

SAFEGUARDING OUR RURAL RESOURCES

STATEMENT BY
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MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY
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OVERVIEW

Australia's agricultural industries are vital to our national prosperity, in terms of exports, employment and as the economic foundations for our regional and rural communities. Australia's traditional strength as an exporter of primary produce continues to underpin national economic performance; this year, our primary industries will generate about \$24 billion in export income.

Sustaining these industries demands sound economic management. Since 1996, the Coalition Government has provided a stable, pro-growth business environment, characterised by low interest rates, low inflation, a more flexible labour market and a tax system which rewards enterprise. Australia has enjoyed a sustained period of high growth on a scale not seen since the 1960s, and matched only by the performance of the United States.

The Government has also sought to redress the neglect of the previous Government in areas vital to agriculture. With the *Agriculture – Advancing Australia* (AAA) package, the Government introduced a comprehensive set of measures to strengthen agriculture. The AAA package, introduced in 1997 and extended in 2000, will inject more than \$800 million into agricultural and fishing industries to support education and training, innovation and adjustment. This support complements the \$180 million a year the Government devotes to research and development in the sector.

As successful as the AAA package has been, the Government recognises that the future of agriculture is dependent on more than measures to enhance competitiveness and efficiency. The magnificent natural resources which sustain our rural industries need to be managed properly. In many cases, these resources are under pressure. This is no more evident than in the gradual, corrosive spread of salinity. The Government has responded to these pressures through its creation of the Natural Heritage Trust and related programmes.

Our industries, and environment, also face the potential risk of the entry and establishment of exotic pests and diseases. While Australia has always operated a strict quarantine regime, the spread in Europe and Asia of such significant diseases as foot and mouth indicates that these dangers are increasing. Since 1997, the Government has increased funding to the Australian Quarantine and Inspection Service (AQIS) to address these risks.

This year's Budget extends the Government's already substantial commitments in these critical areas of natural resource management and biosecurity.

The 2001-02 Budget includes a further \$1 billion for the Natural Heritage Trust and confirms the Government's \$700 million commitment to the National Action Plan for Salinity and Water Quality. This funding complements already substantial funding for natural resource management available through other Federal government programmes.

Salinity is such a vast problem that it demands a nation-wide response — and the Federal Government has responded with the *National Action Plan for Salinity and Water Quality*.

The Action Plan sets a new course for a targeted attack on salinity and water quality problems especially in the twenty most affected catchments across Australia.

The Federal Government will implement the strongest level of quarantine protection even seen in Australia to prevent the entry of exotic pests and diseases. The Federal Government sees the outbreak in the UK as a warning to all countries, including Australia, about the risks of this virulent disease.

The Federal Government strongly believes that regional, rural and remote Australia has a bright and prosperous future and is committed to working in partnership with the people and communities of regional Australia to ensure that regional Australia's enormous contribution to national economic and social wellbeing is recognised and enhanced.

All Australians can be justly proud of the enterprise and achievements of Australian farmers in what is an increasingly competitive world. International competition and other pressures will continue to challenge Australian farmers but will also present new opportunities for innovation, diversification and growth.

BUDGET MEASURES

Natural Heritage Trust

The Coalition Government has reinforced its commitment to natural resource management in rural and regional Australia by extending the Natural Heritage Trust with \$1 billion for a further five years from 1 July 2002.

This funding is additional to the Government's \$700 million commitment to the National Action Plan for Salinity and Water Quality. Together, the two commitments represent an unprecedented investment in protecting and enhancing Australia's environment and natural resources.

The Trust is a partnership of all Australians, drawing together individuals, communities and governments to target our environmental problems at their source.

The Trust focuses on five key environmental themes - land, vegetation, rivers, coasts and marine, and biodiversity. The Natural Heritage Trust will continue to promote agriculture based on sound natural resource management, as well as protecting our unique biodiversity through improved management of resources.

National Action Plan for Salinity and Water Quality

\$65 million in Commonwealth funds will be committed in 2001-02 to the initial stages of the National Action Plan for Salinity and Water Quality. A seven year \$700 million Commonwealth Government initiative, in partnership with regional communities, the Action Plan will be matched by funding from the States and Northern Territory. The Action Plan will address one of Australia's largest environmental challenges.

The core of the Action Plan will be integrated regional plans developed at the local community level and which target twenty-one priority regions across the country.

The Action Plan represents the first concerted national strategy to address salinity and water quality - two of the most significant issues confronting Australia's rural industries, regional communities and our environment.

QUARANTINE

Over the last four years, the Government has responded to longstanding weaknesses in the quarantine system. In 1997, the Government committed an additional \$76 million to the Australian Quarantine and Inspection Service. Further funding was provided in the 2000-01 Budget. These increased resources have seen the number of AQIS staff at the border increased from about 400 in 1997 to almost 700 in 2000.

In this Budget, the Government commits further funding to ensure that our country remains free of exotic pests and diseases, following outbreaks of foot and mouth disease (FMD) in the United Kingdom and Europe.

In the 2001-02 Budget, the Government will provide an additional \$596 million funding for quarantine including:

- \$5.7 million for AQIS up until 30 June 2001, to support the extra measures introduced to counter the UK and the European FMD outbreaks;
- \$281.4 million from 2001-2002 to 2004-05 to boost quarantine enforcement by AQIS;
- \$238.8 million from 2001-2002 to 2004-05 for Customs to provide quarantine support services;
- \$68.8 million to alter infrastructure at international airports and international mail centres, and to cover ongoing surveillance costs for Australia Post;
- \$1.2 million to strengthen risk management and preparedness arrangements for FMD and Bovine Spongiform Encephalopathy (BSE), being coordinated by a high-level industry and government management group; and
- \$0.5 million for the purchase of reagents to allow the rapid testing of suspected FMD cases as part of Australia's surveillance programme.

The additional resources will enable:

- **at airports**, the baggage for the overwhelming majority of passengers will undergo physical inspection or x-ray, with enhanced detector dog support;
- **for air cargo**, external inspection of all aircraft containers and inspection of all material of quarantine concern;
- **at seaports**, inspection of all ships, with increased general surveillance, including for quarantine waste management;
- **for sea cargo containers**, external inspection of all containers and continued inspection of all material of quarantine concern;
- **at mail exchanges**, x-ray or detector dog surveillance of all posted articles; and
- enhanced quarantine **public awareness** activities to better educate and inform travellers, importing industries, international students and people from non-English speaking backgrounds.

This ongoing funding will allow the reinforcement of quarantine measures across-the-board to protect the nation's vital agricultural industries and the environment for a wide range of disease and pest threats.

Agricultural Development Partnerships programme

The Federal Government will provide \$26.4 million over the next four years for the Agricultural Development Partnerships programme as part of its commitment to regional and rural Australia.

The programme will provide assistance for structural adjustment, targeted to specific agricultural industries and regions experiencing significant problems affecting farm viability.

The programme will strengthen local agricultural industries, enhance the management of the natural resource base and promote stronger rural and regional communities.

New Industries Development Programme (NIDP)

The Federal Government will provide \$21.7 million over five years to expand and enhance the New Industries Development Programme (NIDP) and support Australian agribusinesses in gaining the business skills and resources to successfully launch new agribusiness products, technologies and services.

The New Industries Development Programme (NIDP) will boost efforts to improve Australia's performance in the development and commercialisation of new innovative agribusiness products, services and technologies.

Through initiatives supported under the enhanced programme, Australian agribusiness enterprises will gain the business skills and resources required to successfully commercialise new agribusiness products, services and technologies.

The benefits through business and job growth will flow through to rural and regional Australia, in particular.

National Food Industry Strategy

The Government will provide \$3 million in this year's Budget for the development of a National Food Industry Strategy to help secure the food industry's future success.

The aim is to put in place a strategic framework of actions by both industry and Government for the growth of a sustainable, innovative and globally competitive Australian food industry in an era of increasing globalisation.

The food industry has made significant gains in past years, recording, on average, an 8 per cent increase in exports each year over the past 10 years. The Strategy will build on the industry's success to date and boost its international competitiveness.

Development of the Strategy will involve extensive consultations with all sections of the industry and regional communities.

Rural Financial Counselling Service

The Government will provide \$17.4 million from 2001-02 to 2003-04 to extend *the Agriculture – Advancing Australia* (AAA) Rural Financial Counselling Service as part of the Government's commitment to rural and regional Australia.

The programme assists primary producers in agriculture, fishing and small rural enterprises, who are experiencing financial hardship and have no other source of financial advice.

Financial Counsellors assist clients in rural and regional Australia, particularly farm businesses, to help them deal with a range of financial pressures and adjustment issues.

This reflects the Government's ongoing commitment to rural and regional Australia in helping primary producers make the most of changing market conditions. It provides an effective safety net to assist primary producers, who are experiencing financial hardship, to plan their future.

Youth initiatives

A major three-year, \$1.3 million, *Young People in Rural Industries* initiative will encourage young Australians to make a greater contribution to policy development and rural industry leadership.

The initiative targets 18-35 year-olds who have chosen a career in Australia's agriculture, fisheries and forestry industries, including the food and natural resource management sectors. The key component — the *Young Rural Leaders Programme* — includes a leadership course, study scholarships and training for improved corporate governance skills. It is expected that, at the end of the three years, more than 200 young people will have participated in the programme.

The *Young People in Rural Industries* programme has four key components:

- the *Young Rural Leaders Programme*;
- the national grants programme for rural youth organisations;
- the *Young People as Clients Strategy*; and
- the science initiative managed by Agriculture, Fisheries and Forestry - Australia (AFFA).

The programme includes \$30,000 sponsorship to the National Farmers Federation's *Young Farmers Forum*, which brings together over 100 young farmers and other primary producers from around Australia to discuss national issues affecting rural industries.

Agricultural shows

A national development fund of \$2 million has been established to support the volunteers who form the backbone of Australia's agricultural shows. The new programme will provide training to support training in areas such as show administration, finance, occupational health and safety, marketing and management. The Federal Government is investing in regional and country shows because they serve as important focal points for community life and as venues for the exchange of agricultural ideas and innovation.

Dairy farmers support

The Government is providing an additional \$140 million of federal assistance measures for the dairy farmers and dairy communities most affected by the deregulation of Australia's milk market by State governments.

This funding is in addition to the Federal Government's \$1.78 billion adjustment package and the recently announced \$18 million for dairy farmers adversely affected by flooding in northern New South Wales. Dairy farmers in all States who meet the eligibility criteria will receive payments.

The \$140 million package includes:

- \$100 million in supplementary market milk payments to dairy farmers who were most heavily dependent on market milk production;
- \$20 million for eligible people who, because of extraordinary circumstances, were excluded, or their entitlements were significantly lower than normal, under the Government's Dairy Structural Adjustment Programme; and
- a \$20 million expansion of the Dairy Regional Assistance Programme.

The Government's decision follows a report by the Australian Bureau of Agricultural and Resource Economics which revealed that the decline in market milk prices has been greater than expected, particularly in the former quota States of New South Wales, Queensland and Western Australia.