L.L. BAKER: I understand that, Mr Ruprecht—sorry to interrupt. I am really just interested specifically in what the department will use to fund investigation work.

The CHAIRMAN: Just go through the minister. The member cannot talk directly to an adviser.

Ms L.L. BAKER: I am sorry, minister.

Mr D.T. REDMAN: Mr Ruprecht.

Mr J. Ruprecht: We actually do not have a specific line item for that. In the animal welfare area we have the livestock compliance regulation and response program within the department. We do have a policy and compliance area, so we are actually actively undertaking the cases at the moment that were transferred across from the Department of Local Government. We have a suite of work that we are undertaking with regard to inspections and infringement notices, and as a last resort we will undertake prosecutions.

Ms L.L. BAKER: I have a supplementary question for the minister. I am hearing that the department will absorb the cost of investigating potential prosecutions through the budget.

Mr D.T. REDMAN: We have a responsibility to ensure compliance with the Animal Welfare Act.

Ms L.L. BAKER: How will the minister do that, though, without a budget?

Mr D.T. REDMAN: We have doubled the budget since the member's term in government first of all; and, secondly, we have doubled the resources to the RSPCA.

Ms L.L. BAKER: But it does not investigate cases, minister.

Mr D.T. REDMAN: As the member would appreciate, there are 10.3 FTEs allocated to animal welfare compliance and enforcement.

Ms L.L. BAKER: Dedicated, and none of them will be cut?

Mr D.T. REDMAN: No.

[9.20 am]

The CHAIRMAN: Members, we have had two questions in 19 minutes. I think I mentioned at the start that we would try to get quick answers to quick questions?

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Mr V.A. CATANIA: On page 764 of budget paper No 2, under “Asset Investment Program”, reference is made to a redevelopment of the headquarters of the Department of Agriculture and Food and the Australian Export Grain Innovation Centre. It looks as though the program has been deferred for two years. Can the minister please elaborate on that?

Mr D.T. REDMAN: Thank you, member for North West. I appreciate the question. Last year the government committed about \$234 million to the new Department of Agriculture and Food headquarters, which included the Australian Export Grain Innovation Centre, which project I am very excited about. It is certainly true that the construction of that program was deferred for two years, and I am very disappointed about that. It is one of those decisions government has to make across the board in deferral of a range of capital projects. I am not exempt from that. Part of that is around making up for the gap in the GST revenue we have lost out of Western Australia, but we are certainly committed. I might add that this government has made the decision and is committed to that project. I am very pleased about that. I also said that part of it is going to be funded from the sale of other assets, which now gives us a little bit more time, I guess, to progress. The timing helps in one sense in that it will ensure that when we get to the point of doing key parts of that project, we will be much better prepared to do it. I am very anxious about the current state of the Department of Agriculture and Food buildings. They are in dire need of change. We have committed to that, but, sadly, it has been pushed out by a couple years.

The Australian Export Grain Innovation Centre has also generated a fair bit of interest. We put on the table recurrent resources, so whilst the capital upgrade of \$30 million contributed to that will be pushed into the out years. We are supporting in this budget—it will be quarantined because it was a commitment we made in conjunction with the Grains Research and Development Corporation—funding a hub of science and innovation focused around export grains, which is where Western Australia has its most significant agricultural asset. Of course, that is also our flagship investment around supporting the national research and development extension framework. I highlight that whilst the capital part of that project is not in the immediate budget, we have recurrent funding, so two of the six projects have started already. I think the other four will start from 1 July this year in conjunction with the GIRD. I am very impressed that we have the GIRD on board and likely some resources from the likes of CSIRO, which is very pleasing.

Mr P. PAPALIA: With respect to the move —

Mr D.T. REDMAN: With respect to what?

Mr P. PAPALIA: The move. This is a follow-on from the last question.

Mr D.T. REDMAN: The member is referring to what is in the budget papers?

Mr P. PAPALIA: Come on; it is a follow-on question referring to the same point the member mentioned at the outset.

The CHAIRMAN: It is a further question, minister.

Mr P. PAPALIA: If you want to be silly, you can.

The CHAIRMAN: Just get on with it, member for Warnbro.

Mr P. PAPALIA: Can the minister tell me exactly how much money has been spent on the planning and determination process for the move that led to the change of decision post the previous Labor government’s loss? How much money was spent on that deliberation and planning process between the 2007–08 budget and the present day?

Mr D.T. REDMAN: To paraphrase the member’s question to be sure I have it right: before his party finished government at the end of 2008, whilst there was not a formal commitment to build anything, there was a decision on the table to build the headquarters at Murdoch?

Mr P. PAPALIA: Yes.

Mr D.T. REDMAN: Since then we have assessed that and have made a decision through cabinet to locate it on the site in South Perth where the current buildings are and to seek to show some innovation and bring on partners through the AEGIC proposal. A lot of work was done and, importantly, we got to the point that we did not believe what was being offered on the site at Murdoch and the relationships that we were working through were sufficient to deliver the outcomes we were seeking.

Mr P. PAPALIA: How much did all that cost?

Mr D.T. REDMAN: I want to preface it with these comments because those early figures are in the budget papers. The estimated expenditure to 30 June 2012 was \$5.47 million. That is explicit in the budget papers. I highlight that when making a decision to do a rebuild and bring on innovative projects such as AEGIC, it is

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really important to go through the work to understand who are the partners and part of that is around location. The decision made today about that, and doing some deliberation on that, I think, is a good investment.

Mr P. PAPALIA: Did the department spend \$5 million on deciding to change the decision?

Mr D.T. REDMAN: A lot of work goes into planning on a number of levels. Can the member appreciate the decision to look at the Murdoch site? Hon Kim Chance did a lot of work around that in his time. Two things in there are critical; one is the relationship we have or are likely to have with an agency going forward—with industry, with other partners. The first question we need to ask is, does that site allow us to take on those partners on a university site that we do not own or would not own to be able to drive what we think are the partnerships we need to have in the future. Secondly, the other work being done was: what was the size or the nature of the building that could support what the purpose of the building needs to be? We were working through those two things. On the point the member is making, I do not stand back from putting effort and hence resources into ensuring that if we are to develop an economic development agency that has been a part of this government's drive, it needs to be on a site where it can bring on partners and partnerships that will be critical to the delivery of those outcomes.

Mr P. PAPALIA: On going through previous budgets —

The CHAIRMAN: Member —

Mr P. PAPALIA: It is a discrepancy of \$3 million, Chair. We have \$8.03 million.

The CHAIRMAN: Member, as a follow-up question, I think that is enough. You now have a question; you can ask it now.

Mr P. PAPALIA: I want to drop that question for now and do something else.

Mr D.T. REDMAN: Is this another question, Mr Chairman, otherwise we will move to someone else?

The CHAIRMAN: He has the call, minister. If you want to sit in the chair, you sit in the chair. That was a follow-on question to the previous one; now he is next on the list.

Mr D.T. REDMAN: I am happy.

Mr P. PAPALIA: Not a lot of talking and not much in the way of response. I refer to the table on page 757 of budget paper No 2 headed "Appropriations, Expenses and Cash Assets" and the subheading of "Delivery of Services" and the provision of temporary personnel services for whole-of-government tender CUA22008.

Mr D.T. REDMAN: Is this page 757?

Mr P. PAPALIA: Yes. With reference to the delivery of services I am referring to the whole of government tender that I have just referred to. What is the total value of services the department has purchased through the whole-of-government tender for provision of temporary personnel services in 2011–12 and what value has been budgeted for 2012–13 through that tender? The minister might have to seek advice.

Mr D.T. REDMAN: I probably will do. I am assuming the member is using the total preparation figure as a leg in to ask a question about a specific point. He will have to clarify it again for us.

Mr P. PAPALIA: The minister knows which line I am referring to. I am using that as the reference —

Mr D.T. REDMAN: Just total appropriations.

Mr P. PAPALIA: The whole reference is about appropriation expenses and cash assets, which is the table we are referring to. Within the department's appropriations expenses and cash assets, what is the total value of services that the department purchased through the provision of temporary personnel services for whole of government tender 2011–12 and how much is budgeted to spend in 2012–13?

Mr D.T. REDMAN: Temporary personnel services?

Ms L.L. BAKER: There is a common-use-agreement contract, minister, and the number of CUA —

Mr P. PAPALIA: It is a big thing; it is right across government. The number of the tender number is CUA22008. I imagine the minister's financial officer will know what we are talking about.

The CHAIRMAN: Does the minister want to provide that as a supplementary answer?

Mr D.T. REDMAN: We do not have that specific figure here. I am happy to undertake to get it. I assume it refers to contract services. Is the member looking for the figure the department appropriates to secure contract services to the agency?

[9.30 am]

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Mr P. PAPALIA: No; it is very specific. Under the provision of temporary personnel services for whole-of-government tender common use agreement 22008, what is the total value of services the department has purchased through this tender in 2011–12?

Mr D.T. REDMAN: Is it a specific tender the member is referring to?

Mr P. PAPALIA: Yes. That is the number I referred to.

Mr D.T. REDMAN: The member is looking for the appropriation that we pay for the provision of services through that tender?

Mr P. PAPALIA: In fiscal year 2011–12; and what value has been budgeted in 2012–13? I was going to refer to other parts as well, but if the minister takes this question on notice, will he also take these as well? This is all related to the same thing. Have any positions been filled through this tender for a period greater than four weeks; and, if so, how many? What are the names of the roles that have been filled through this process? What is the total number of positions filled through this process? This all relates to that common-use agreement.

Mr D.T. REDMAN: I will struggle to paraphrase what the member wants. I am happy to provide the information.

The CHAIRMAN: We can get it from *Hansard*. I have to know first that the minister is willing to provide the supplementary information.

Mr D.T. REDMAN: Yes.

The CHAIRMAN: What can we use as a reference number?

Mr P. PAPALIA: CUA22008.

Mr D.T. REDMAN: That is the tender contract?

Mr P. PAPALIA: Yes.

Mr D.T. REDMAN: For the provision of temporary personnel services?

Mr P. PAPALIA: We can provide the question to *Hansard*.

Mr D.T. REDMAN: The member is after the appropriation for 2011–12 and what is budgeted for 2012–13.

Mr P. PAPALIA: That is correct.

Mr D.T. REDMAN: And as an extension to that?

Mr P. PAPALIA: Have any positions been filled, through that tender, for a period greater than four weeks; and, if so, how many?

[*Supplementary Information No B1.*]

Mr M.P. WHITELY: I refer to the table under “Details of Controlled Grants and Subsidies” on page 766 of the *Budget Statements*. “Research Grant Allocations” for the current financial year is \$38.6 million, but estimated expenditure is less than \$20 million. Over \$18.5 million has been underspent on research grant allocations. Can the minister tell us why there is about a 45 per cent underspend?

Mr D.T. REDMAN: Can the member reference that again?

Mr M.P. WHITELY: Right down the bottom of page 766, under “Details of Controlled Grants and Subsidies”, the first item listed is “Research Grant Allocations”. The 2011–12 budget was \$38.6 million and expenditure was \$19.98 million—why the huge difference?

Mr D.T. REDMAN: The member would have noticed that under “Major Spending Changes” natural resource management funds of \$10 million per year have been transferred from “controlled” to “administered”. It is an administrative requirement. I can take some advice if the member wants an explanation as to why that happened. As I understand it, that has carried through to research grants. That has had an impact on that figure that shows up as an underspend between the estimated actual for 2011–12 and the budget.

Mr M.P. WHITELY: Is the minister telling me it is a bookkeeping entry and not less research being done? Is that the message we are to take out of this? I am very confused by the answer. Is the minister saying this is a bookkeeping entry rather than a research underspend? Has \$38.6 million been spent on research or not? We are interested in how much has been spent on research. It seems a very unusual explanation. It is either a research grant allocation or it is not.

Mr D.T. REDMAN: I will pass the member to Mr Murgia, the director of finance, to respond to the question, so he can provide an accurate answer.

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Mr J. Murgia: Correct. Research grant allocations in 2010–11 includes payments made under the NRM scheme. As a result of complying with reporting processes under Australian accounting standards, they have been transferred out. Information regarding the movement is highlighted at the reconciliation table on page 769. The \$10 million that used to be expensed through the budget process as a controlled figure has been transferred to administered items. The administered items are also outlined on page 769, in the table below “Details of Administered Transactions”. It is accounting treatment—the member is correct in saying it is a bookkeeping treatment.

Mr I.C. BLAYNEY: I refer to “Major Spending Changes” on page 757 of the *Budget Statements*. There is a line item “Enhanced Adverse Weather Monitoring Network”. Can the minister tell us more about what that involves, please?

Mr D.T. REDMAN: The member may or may not have been aware that we recently announced a \$300 000 investment in three new weather stations in the south west to add to a significant number of DAFWA-managed weather stations. Last year, we added 35 to that through \$265 000 of royalties for regions funds, and now of course into the south west part of the state, which is an area of the state that largely has not had the footprint of very localised weather services before, another 30 new weather stations will be rolled out. These are fully automated, free-standing, solar-powered weather stations. They will continuously measure temperature, humidity, solar radiation, wind and rainfall every 10 minutes. Notionally, a farmer who wants very localised information can access updated weather information pertinent to their region on an iPod or phone. The information updating every 10 minutes will assist them to make decisions. We hope that over time that will build up a level of historical data to assist the Department of Agriculture and Food in developing tools to make better decisions around spraying and a range of other things that relate to activities on someone’s farm. As an additional point to that, the member would be aware of the significant bushfire risk particularly in the south west. One of the things noted in the Keelty report was access to timely information around wind changes, wind direction and weather conditions. This resource, which was clearly supported by cabinet, will also add to the capacity of those fire response services to make timely decisions around any changes that might occur in localised weather. Although the exact sites have not been determined yet—there is still work to be done on that—it will also add some benefit with information around boating, finishing, mining and aviation, and of course other emergency responses in the area. I am very pleased that this government has made what is a fairly small investment in something that I think will make a very significant difference to not only the farming community, but also the emergency response in the south west and a range of other social services that people engage in. I thank the member for the question.

[9.40 am]

Mr P. PAPALIA: Minister, I refer to page 763 of budget paper No 2, “Resource Risk Management”—the whole gamut. I raise the issue of Hemp Resources Ltd’s repeated requests for an investigation into the part the minister’s department played in the alleged illegal importation of genetic material and theft of intellectual property. The fifth dot point on page 763 refers to “preventing the introduction and establishment of exotic plants”. Can the minister tell us what the hemp registrar, Mark Holland, did to establish the bona fides or otherwise of Donald Khoo at the time of the first complaint in October 2008? The minister has been asked many questions about this matter in Parliament.

Mr D.T. REDMAN: The first complaint of what?

Mr P. PAPALIA: The complaint about Mr Khoo having allegedly illegally imported hemp seeds from China and having stolen intellectual property.

Mr D.T. REDMAN: I am actually very aware of the issue and there has been a whole range of responses to questions that have come on notice. The registrar, as I understand—I am going to need a bit of help on this in terms of some of the details—makes decisions around the relevant acts as they pertain to hemp and the like, and the department was also engaged, at one stage, in contracting work to certain parties to do some trial work around the production of hemp, and, I am assuming, some agronomic work around that. There have been claims from different parties as to the ownership of the particular IP; all the investigations that the Department of Agriculture has done, including engaging with Western Australia Police—who is the most relevant to this?

Mr P. PAPALIA: If someone is familiar with it, it might be best if they —

Mr D.T. REDMAN: At the time—I am only running on recollections of the decisions made at the time—we talked to WA Police, I think we talked to the Corruption and Crime Commission, and we took what we believed to be the appropriate steps. The responses have been that there is no information that gives a firm understanding of any formal breach of IP; the authorities we presented the information to have also come to that conclusion. I would prefer the member to put that question on notice, because there is a level of legal detail here —

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Mr P. PAPALIA: Yes, I understand that.

Mr V.A. CATANIA: Point of order; can I get some clarification on this? It seems like it is related to a specific case, not a line item in the budget. Could you get some clarification on that?

The CHAIRMAN: He has given him a line item in the budget.

Mr P. PAPALIA: I gave a line item.

Mr V.A. CATANIA: But he is asking a specific question in relation to a case.

The CHAIRMAN: I will make those decisions.

Mr P. PAPALIA: The minister understands why I am doing this.

Mr D.T. REDMAN: Yes; sure.

The CHAIRMAN: We have an agreement here, member, so I do not think we should interfere.

Mr P. PAPALIA: I am asking this so that the minister can provide additional detail. If the minister is willing to take this on notice, I would be very happy with that.

Mr D.T. REDMAN: Absolutely; I am happy to take the question on notice.

Mr P. PAPALIA: I understand that the minister gets asked a lot of stuff. The minister responded to the aggrieved party in this case by saying, in December last year, that there is no new information. I have been advised by that company and the individual representing it that he has statements from China from the people Mr Khoo claims provided him with the seeds legally, stating they did not do that. That is additional information that was not available in 2008, which is why I would like—if the minister can—the minister to ascertain what the hemp registrar did to confirm whether Mr Khoo was acting legally, and whether he sought advice from the suppliers in China to confirm whether the documents presented were legitimate.

Mr V.A. CATANIA: That should be a question for Parliament.

Mr D.T. REDMAN: I am going to ask that the question be put on notice, and not be taken as a supplementary.

The CHAIRMAN: Member for North West, you have no standing on the questions we are talking about, so I advise you to keep quiet while these two members and I sort it out. Minister, can you just let us know for the supplementary what —

Mr D.T. REDMAN: My preference is to put this question on notice. There is a level of detail here in two areas that I am very conscious of.

The CHAIRMAN: So you do not want to answer it as a supplementary?

Mr D.T. REDMAN: One area is the legal issue, hence my response—I need to be very cautious about that.

Mr P. PAPALIA: I appreciate that.

Mr D.T. REDMAN: I understand that the member understands. The second point is that there is a clear, specific role that the Department of Agriculture and Food plays. It does not make judgement on the legal issues; if it has information it refers it to the appropriate authorities. I am confident that that has happened because that has been my response in the past, but I would prefer to take the question on notice because there is a complexity there that I am cautious to respond to here.

The CHAIRMAN: Can you put that question on notice?

Mr P. PAPALIA: I will, Chair; I would just like to add one comment so that it will be recorded in *Hansard*.

The CHAIRMAN: Can you put that in your question on notice, because we have not got through many questions so far?

Mr P. PAPALIA: Very well.

The CHAIRMAN: Thank you. Member for Morley.

Mr I.M. BRITZA: The final dot point under the heading “Significant Issues Impacting the Agency” on page 758 of budget paper No 2 relates to secure and adequate food supply. Given the volatility of food shortage around the globe, what is the department doing to respond to this global food security worry?

Mr D.T. REDMAN: I thank the member for Morley for the question. Certainly, the current word around the place is the issue of food security. In all the countries I have visited in the Middle East and South-East Asia, and north east Asia into South Korea and Japan, food security is mentioned all the time. From Western Australia’s

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perspective, certainly in the short to medium term, I want to position this government, through the Department of Agriculture and Food, so that Western Australia is the preferred supplier to meet the food security needs of other countries. We have a huge opportunity in this space; we are geographically very close to these areas, and, as the Premier has said on a number of occasions, we have almost 60 per cent of the world's population sitting broadly within our time zone. Although many of them have not yet been prepared to put a dollar on the table to secure their food resources, I think we are fast moving into that space. To me, it is about relationship and it is about ensuring that we are positioned to respond to the needs of those countries. I might add that there has been a trend in the department—it is a trend I support—to move to doing more work post farm gate than we have done before around markets, market intelligence, market analysis, understanding the needs, and things like functionality of grains, for example, to ensure that we produce grains that meet certain end uses. Because of that we will be, in my view, in a very sound position to respond to the food security needs of other countries.

I do not see any significant threat to our own food security in the short to medium term. In fact, I regard the opportunity to grow and develop our sector to meet the needs of other countries as a step that will help support and secure our own food security. If the dairy sector in Western Australia were to double or treble to meet export needs, although we have a very small domestic market, that, in a very different way, would help our own food security needs and food security issues. To that end, we are doing a lot of work around building relationships with other countries, around understanding their needs, and around ensuring we have the products for their end-use needs.

A sensitive issue in this debate is the notion of foreign investment. Whilst I strongly support having a register, which is something that I am currently engaged in discussing with the Minister for Regional Development, to get an objective understanding of the levels of ownership of a range of other countries in Western Australia, such that we have good quality information, I also support foreign investment in the supply chain in Western Australia. I see that as a strategy for other countries to potentially secure a relationship with Western Australia to meet their food security needs and, of course, to enhance a supply chain to market for Western Australian producers. I have not yet come across a farmer in Western Australia who would be unhappy about someone coming to Western Australia to build a flour mill; I have not yet come across a farmer in Western Australia who would be unhappy about someone building an abattoir in Western Australia with foreign investment. I have therefore come to the conclusion that we need to work closely to try to corral the potential investments that might come into Western Australia to support the growing of the sector here. In doing so, we will notionally help with our own food security needs. The member's question is a really valid one; this will emerge as the new challenge in agriculture around the world, and I see Western Australia as being in a position to strategically benefit and to position itself as a preferred supplier to meet the food security needs of other countries.

[9.50 am]

Mr I.M. BRITZA: There is a fine line between ownership and supply. The minister obviously supports increased supply but is being cautious about foreign ownership.

Mr D.T. REDMAN: The point I make is that we run a market economy, so there are no rules other than the federal government's Foreign Investment Review Board, which puts constraints on foreign ownership. It has a trigger point of, I think, more than \$230 million; something like that, unless they are sovereign funds. If they are sovereign funds, it is a zero trigger point; a \$1 million trigger point starts its review on whether the investment is going to meet the state's needs. I think it is important that we, as a government, put the state interest test over this, bearing in mind that foreign investment is not something the state government has any authority over. But if there are parties interested in looking at investment in Western Australia, we have the capacity to corral that to ensure that if it does happen, it will be complementary to what we do here and will potentially be another source of capital for an industry that is crying out for some capital to meet its growth and development opportunities. I will cite one example. In the Pilbara region we have mines that are mining below the watertable, and they have to dewater. Water is, in fact, a liability for many mining companies now. I will go "he" if we cannot wrap some agriculture around that water over time, in an appropriate way, given the land that is in those areas. There is the potential for investments to build up that opportunity. Those things are to be taken very carefully and cautiously over time, but I think we need to embrace the opportunities that present and ensure that we put the state interest test over anything that happens, and that government policy reflects what we want to see in Western Australia in terms of the future of agriculture and food.

Ms L.L. BAKER: I refer to page 763, and the third dot point under "Resource Risk Management". Could the minister tell me whether the department has funded a starling management program in the past; and, if so, what was the project, what was the annual cost of the project, and has it been cancelled?

Mr D.T. REDMAN: Yes, member. The member will be aware that the government funds a starling management program. The front-line for starling concerns is the south east part of the state, notably in Eucla. I

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am sure the member is aware that some outbreaks have gone further than that, particularly in Condingup. Presently, the budget allocation for 2012–13 is \$620 000 and a total full-time equivalent of 3.9. We obviously do not want to see starlings in Western Australia, and this is an investment to ensure that we do not, over time.

Ms L.L. BAKER: So it is continuing?

Mr D.T. REDMAN: Yes, it is. The hardest and most expensive starling to kill is the last one, hence it is important that we assess the risk and spend money appropriately to ensure that we do not finish up with starlings in Western Australia.

Ms L.L. BAKER: Thank you, minister; that is all I really needed to know.

The CHAIRMAN: A quick question and quick answer is good!

Mr V.A. CATANIA: I refer to page 761 and the fourth dot point under “Business and Supply Chain Development”. Given the fact that the federal Labor government has put the pastoral industry into disarray, the fourth dot point refers to expanding and diversifying industries by assisting industry analysis, planning approvals, facilitating infrastructure and natural resources development, and minimising regulation and compliance costs. Can the minister give us an example of where the government is assisting in that area?

Mr D.T. REDMAN: I thank the member for North West. He is quite right. This comes down to a key role that the Department of Agriculture and Food can play. Part of what it has been doing in recent times is assisting industry with planning and analysis. Of course, approvals processes can sometimes be daunting. I recently attended the 2012 Better Beef conference in Karlgarin. The Pederah Creek feedlot has recently built new facilities. The gross value of agricultural production in the Western Australian beef industry topped \$600 million for the first time last year, so it is a very significant sector. Of course, the feedlot sector is a linchpin for Western Australian industry, ensuring that there is year-round availability of stock. The Department of Agriculture and Food has worked very closely with the owners of that feedlot over the past two years, providing input to the development of concept, technical assistance and input into the drafting of the works approval, and liaising with the Department of Environment and Conservation on a range of environmental issues. There have been a number of issues in the past in Western Australia in respect of feedlots, notably in Narrogin, which created a number of concerns. The approvals process can be daunting and rigorous. The Department of Agriculture and Food has been successful in reducing the average time taken for feedlots approvals from 18 months to nine weeks. I highlight that, with a bit of effort and the local knowledge that the Department of Agriculture and Food has, its engagement with DEC over a range of areas has given it the confidence and credibility to work through and assist in the feedlots approvals process. That is a very good example of government, through the Department of Agriculture and Food, playing a role in facilitating approvals in private infrastructure and supporting the feedlot sector and beef industry in Western Australia.

Mr P. PAPALIA: I refer to page 766, and the line item “Royalties for Regions Fund” under “Income from State Government”, and I ask a multipart question. Firstly, what are these funds from the regional infrastructure and headworks fund and the regional community services fund allocated towards—which projects and locations—in the fiscal year 2012–13? Secondly, how much of the total funds for this line item were allocated to the Pilbara for 2010–11 and 2011–12? Thirdly, how much of the total funds for this line item are to be allocated to the Pilbara for 2012–13?

Mr D.T. REDMAN: I thank the member for the question. I will highlight some of the royalties for regions work here; it is one of the little reference points.

Mr P. PAPALIA: I would just like the minister to answer the question; I am not worried about him “highlighting” anything.

Mr D.T. REDMAN: The member has asked a pretty complex question, and unless someone pulls me up, I am going to make the assumption that although there is a specific fund in the portfolio of regional development, the member wants to know exactly where those resources are going. I will highlight some of those resources that have been approved for funding through royalties for regions.

Mr P. PAPALIA: Which fiscal year is this? Which one?

Mr D.T. REDMAN: There are certainly resources that will go into this budget, which is what we are talking about now.

Mr P. PAPALIA: So it is fiscal year 2012–13 that the minister is talking about right now?

Mr D.T. REDMAN: Yes, bearing in mind that a number of the projects go over a period of time; if we have a project, it does not just necessarily start and stop in a fiscal year. It goes over time. We have announced resources for water opportunities in the west Kimberley, notably proving up resources in the La Grange aquifer,

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about 150 kilometres south of Broome; there is just over \$5 million towards that. That is about doing an assessment of land and water potential and agricultural opportunities in the west Kimberley, and doing the early work so that we can —

Mr P. PAPALIA: So that is \$5 million of the \$9.4 million?

[10.00 am]

Mr D.T. REDMAN: Again, the \$5 million is an overall figure, with completion dates out to June 2015. So I am making the point, —

Mr P. PAPALIA: But how much is in this budget?

Mr D.T. REDMAN: —quite rightly, that when we put projects in place, the projects are not necessarily for a fiscal year; they are long-term projects.

Mr P. PAPALIA: I appreciate that.

Mr D.T. REDMAN: This government thinks about the long term, member.

Mr P. PAPALIA: Come on! Save the rhetoric for some other time. What I am talking about is the line that says \$9.4 million in 2012–13. What is that going to?

Mr D.T. REDMAN: In respect to the Pilbara–West Kimberley, it is \$2.735 million in this particular budget. I will also go ahead and say there are also works on some of the Cockatoo sands around the Ord–East Kimberley development.

Mr P. PAPALIA: Which royalties for regions fund is that coming from—that particular number that the minister just said?

Mr D.T. REDMAN: The number that I said for the East Kimberley project? That was for the 2012–13 budget, the \$5.2 million, or something, that I just said.

Mr P. PAPALIA: But from which royalties for regions fund, because there is the regional infrastructure and headworks fund, which has \$9.4 million this year, and there is the regional community services fund, which has \$4.1 million this year?

Mr D.T. REDMAN: I do not know which particular fund it comes from.

Mr P. PAPALIA: Would the minister take that on notice?

Mr D.T. REDMAN: Is the member happy to put a question on notice?

Mr P. PAPALIA: No. I would like the minister to provide it as supplementary information.

Mr D.T. REDMAN: I have just cited a figure of \$2.735 million, supporting water developments in the West Kimberley. The member has asked me a question about which royalties for regions fund that comes from. I am happy to provide that as supplementary information.

The CHAIRMAN: Can the minister tell us exactly what the question is for Hansard, please?

Mr D.T. REDMAN: I will highlight, member, that royalties for regions funding is going into some water opportunities in the East Kimberley around Cockatoo sands; it is going into a carbon farming initiative; it is going into water efficiency —

The CHAIRMAN: Minister, I just want the supplementary information. I do not want a statement.

Mr D.T. REDMAN: Sorry.

The CHAIRMAN: Can the minister let us know what supplementary information he is going to provide?

Mr D.T. REDMAN: Yes. The supplementary information that we will provide is, of the royalties for regions allocation of \$2.735 million towards water work in the West Kimberley, we will identify which particular royalties for regions fund that is coming out of.

[*Supplementary Information No B2.*]

Mr D.T. REDMAN: Did the member want me to keep going with the first question?

Mr P. PAPALIA: Yes, please, because that is \$2 million out of the \$13.5 million that is allocated in this financial year.

Mr D.T. REDMAN: If the member can imagine that there is a particular fiscal year cut through all of these projects, which will add up to the figures that the member is talking about, there is total funding of \$1.329 million for the opportunities around the Cockatoo sands in the East Kimberley; there is a carbon farming

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project, under an NRM project, of \$3.195 million; there is a water efficiency project of \$3.805 million; there is a stormwater re-use project of \$2 million; there is the Gascoyne food bowl initiative totalling \$25 million—the member for North West is nodding his head in support —

Mr P. PAPALIA: Hang on! The minister is exceeding the question. The question was about the fiscal year 2012–13. From these two funds—I am reading it in the budget here—there is a reference to \$13.5 million, if the two funds are combined, this financial year. The minister just said \$25 million for a food bowl initiative. I understand what the minister is saying—that projects go over several fiscal years. But it is the minister’s budget, and his budget lists \$13.5 million from these two funds this year.

Mr D.T. REDMAN: Can the member see at page 766 that there is a paragraph (d)?

Mr P. PAPALIA: That is what I am referring to.

Mr D.T. REDMAN: Paragraph (d) says that of that \$13.475 million, the regional infrastructure and headworks fund is \$4.4 million. That is the royalties for regions fund.

Mr P. PAPALIA: Yes, and I asked the minister what sorts of things that \$13.5 million is being spent on in this fiscal year.

Mr D.T. REDMAN: The member wants to know what it is being spent on in this fiscal year?

Mr P. PAPALIA: I am assuming the minister knows.

Mr D.T. REDMAN: I do; I have just been going through those, member.

Mr P. PAPALIA: But the minister just listed something that is costing \$25 million.

Mr D.T. REDMAN: Hang on! For the member’s benefit, when a royalties for regions project is delivered—most of these projects are delivered not in one particular year but over a period of time—the member will see in the budget, when he takes a one-year slice through that, that that is going to add up to a certain amount of royalties for regions funding.

Mr P. PAPALIA: So how much of each of those makes up the \$13.5 million this year? If the minister is willing to take it as a supplementary and break down that \$13.5 million into projects in 2012–13, that would be fine.

Mr D.T. REDMAN: I am trying to explain. The member is asking what is that being spent on this year out of the royalties for regions fund. I am saying that the royalties for regions fund that comes within my portfolio relates to a range of projects, with different time lines and different start and finish dates. If we take a slice through that at any point in time, we will come up with a total figure for the royalties for regions funding that is being spent in that fiscal year. The challenge with the member’s question is that I cannot answer it unless I tell him what the project is

Mr P. PAPALIA: So those are all the projects that, combined, contribute to the \$13.5 expenditure? That is fine. Can the minister answer the second part of the question that I asked? Has the minister completed the list of projects or is he still —

Mr D.T. REDMAN: Let me have a go. I went through a list of significant royalties for regions projects, and the member did not let me get to the bottom of the list. From the best we can understand—I am happy to take it on notice; if the member thinks I am not giving him a good enough response here, he should let me know—royalties for regions money in 2012–13 is going to the wild dog management plan, \$1.2 million, plus \$1.4 million capital; regional men’s health, \$1 million; regional economic development—that is probably some of that stuff that I have just talked to the member about—\$2.5 million; regional natural resource management, \$3.4 million, plus \$2 million capital; Gascoyne food bowl initiative, \$4.8 million; and regional worker incentive allowances, \$500 000. That is about as close as I can get to the detail.

Mr P. PAPALIA: Okay. That is fine. I will ask the minister the second part of the question again: how much of the total funds from this particular line item were allocated to the Pilbara in the fiscal years 2010–11 and 2011–12?

Mr D.T. REDMAN: I can find that out for the member but, from what I am looking at here, relatively little—a proportion is going into the Kimberley, a proportion is going into the Gascoyne food bowl initiative, and a range of funding is going into stormwater re-use, water efficiency, the carbon fund, which is largely in the south west, and the state barrier fence, which of course relates to the Agricultural Region.

Mr P. PAPALIA: The third part of the question is: how much of the total funds from this line are allocated to the Pilbara in the fiscal year 2012–13? Is that unchanged? Is the minister suggesting that that expenditure does not change?

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Mr D.T. REDMAN: If the member can give me the exact question, I will take it on notice, because there is a range of royalties for regions initiatives here that run over a number of years, and at any point in time we take a one year's wedge of that and we get a particular profile of spending.

Mr P. PAPALIA: I understand.

Mr D.T. REDMAN: The member is trying to find out, out of this year's wedge—2012–13—how much is actually going into the Pilbara.

Mr P. PAPALIA: Yes, and 2010–11 and 2011–12—prior to that.

Mr D.T. REDMAN: So clearly the member's target is a political one, in that with the current member for Central Wheatbelt going for the Pilbara seat, the member is wondering whether in fact there has been excessive spending in that region.

[Mr M.W. Sutherland took the chair.]

Mr P. PAPALIA: Nothing gets by you, minister!

[*Supplementary Information No B3.*]

Mr D.T. REDMAN: If I can paraphrase the question, what the member is asking is: of the royalties for regions money that will be spent in the 2012–13 state budget, what proportion is going into the Pilbara region?

Mr P. PAPALIA: And what proportion in the fiscal years 2010–11 and 2011–12 went into the Pilbara region—historically?

[10.10 am]

Mr D.T. REDMAN: Am I allowed to take questions from previous budgets? The member can put that on notice.

Mr P. PAPALIA: The 2010–11 and 2011–12 financial years appear in the budget. If the minister actually looks at it, it is referred to as actual expenditure.

Mr D.T. REDMAN: I think the member is drawing a long bow.

Mr P. PAPALIA: I can ask the minister about anything in the budget. It is not drawing a long bow at all.

Mr D.T. REDMAN: The member is drawing a long bow to ask me to drag that out from two years prior.

The CHAIRMAN: It is up to you, minister —

Mr P. PAPALIA: What is the minister trying to hide?

Mr D.T. REDMAN: I am not trying to hide anything, member.

The CHAIRMAN: Minister, I am talking!

Mr D.T. REDMAN: I am happy to answer the question and I am happy for the member to put it on notice.

The CHAIRMAN: Minister! It is as simple as this: the minister can decide what he wants to answer. If he does not want to answer it, the member for Warnbro can put the question on notice.

Mr D.T. REDMAN: I will respond to the current budget in terms of a supplementary question and I will ask the member if he will put on notice the previous year's budget allocations and his specific question —

Mr P. PAPALIA: Why?

The CHAIRMAN: It is not a question of why; that is the way it works.

Mr P. PAPALIA: In what way is that any more challenging than —

The CHAIRMAN: Member for Warnbro, I am talking. I am telling you now that that is how it works. The minister can choose what he will answer here. If he does not want to answer it, the member can put it as a question on notice. It is not a matter of why or but—that is the position. The minister has agreed to answer something and the member can put the other two questions on notice.

Mr V.A. CATANIA: Minister, I refer to page 757. The total appropriation of the Department of Agriculture and Food is \$155 million. Can the minister give us a general overview of the department's operations and key areas that it is focused on?

Mr D.T. REDMAN: I thank the member. Obviously, that is a global question about the direction of the agency. I highlighted a while ago that we are focused on repositioning the department as an economic development

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agency. The agricultural sector is a significant contributor to the Western Australian economy. Although it is not as big as the mining and resources sector, it is the next significant sector. We have certainly put a lot of effort into targeting the agency's resources to ensure that it delivers something to industry. It is about the big picture, driving economic development, improving market access and encouraging research and innovation. Some of the things I talked about earlier that are happening in the Kimberley are very good examples of that. As the member well knows, we are putting resources into the Ord East Kimberley, opening up new land and getting government support for key infrastructure to allow the private sector to make investments. Through the Frank Wise Institute of Tropical Agriculture, a lot of work has been done around the economics and the agronomy of a range of crop types to support the private sector in making investments. We are also doing work on cockatoo sands. Although the Ord expansion is a 15 000-hectare expansion, there is the potential to redevelop more than 50 000 hectares. We are doing a lot of work on cockatoo sands, which is outside the Ord Valley. That gives us the potential to grow crops year-round. A range of crops suit sandy soils, which means that the economics of planting different crops could come to the fore with the development of those areas.

I mentioned the work we are doing on the La Grange aquifer in West Kimberley. More than \$5 million has been spent on that project. As the member for North West is well aware, because it is significant to his electorate, Hon Brendon Grylls is working on pastoral rangeland reform. That work is about providing opportunities for pastoralists to diversify and broaden the very limited opportunities for grazing they currently have and also to allow tourism operations in some cases and feed-on facilities for livestock. If the opportunity for feed-on facilities for livestock is taken to its end, there is the potential to have an abattoir in the north, which, of course, would be a fantastic response to the challenges we saw last year with the shutting down of the live cattle trade. I am encouraged by the focus the department has put on where the work needs to be done and also the support of royalties for regions for specific projects to ensure that they are developed to their full potential. I said earlier that mine dewatering is really interesting. Rio Tinto has a mine at Marandoo. At its peak, it will dewater 35 gegalitres of water. Some of that will go to Tom Price and some will be injected back into the aquifer. Rio Tinto intends to produce 20 000 tonnes of quality hay on 650 hectares of centre pivot irrigation in the Pilbara. That has not been done before to that extent and if Rio can supply fodder to the other stations that are in need, it has the potential to ease the environmental pressure on many of those stations.

Mr V.A. CATANIA: Is the government providing support to that project?

Mr D.T. REDMAN: Absolutely.

Mr V.A. CATANIA: The minister will need to be careful; members to my right might see it as pork-barrelling.

Mr D.T. REDMAN: We are playing a support role. Largely, Rio is making the investment. Obviously, the Department of Environment and Conservation approvals have to be worked through.

In addition, the Department of Agriculture and Food is doing work on suitable species to ensure that if species are introduced they will not be invasive. As the minister responsible for biosecurity, the member for North West can appreciate that I have a stake in that. In my view, irrigated agriculture in the north of the state has one of the most significant potentials for growth in Western Australia. That is up in the member's neck of the woods. I think there is huge potential there. We are laying the early foundations for some of that potential future development.

Mr P. PAPALIA: I refer to the line item "Farm Business Planning Program — Reflow" under "Major spending changes" on page 757 of budget paper No 2. Firstly, what does the word "reflow" mean in this case? Secondly, why did last year's budget show that the budget estimate for the fiscal year 2011–12 was \$8 million and this year's budget put the estimated actual amount at \$2 million? Thirdly, why does the farm business planning program funding end after 2012–13?

Mr D.T. REDMAN: I thank the member for the question. He is well aware of what we were able to negotiate in Western Australia over the last two years, which was to have a WA drought pilot as a new way of looking at responding to drought. The current exceptional circumstance arrangements are in place under a national partnership agreement. There is strong support by my interstate colleagues for reform in this area. The ministerial council has been working on the path of reform to move from what is largely a reactive crisis set of arrangements to a more risk management and business skilling focus. What we saw over the last two years—it finishes in June this year—was a pilot program for a new set of arrangements that might become a part of an agreed national position on drought reform. Over the last two years, Western Australia made a commitment to roll out the program to 940 businesses, and it has not finished yet. They will get the benefit of high-level farm business planning workshops. That is just short of \$10 000 to assist them in developing business skills to plan for the inevitable challenging seasons they will face. It is about not only drought, but also the terms of trade and a range of other challenges that farmers face. Those workshops have been very well received. We were not able to get through the resources that were allocated to that. I think the member referred to the \$8 million. I understand

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that is what the allocation was last year. I have been successful in getting \$2 million of that re-cashflowed into this year's budget for the "plan, prepare, prosper" workshops. Those workshops are about to extend into a third year and are for business skilling and planning. We are trying to support the farming sector in developing those skills so that it can plan for a risk-management approach to the issues that it faces. We were very successful.

Mr P. PAPALIA: How did the \$8 million in the estimated actual disappear into a reflow of \$2 million? Is that a bookkeeping matter?

Mr D.T. REDMAN: The member can appreciate that in last year's budget we had \$8 million to spend. We were targeting rolling out the program to 800 farm businesses that were to benefit from that. We were unable to either get that number physically coming through the door or roll out the program to deliver it to the full 800 businesses. Because we have not been able to do that I was successful in winning the support of my cabinet colleagues to agree to roll out \$2 million of that this year and to keep that very successful program going. A critical meeting will be held in October this year with my ministerial counterparts from the other states and the federal Minister for Agriculture, Fisheries and Forestry, Hon Joe Ludwig, to lay down the foundations of drought reform. I hope that part of that reform will be perhaps for the states to roll out programs such as this, which was piloted in Western Australia over two years, after it is refined. It is a significant program to assist farmers deal with the inevitable challenges they will face.

[10.20 am]

Mr P. PAPALIA: Did any money in that allocation get spent last year?

Mr D.T. REDMAN: Yes, \$6 million worth.

Mr I.M. BRITZA: I refer to the fourth dot point on page 759. In my previous question the minister referred to the desire to strengthen our supply. This dot point refers to marketing, our competitors and playing to our strengths. Exactly what is the department doing to help in this regard?

Mr D.T. REDMAN: I thank the member for Morley for the question. I am sure that the member is not very far from the lovely Swan Valley region, which is one of the significant wine-producing areas of the state. I said a little while ago that one of the cultural shifts that is happening in the department is to shift and do more work post farm gate. I think I gave some reasons for why there was sound argument around that. One of the things that we have been involved with is supporting the wine industry in Western Australia, particularly the industry's wine exports. Western Australia is a very small domestic market. If someone captures a bit of market share, essentially someone else has to lose it for that to happen. The opportunity for us exists in our exports. I said that we are very close to some very significant markets and therefore an opportunity there presents. Western Australia also has a very significant premium brand around wine. I cannot remember the exact numbers, but whilst we produce only a couple of per cent of the national supply of wine by volume, we sell in the range of 30 per cent of the premium wines. So we are at the premium end of the scale. Our competitive advantage in Western Australia is premium wines; hence that is the edge we have. Of course the wine industry, as the member knows, has been going through some fairly tough times. In 2010 exports from WA declined 23 per cent by volume and 17 per cent by value. Terry Hill here to my left has been successful in working through with the industry a plan that industry brought to us on international marketing, and for the first time I have seen all of the wine regions in Western Australia come around one table. Generally we go and meet with people from Margaret River and they do not want to talk with people from the great southern or from the south west. What we saw for the first time was all those wine regions coming together. Over the initial three years of the plan, government has committed \$377 000 and industry \$772 000—a total of \$1.1 million over three years. In the first year of the plan, which was last year, activities included the representation of 15 WA wineries at a Hong Kong wine show and spirit fair; engagement with leading Singaporean wine writer Mr Poh Tiong Ch'ng to become an ambassador for WA wines in Asia; and the hosting of wine buys for a series of trials—in which Western Australia has a big footprint—organised by overseas trade officers of Austrade, the South West Development Commission, the Great Southern Development Commission and of course Wine Australia. I also hosted one of two master classes on my recent trip to China, and Hon Kim Hames did one as well because I was locked up at an airport at that time. So although it is early days, I am very pleased that we have been able to get the support of the whole wine industry to do some very specific work to support its marketing endeavours into Asia.

Coming back to an earlier question asked by the member about foreign investment, one of the wineries in my electorate, Ferngrove, has brought on an Asian partner. As a product of that Asian partner, Ferngrove's overseas exports have been kicked up by \$8 million. So, although it is not a total foreign-ownership arrangement, we are bringing on an Asian partner and therefore a conduit into a market. Members can see the significant opportunity that presents in targeting wine sales into a particular market, and that is really encouraging for a sector that has been doing it really tough. That is an example of where we can assist industry play to its competitive strengths.

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Mr P. PAPALIA: I refer to page 757, and the “Delivery of Services” line of the “Appropriations, Expenses and Cash Assets” table. Is the minister able to provide the number of FTEs that the department has currently located in the metropolitan area; and also the number outside the metropolitan area? What plans are there in this financial year for moving more personnel to the non-metropolitan area or outside the area? Also, in the forward estimates are there plans to move additional people outside the metropolitan area?

Mr D.T. REDMAN: The key part of the member’s question relates to where the FTE staff are currently located by region. I will just cite that these are the percentages at this time.

Mr P. PAPALIA: If the minister does not have it right now —

Mr D.T. REDMAN: I do, right here. I am prepared.

Mr P. PAPALIA: Can the minister also provide the actual number, as opposed to just the percentages?

Mr D.T. REDMAN: Yes. In the central agricultural region it is eight per cent of the staff and the head count is 110; northern agricultural region, five per cent and the head count is 72; southern agricultural region, 11 per cent and the head count is 152; south west agricultural region, nine per cent and the head count is 119; rangeland, eight per cent and the head count is 96; Quarantine WA, the state quarantine office, three per cent and the head count is 41; and metropolitan, 55 per cent and the head count is 758.

Mr P. PAPALIA: Are there any plans for shifts or movements from the metropolitan to the regions this financial year?

Mr D.T. REDMAN: Yes. The only plan that will be in place is that there has been a trend to utilise the office development in our regional centres. There has been discussion around what resources we might move from the metropolitan centre out to those centres. The member might appreciate that in the exercise of building a new Department of Agriculture and Food headquarters it is important to do the work on the exact role that facility will play; a staffing profile of that role; and where there are opportunities for getting full use of the asset—for example, there might be a staff shift at Bunbury. Certainly in our term we have been able to maintain—in fact, it may have even slightly increased—the regional footprint of staff from the Department of Agriculture and Food.

Mr P. PAPALIA: Is it fair to say that there is no plan for a major shift from the metropolitan area to the regions?

Mr D.T. REDMAN: It is not a plan for a major shift. It is a question I have looked at very closely. I know that there have been a look at and discussions with—including by members of the member’s party—particular departments. We have a very strong regional footprint, so about half the Department of Agriculture and Food’s activities is in regions of Western Australia. It is a very significant footprint. With the work that gets done in central office, there is a strong link to universities, to the CSIRO, to other funding organisations in a growing way, even to the private sector, and also to other key scientific facilities that notably have a footprint in Perth. For example, there is work done on ensuring that animals exported have the blood tests and so on that they need to ensure that they meet the disease-risk profiles that other countries ask for. A lot of that is required to operate in Perth, as that is where the facilities are that do that testing. I have certainly looked very closely at whether there is an opportunity to shift a significant proportion. I have come to the conclusion that there is not, but I highlight that there is still a significant regional footprint in the activities of the Department of Agriculture and Food.

Mr P. PAPALIA: Chair, we are constrained by time, so on our side we would be happy not to pursue this division any further and move on to the next one.

The appropriation was recommended.

[10.30 am]