

DEPARTMENT OF AGRICULTURE, BUDGET CUTS

599. Hon M.J. CRIDDLE to the Minister for Agriculture, Forestry and Fisheries:

I have not given notice of this question, but last week I asked a question about the Department of Agriculture's consolidated revenue budget, which has been cut by \$6.3 million, which represents a 7.5 per cent reduction on the base for 2000-01, and about the cut of 120 full-time equivalents. What will be the impact of those cuts on rural Western Australia, from where these people have come? The minister will obviously realise the enormous impact of these cuts on rural Western Australian towns.

Hon KIM CHANCE replied:

I do not have an answer to that question. The figure of 120 FTEs needs to be related to the 1999-2000 budget, because it is a budget figure that can be deduced from the 2000-01 budget in comparison with the 1999-2000 budget. However, by and large those 120 FTEs have already gone and are no longer in the system. The future effect is nil, because the attrition has already occurred.

Hon M.J. Criddle: They are in this budget period.

Hon KIM CHANCE: They are, but, generally speaking, people reading a budget anticipate that they are foreshadowed changes. In this case, they have already occurred.

The 7.5 per cent reduction in the consolidated fund budget must be viewed in the light of one or two other aspects. I have seen the number quoted higher at nine per cent real reduction. Either figure taken in context can be said to be correct; it simply depends on what base one calculates the figure. We have been through a process of full disclosure to opposition members and the media.

Hon M.J. Criddle: I thank the minister for that.

Hon KIM CHANCE: We wanted to make it as open as possible, because it is a complex issue. This being the last year of the accrual accounting implementation process made the budget even more difficult to follow. Notwithstanding the available numbers relating to the imputed budget cut, I ask members to take into account the fact that a substantial sum one would expect to see in the agriculture budget - new money relating to salinity - does not appear in the departmental budget but in the Water and Rivers Commission budget. While it is not 7.5 per cent, it is a substantial proportion of that 7.5 per cent. To get a true apples-with-apples comparison, that would need to be laid off against the CF reduction.

Although I am sure Hon Murray Criddle and Hon Bruce Donaldson are aware, other members might be interested to know that, although the CF contribution in the agriculture budget is lower than it was last year - certainly in real terms - the Department of Agriculture's spending is up significantly on any previous year. That is as a result of higher commonwealth and industry contributions. Of course, the department takes much of its income from industry and external sources rather than from the consolidated fund.