

Rural and Regional Australia - Sustaining the Nation

STATEMENT BY
THE HON. WARREN TRUSS MP
AUSTRALIAN GOVERNMENT MINISTER FOR AGRICULTURE,
FISHERIES AND FORESTRY

SENATOR THE HON. IAN MACDONALD
AUSTRALIAN GOVERNMENT MINISTER FOR FISHERIES,
FORESTRY AND CONSERVATION

SENATOR THE HON. JUDITH TROETH
PARLIAMENTARY SECRETARY TO THE MINISTER FOR
AGRICULTURE, FISHERIES AND FORESTRY

11 MAY 2004

© Commonwealth of Australia 2004

ISBN 1 74149 173 8

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth available from the Department of Communications, Information Technology and the Arts. Requests and inquiries concerning reproduction and rights should be addressed to:

The Commonwealth Copyright Administration
Intellectual Property Branch
Department of Communications, Information Technology and the Arts
GPO Box 2154
CANBERRA ACT 2601
Or posted at:
<http://www.dcita.gov.au/cca>

Printed by CanPrint

CONTENTS

Overview	1
Agriculture - Advancing Australia	4
Drought management	7
Natural Resource Management	8
Fisheries and aquaculture	11
Forestry	12
Keeping Australia disease and pest free	13
Trade prospects	14
Conclusion.....	16
Budget Measures	17
Changed focus for Farm Help	17
\$66.7m to extend FarmBis	17
Rural Financial Counselling Service funded for 4 more years	18
Australian Government partners industry for growth	18
\$457 million for flagship NRM programs	19
More Murray Darling funds flow	19
Commitment to Landcare maintained	20
More funds for Artesian Basin recovery	20
Budget extends animal and plant disease response	21
Budget funding attacks avian influenza	21
Funds to strengthen agricultural trade links with Asia.....	22
Budget reinforces biosecurity standards	22
Marine pest fight gets \$3.7 million.....	23
\$11.3 million to improve livestock trade	23
\$15 million for WA timber industry	23
Another \$1 million for aquaculture	24
\$3.8m to continue biotechnology studies in agriculture	24
Armed patrols to protect Southern Ocean Fisheries.....	24
\$2.4 million for foreign Northern fisheries compliance	25

OVERVIEW

Even though ours is one of the world's most urbanised nations, Australia continues to be sustained significantly by its rural and regional industries in their export production and the jobs they provide.

In the five years from 1997-98 to 2002-03, farm exports rose by over 20 per cent, and in 2001-02, farm exports contributed \$31.2 billion to the Australian economy, representing around 65 per cent of total agricultural output.

Overall, more than 672,000 people – 3.6 per cent of Australia's population – are employed in the nation's agricultural, fisheries and forestry industries or are directly dependent on someone employed in this sector.

The great change occurring in farming and food production, driven by increasing globalisation, technological advance and consumer expectations, means the watchwords of the Coalition Government's regional and rural policies over the past eight years – competitiveness, profitability and sustainability – remain as pertinent as ever.

The Australian Government is continuing to deliver the macro-economic conditions necessary to foster the growth of Australian small businesses, including family farming, fishing and forestry businesses.

Under the stewardship of the Coalition over the past eight years, the economy has enjoyed a sustained period of high growth with low inflation and the lowest interest rate climate for 30 years.

In addition, the unemployment rate has decreased significantly, with approximately 1.3 million additional jobs being created since March 1996.

Importantly, the Coalition Government has repaid approximately two thirds of the \$96 billion of debt inherited from the Labor Government in 1996, thus saving billions of dollars annually in interest payments that can now be returned to the Australian community in various ways.

Farmers, fishers and foresters, as small business people, directly benefit from the Australian Government's prudent financial management, delivering a sound investment climate and other conditions that serve as an incubator for business prosperity.

As well as providing a strong investment environment, the Howard/Anderson Government has geared its policies to assist Australia's regional and rural industries from inside the farm gate and along the supply chain to the customer's plate.

The Australian Government has also provided the most generous and comprehensive assistance ever for farmers severely affected by the worst drought in memory – more than \$430 million in direct assistance to date, with the expectation of eventually providing over \$1 billion to meet the full extent of the drought.

Helping industries cope with the reform process has been another priority for the Coalition, with the Australian Government continuing to press ahead with its agenda to ensure important industries such as dairy and sugar, are well placed to compete and take advantage of the growing opportunities in export markets.

The Australian Government continues to administer quarterly payments to dairy farmers under the \$1.94 billion eight-year Dairy Structural Adjustment Package. The sugar industry will receive \$444.4 million in Coalition Government assistance to position it for a strong and viable future, in addition to \$80 million provided in the past four years.

For primary producers, keeping pace with change means being innovative, a good manager and continually updating skills and learning.

And just as farmers sustain our nation, we as a nation need to sustain our natural resources – our soil, water, forests and fisheries – and be highly vigilant for incursions of pests and diseases.

Under the Coalition, the Australian Quarantine and Inspection Service maintains a 100 per cent inspection rate on incoming international mail, shipping and air and sea containers, and approximately 90 per cent of passengers arriving at our international airports have their luggage x-rayed or opened. This compares with intervention of less than 5 per cent of international mail, very few sea and air cargo containers and only 25 per cent of passengers under the previous Labor government.

The Howard/Anderson Government's record of achievement in assisting rural and regional industries is outstanding:

- our flagship \$1 billion agricultural policy programme, *Agriculture - Advancing Australia*;
- unprecedented funding of more than \$4.9 billion for major environmental and conservation programmes, such as the Natural Heritage Trust, the National Action Plan for Salinity and Water Quality and Landcare;
- other major natural resource management initiatives, such as the National Water Initiative;
- strong action to curb illegal, unregulated and unreported fishing in our waters, particularly in the Southern Ocean and in the North of the Australian Fishing Zone;

Rural and Regional Australia – Sustaining the Nation

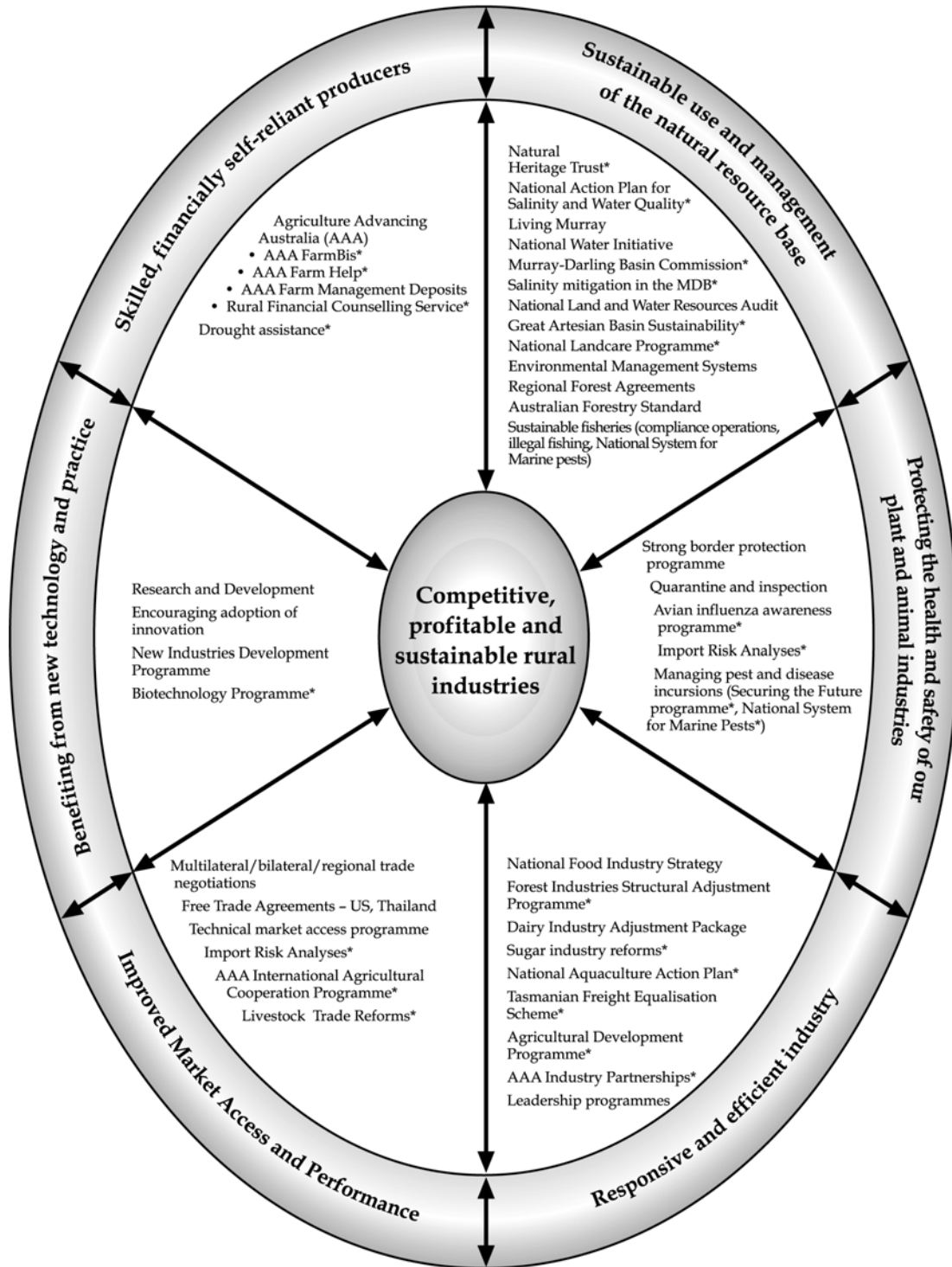
- international and domestic programmes to ensure Australia's and the world's forests are managed sustainably;
- a \$102.4 million, five-year National Food Industry Strategy to improve innovation, market development and environmental sustainability;
- the ten-year, \$8.3 billion *Backing Australia's Ability* initiative, which includes the New Industries Development Programme and National Biotechnology Strategy;
- strengthening Australia's quarantine defences – already among the toughest and most effective in the world – with a \$600 million boost over four years in the 2001 Budget;
- preparing for the unthinkable – a major animal and plant pest disease incursion; and
- taking a lead in pushing for freer global agricultural trade.

As the diagram on the following page shows, the Coalition Government's policies and programmes for the agriculture, fisheries and forestry portfolio provide a framework for more competitive, profitable and sustainable rural industries.

The 2004 Budget continues to build on these achievements as well as providing a change of focus for some major programmes to meet changing circumstances. It includes:

- further substantial funding for *Agriculture - Advancing Australia* and natural resource management programmes, such as the Natural Heritage Trust, the National Action Plan, the Living Murray and the National Landcare Programme;
- measures to protect our favourable animal and plant health status and to build stronger links with key trading partners, especially in Asia; and
- support for established and growing industries such as the \$1 billion livestock trade, aquaculture and forestry.

A framework for growth



*2004-05 Budget measures

Agriculture - Advancing Australia

Foremost among the Coalition Government's agricultural policy programmes has been *Agriculture - Advancing Australia* (AAA) – an integrated package to improve the business and risk management skills of primary producers and assist farm families in serious financial difficulties.

Since its launch in 1997 AAA has assisted tens of thousands of primary producers to obtain new skills, manage risks, seek new directions and make the hard decisions in financially challenging situations.

An evaluation of AAA in 2003 found the package had largely achieved its objectives by contributing significantly to increasing business and risk management skills, building financial self-reliance, and fostering a strong culture of continuous learning and innovation. For many farmers, the skills acquired through AAA-assisted programmes proved invaluable in preparing for and managing the drought.

The 2004-05 Budget injection of \$238 million over four years will take Coalition spending on AAA programmes to over \$1 billion and reaffirms the Australian Government's commitment to building a stronger, more competitive and sustainable regional and rural Australia. It also reaffirms the Howard/Anderson Government's belief that our primary and processed food industries will remain vital to the economic strength of the Australian economy.

Farm Help – Supporting Families Through Change

AAA funding in the Budget includes \$134.9 million to continue the *Farm Help – Supporting Families Through Change* programme over the next four years with a renewed focus.

In line with the Coalition Government's underlying philosophy of self-reliance and mutual obligation, the objective of the programme will be strengthened to support low-income farmers, who can no longer borrow against their assets, while helping them make decisions to improve their situation.

Farm Help will provide an opportunity for farmers to gain information and skills that will support a better long-term outcome for them, their families and their farms.

Farmers qualifying for assistance will participate in quarterly reviews of their circumstances and progress against their activity plans to ensure they are using the programme effectively and progressing towards making positive changes to their situation.

For farm families choosing to leave farming, the maximum re-establishment grant will be increased from \$45,000 to \$50,000.

FarmBis

The Budget provides a further \$66.7 million over four years for the AAA FarmBis programme, which has brought about a profound change in the farming sector by cultivating a strong learning culture. The allocation is expected to bring the Coalition's expenditure to \$172.7 million.

Since 1997, about 150,000 primary producers have participated in FarmBis-subsidised training and education programmes. This has resulted in improved business management skills and practice, adoption of innovation and financial self-reliance, with a significant rise in the number of producers showing a more business-oriented attitude to farming.

Consistent with the existing FarmBis arrangements this funding is contingent on matching funding from state and territory governments.

Farm Management Deposits

The readiness of farmers to take advantage of programmes such as FarmBis and another AAA success story, the Farm Management Deposits Scheme (FMDS) is heartening.

Now in its fifth year, FMDs have grown exponentially over the past two years, with over 39,000 subscribers and more than \$2 billion in investments.

This tax-linked, financial risk management tool has been of great benefit to farmers affected by the drought, and FMDs are now a critical part of many producers' financial and risk management strategies – providing incentive to put aside in good years and rely on their own funds in the bad.

FMDs are provided at an estimated cost to Australian Government revenue of around \$500 million a year.

Industry partnerships

Believing that industries are best placed to understand and meet their own needs, the Australian Government, nevertheless, sees great value in forming partnerships with industry to help farmers achieve their collective goals.

The Budget provides \$4.7 million in 2004-05 for a pilot Industry Partnership initiative to allow targeted industries to plan and develop measures, such as training courses and to encourage innovation.

This programme gives further effect to the Coalition Government's philosophy of helping put rural and regional industries on a firm footing to compete in an increasingly demanding domestic and international environment.

Rural Financial Counselling Service

For many farm families and regional communities, financial information and decision-making support are lifelines during difficult times such as the drought.

The Budget has provided \$23.3 million to ensure the continuation of the Rural Financial Counselling Service (RFCS) for a further four years, bringing the Coalition commitment to \$56.3 million toward the provision of financial analysis, counselling and referrals to other programmes and services.

The RFCS normally provides information to around 10,000 farm families in financial difficulty each year, and during the recent drought the call on services jumped by 15 per cent.

A review in 2005 will assess the efficiency of current RFCS delivery arrangements.

Drought management

Farmers have made good use of AAA programmes and other Government measures to manage the drought, and recover from it.

An independent review of Australia's drought policy found strong support for Australian Government assistance programmes, such as Farm Management Deposits, FarmBis, the RFCS and the Exceptional Circumstances Relief Payment.

It also reinforced the Coalition Government's call for a fairer, more responsive system to manage drought and found widespread support for the National Drought Policy, which encourages producers to be more self-reliant in managing risks associated with climatic variability and maintaining the agricultural resource base.

The Australian Government convened a National Drought Roundtable in April 2004 to discuss new or improved ways of helping farmers prepare for, cope with, and recover from drought.

The Howard/Anderson Government believes a truly, national, cooperative approach involving the states and territories, industry and regional and rural communities is the way forward to better managing the recurrent problems of drought. The Australian Government will continue to work to achieve this aim.

Natural Resource Management

The need to improve the management of our natural resources has been a dominant theme of the Coalition Government and exemplified by the ongoing commitment to Australia's largest environmental rescue initiative, the \$3 billion Natural Heritage Trust (NHT) and the complementary \$1.4 billion National Action Plan for Salinity and Water Quality (NAP).

NAP and NHT

The 2004-05 Budget allocation for the NAP is \$152.7 million and \$310 million for the NHT, of which \$153 million will go to regional implementation. This means that in 2004-05, over \$300 million will be invested through regional natural resource management organisations from these two programmes.

This unique approach to improving the sustainability of Australia's primary production while maintaining environmental action is already yielding benefits. These include the formation of new partnerships working at a regional level to direct investments strategically to long-term outcomes for the environment and agriculture.

These programmes, and other major natural resource management initiatives, such as the Living Murray, the National Landcare Programme, the National Water Initiative and Environmental Management Systems (EMS) are part of an overall approach by the Howard/Anderson Government to align good farm management with better management of our soil, water and forests at the individual and community level.

National Water Initiative

Water allocation has become a dominant concern to Australia's agricultural producers.

The National Water Initiative (NWI), agreed by the Council of Australian Governments (COAG) in August 2003, focuses on six major themes in order to increase productivity and efficiency of water use, sustain rural and urban communities, and to ensure the health of river and groundwater systems.

Member jurisdictions of the Murray-Darling Basin, other than Queensland, have agreed to provide new funding of \$500 million over five years to address water over-allocation in the Murray Darling Basin in ways that do not impact negatively on regional communities.

The Howard/Anderson Government's agreed contribution is \$200 million, subject to satisfactory agreement between the partners on the introduction of the NWI.

The NWI is to be detailed in an intergovernmental agreement for consideration at the COAG meeting later in 2004.

Murray Darling Basin

Murray Darling Basin communities will also benefit from \$86.5 million over four years for the work of the Murray-Darling Basin Commission (MDBC), which is in addition to \$89.7 million provided since 1996.

The Howard/Anderson Government will also provide \$60 million over the next eight years as part of the Snowy River rescue package, specifically to increase Murray River flows.

The 2004-05 allocation to meet the funding needs of the MDBC will be \$16.5 million.

The investment in the MDBC will go towards a number of activities, including refurbishing dams and weirs, salinity mitigation works, and developing and implementing MDBC policies and strategies.

The Coalition Government's contribution to the MDBC for 2004-05 is part of an ongoing commitment to the two million Australians choosing to live in one of the nation's most important food bowls and reflects the priority placed on ensuring the sustainability of one of Australia's most productive agricultural regions.

An historic first step towards maintaining and restoring the environmental health of the iconic River Murray was taken in November 2003.

In a joint agreement between the Australian Government and the States, the MDBC decided on the environmental objectives for the first stage of the programme to address issues associated with the health of the River Murray system.

The water for the environmental flows under the first stage will come from a combination of engineering works, better management of river flows, on-farm water efficiency savings and some limited purchase of water from willing sellers.

The proposal is being discussed with local communities and after COAG agrees to the details of the funding package, a final recommendation will be put to the Ministerial Council meeting around mid-2004.

The first stage will be complemented by the realignment of the seven-year, \$150 million capital works programme to which the Council committed in April 2002. This programme is additional to the \$500 million COAG commitment.

National Landcare Programme

The National Landcare Programme has been a model for community involvement in natural resource management, and the 2004 Australian Government budget allocation of \$159.5 million over the next four financial years endorses the effectiveness of Landcare.

A review in 2003 found Landcare effectively engaged and equipped farmers and landholders to use and manage natural resources better.

The review found the programme had contributed to an increase in the adoption of sustainable farming and land management practices. Maintaining the motivation and commitment to landcarers through support for on-ground activities is essential to achieving our natural resource management goals.

The review highlights the need for ongoing investment to build on the past achievements of the landcare movement. It also suggests a broadening of the programme to encourage the participation of other rural and regional sectors such as forestry and fisheries.

The report of the review is available online at: www.daff.gov.au/landcarereview

Great Artesian Basin recovery

The 2004 Budget provides another \$42.7 million over five years to extend the Great Artesian Basin Initiative, which has been restoring artesian pressure in the Basin since 1998 by capping old, free-flowing bores and replacing earth bores with pipes. About 300 priority bores have been rehabilitated, leaving another 850 to be treated.

The Coalition Government has already injected \$32 million over the past five years into the Basin rehabilitation mainly in Queensland, new South Wales and South Australia.

This year's Budget allocation includes \$1.35 million over two years to complete work on the Carnarvon Artesian Basin in Western Australia.

Water Savings Project

The recent drought has been a reminder to all Australians on the need to manage our water resources responsibly and sustainably.

The Howard/Anderson Government has established the Water Savings Project under its enhanced Natural Heritage Trust initiative to consider significant new ideas to save water in rural and regional Australia. The Government's call for water saving ideas in 2003 attracted more than 550 submissions.

These have been evaluated by an expert panel, and two national projects which came out of the submissions – a website for domestic water savings products and funding for reuse and recycling research – have been committed to.

The feasibility of further projects will be considered by members of an Advisory Committee, including representatives of the State and Territory governments in the context of existing programmes and initiatives.

Environmental Management Systems

Growing interest in Environmental Management Systems (EMS) and Government consultations with industry and community groups have led to new directions in EMS policy.

The Coalition Government is offering to work as a partner with industries to adopt profitable and sustainable farming practices, improved natural resource management, and to demonstrate responsible environmental stewardship to domestic and international markets.

The new direction represents a new stage in the Australian Government's existing \$31.2 million investment in EMS, including a National Pilot Programme to test EMS as a business management tool at an individual enterprise level and on a broader catchment scale.

Fisheries and aquaculture

Illegal fishing

As further evidence of its determination to preserve our natural resources, the Howard/Anderson Government has demonstrated repeatedly that it will not tolerate illegal fishing in Australian waters.

In 2003 there were a record 139 apprehensions.

The Budget provides \$89.2 million for 2004-05 to 2006-07 for a full-time, armed patrol vessel, managed by Customs, to protect our valuable Patagonian Toothfish resource and sovereign interests in the sub-Antarctic around Heard Island and the McDonald Islands. The Australian Government will also provide \$4.9 million for post-apprehension costs associated with Southern Ocean operations.

The Coalition Government also allocated around \$2.4 million in 2004-05 to the Australian Fisheries Management Authority for its foreign fisheries compliance programme in northern Australia.

Australia will bolster its patrol and compliance programmes with continued strong engagement in international fisheries forums to foster greater international cooperation in pursuing sustainable fisheries and protecting our national interests on the high seas.

Aquaculture

Building expertise in, and encouraging sustainable new industries to preserve Australia's natural resources, has been a central plank of the Howard/Anderson

Government's programme for a revitalised and innovative rural and regional Australia.

The \$1 million allocation in the 2004 Budget for Australia's fast growing aquaculture industry to build on initiatives begun last financial year further reflects the Government's commitments to this direction.

The Australian Government provided \$2.5 million in 2003-04 to begin implementing the Action Agenda for Aquaculture to realise the industry's sales vision of \$2.5 billion by 2010.

The new funding will assist the industry's peak body, the National Aquaculture Council, fund an executive officer to continue implementing the action agenda.

It will also allow the continued promotion of Indigenous aquaculture agencies, help fund a marketing and promotional strategy and enable further progress on streamlining aquaculture regulation.

Forestry

Australia is a world leader in sustainable forest management practices through Regional Forest Agreements and the adoption of the Australian Forest Standard in 2002, which has given business a creditable and auditable standard to cover sustainable forest management for wood production.

The Coalition Government invested \$550,000 through the Natural Heritage Trust in the Commercial Environmental Forestry Project in 2003-04, and will announce further investment in 2004-06.

The project aims to develop a public/private co-investment framework to attract major private investment in targeted farm forestry as a way of addressing salinity in NAP priority catchments.

Western Australia assistance programme

Under the Western Australian Regional Forest Agreement, the Australian Government is committed to support investments that add value to forest products and create sustainable employment in rural areas of the State.

The Coalition Government has announced two assistance programmes for the Western Australian forest industry and dependent communities – the \$12.5 million Forestry Assistance Programme for Western Australia and the \$2.5 million Grants for Forest Communities Programme.

Funding of \$15 million will be provided in the next two financial years for these programmes.

The two programmes will provide grants to businesses and community groups proposing developments in the forestry and forest products industries, particularly in the southwest of Western Australia, which has been particularly affected by the State Government's decision to limit logging.

Keeping Australia disease and pest free

The continued prosperity of our primary industries and Australia's international reputation as a provider of premium quality food rely on our agricultural industries and the environment remaining free from serious exotic pests and diseases.

As Australia's front line against the entry of exotic pests and diseases, the Australian Quarantine and Inspection Service (AQIS) faces major challenges.

These include the significant growth in international passenger numbers and cargo volumes, the speed with which people and products are now moving between countries, the emergence of new zoonotic diseases, such as severe acute respiratory syndrome and avian influenza, and heightened security concerns since the 11 September 2001 terrorist attacks in the United States.

The Australian Government's \$596 million (over four years) quarantine funding boost delivered in 2001-02 has significantly strengthened border protection.

As well as providing funding to ensure that Australia's borders are protected, the Budget has allocated \$21.6 million over the next four years for the *Securing the Future* initiative.

The new funding will be used to build on the work of the Building a National Approach to Animal and Plant Health programme, which has made excellent progress in strengthening Australia's animal and plant health and food safety infrastructure for dealing with any incursion of an animal or plant exotic pest or disease and other biosecurity threats.

Securing the Future is based on Australian governments working with industry and using all available resources to build a world-class emergency prevention and preparedness system.

Marine pests

Introduced marine pests are another serious threat to our fishing and aquaculture industries and marine environment.

The 2004 Budget has provided \$3.7 million to implement a national system to manage introduced marine pests.

Under the National System for the Prevention and Management of Marine Pest Incursions, Australian and State and Territory governments will develop a coordinated response to deal with the serious and growing problem of introduced marine pests.

Some parts of the National System, including international ballast-water management arrangements, are in place. The 2004 Budget will ensure the development of the rest, such as best management practices for aquaculture, and aquarium trade regulations.

Biosecurity reinforced

Australia will be better placed to advance its agricultural trade interests while maintaining its high standard of biosecurity as a result of \$3.5 million in new Budget funding.

The funding will allow the Department of Agriculture, Fisheries and Forestry (DAFF) agency Biosecurity Australia to ensure its import risk analysis process and related activities are timely, conducted with the highest standard of scientific rigour, transparent and consultative.

The extra funding will also help DAFF work with the Department of Foreign Affairs and Trade in defending Australia's interests against challenges to Australia's quarantine system.

Australia will not compromise our quarantine standards, however, we cannot expect to gain full advantage of export opportunities for our agricultural products if we do not respond in a timely, transparent and scientific manner to market access requests from trading partners.

The Australian Government will therefore provide an extra \$3.5 million in 2004-05 to meet international challenges to our quarantine system and to ensure Biosecurity Australia has the resources available to gain market access for Australian products and to conduct import risk analyses to the highest standard.

Trade prospects

The next twelve months again shape to be full of challenges and opportunities for Australian rural and regional industries. While the pursuit of agricultural trade reform through the WTO Doha Round remains our highest priority, the Australian Government will continue to look at bilateral trade deals if we are able to gain a better or faster result than is possible through the ongoing WTO negotiations.

Agreements with the United States and Thailand have been negotiated and a joint scoping study into a possible Free Trade Agreement (FTA) with China is due to be completed by October 2005. A separate joint study into the implications of further trade and investment liberalisation with Japan is also under way.

While no single FTA can be expected to deliver everything the Australian Government wants for its farmers, fishers and foresters, any and every incremental trade gain is something that would not otherwise have been achieved for Australian primary producers.

Effective implementation of the free trade deals will be an important priority for 2004 and will be a key to ensuring Australian producers can take advantage of the new opportunities created by the Agreements.

Australia continues to be involved in a number of WTO dispute processes. Only recently hearings were held into our challenge to the EU's sugar subsidy regime. We will also continue to vigorously defend our quarantine regime in the face of WTO challenges from the EU and the Philippines.

Live animal exports

Implementing the Government's response to the Keniry inquiry into the livestock export industry will be another trade priority over the next 12 months.

The 2004-05 Budget provides nearly \$11.3 million over the next four years to implement recommendations in the report to improve animal welfare outcomes in the livestock trade to the Middle East.

The funds include the costs of stationing an Australian Government veterinary counsellor in the Middle East, work to improve animal welfare practices in importing countries and the introduction of a new industry regulatory system.

International Agricultural Cooperation Programme

The Budget has provided \$6.4 million for the International Agricultural Cooperation Programme (IAC) – another AAA initiative – over the next four years to build strong trade relationships, particularly with neighbouring Asian countries.

IAC plays an important role in strengthening bilateral agricultural relationships with key trading partners – particularly China, Indonesia, Thailand and Philippines.

Several successful programmes operating under the IAC programme have provided significant benefits for Australian producers.

Exchange visits between Australia and China under the Australia-China Agricultural Cooperation Agreement (ACACA) have laid the foundation for export trade, and participants in both countries highly value the programme.

In addition, activities with Indonesia under the Ministerial Forum Working Group on Agriculture and Food Cooperation provide direct support for Australia's key export interests in the live cattle, meat and dairy sectors.

Conclusion

In conclusion, the Budget demonstrates the Coalition Government's commitment to equip regional and rural Australia to meet the challenges of globalisation, technological advance and rising consumer expectations.

Despite the severe blow dealt to many primary producers by the drought of 2002-03, our agricultural industries are starting on the road to recovery.

As a result of major Howard/Anderson Government policies and programmes, such as *Agriculture - Advancing Australia*, primary producers are acquiring the skills and knowledge to prepare for, manage and recover from such setbacks, and to take advantage of the opportunities provided in the new international trading environment.

The Australian Government's continuing leading role in natural resource management, in restoring our important river systems to health and preserving our scarce water resources are major steps towards helping farmers sustain our nation while managing a fragile environment.

Together, the Coalition's policies of skilling our primary producers, encouraging industry reform, providing access to new markets while remaining uncompromising on our strict quarantine regime, and managing our natural resources for future generations are providing the strategic framework to continue building a stronger, more self-reliant and sustainable rural and regional Australia that will continue to sustain the nation.

BUDGET MEASURES

New measures announced in the Budget include:

Changed focus for Farm Help

The Federal Budget will provide \$134.9 million to continue the *Agriculture - Advancing Australia* (AAA) programme *Farm Help – Supporting Families through Change* over the next four years with a renewed focus.

The new focus will be on supporting low-income farmers, who can no longer borrow against their assets, to make decisions that will enable them to change their situation for the better.

The programme will continue to assist farm families in severe financial difficulty while they assess their future in farming but there will be an increased emphasis on using strategic information, analysis and professional advice to support decision-making.

Farmers will be required to approach the programme as an opportunity to gain information and skills that will support a better outcome for them in the long term. They will also need to undergo a financial and viability assessment by qualified advisers and develop an activity plan.

Farmers qualifying for assistance will participate in quarterly reviews of their circumstances and progress against their activity plans to ensure they are using the programme effectively and progressing towards making positive changes to their situation.

For farm families choosing to leave farming, the maximum re-establishment grant will be increased from \$45,000 to \$50,000.

The Australian Government will review the programme again in 2005-06.

\$66.7m to extend FarmBis

The Australian Government's successful *Agriculture - Advancing Australia* (AAA) programme, FarmBis has received a further \$66.7 million budget allocation over four years – taking the total Coalition expenditure to \$172.7 million.

Since 1997 about 150,000 primary producers across Australia have participated in FarmBis-subsidised training and education.

This has resulted in improved business management skills and practice, adoption of innovation and financial self-reliance, with a significant rise in the number of producers showing a more business-oriented attitude to farming.

The Budget provides \$13.6m in 2004-05, \$17.7m in 2005-06, \$17.8m in 2006-07 and \$17.6m in 2007-08. Consistent with the existing FarmBis arrangements, this funding is contingent on matching funding from the States and the Northern Territory.

The programme will retain its key delivery principles.

These include:

- learning activities to be driven by primary producer demand and delivered on a competitive basis;
- a focus on short and medium-term learning activities; and
- a requirement for participants to contribute to the cost of their learning.

Rural Financial Counselling Service funded for 4 more years

The Budget has ensured continuation of the Rural Financial Counselling Service (RFCS) by providing \$23.3 million over four years for financial information, referrals and decision-making support for farm families in financial difficulties.

A review in 2005 will assess the efficiency of current RFCS delivery arrangements.

The RFCS normally provides information, financial analysis, counselling, and referrals to other programmes and services for around 10,000 farm families each year.

The Coalition Government will continue to provide grants to rural communities to meet 50 per cent of the cost of employing a rural financial counsellor and to help farm families in financial difficulty make informed decisions about future business directions.

Australian Government partners industry for growth

The Australian Government has provided \$4.7 million for a new one-year Industry Partnerships initiative in the *Agriculture - Advancing Australia* package.

The initiative will engage targeted industries in close, information-driven partnerships to identify future challenges, training and leadership needs, market opportunities and adjustment pathways.

Selected industries will play an active role in designing, promoting and delivering initiatives identified through the partnership with the Australian Government.

Initiatives identified under the partnership might include developing new training products to address skills gaps and building leadership, adopting innovation and improving market links within the targeted industries.

The Government will review the initiative in 2005.

\$457 million for flagship NRM programs

The Budget provides \$457.5 million in 2004-05 for the Howard/Anderson Government's flagship natural resource management programmes, the \$1.4 billion National Action Plan for Salinity and Water Quality (NAP) and the \$3 billion Natural Heritage Trust (NHT).

Over \$300 million from this allocation will be invested through regional natural resource management organisations.

The regional approach is using natural resource management groups to involve communities in decisions about their local environment, in partnership with all levels of government.

The Australian Government will use natural resource management plans being developed by regional groups to make more informed investment decisions under the two programmes.

More Murray Darling funds flow

Murray Darling Basin communities will benefit from \$86.5 million over four years for the work of the Murray Darling Basin Commission (MDBC), in addition to \$89.7 million provided since 1996.

The Howard/Anderson Government will also provide \$60 million over the next eight years as part of the Snowy River rescue package, specifically to increase Murray River flows.

The 2004-05 allocation to meet the funding needs of the MDBC will be \$16.5 million. The Budget is in addition to the \$200 million over five years the Australian Government has committed, subject to satisfactory agreement on the introduction of the National Water initiative, to address water over-allocation in the River Murray.

This will be complemented by the realignment of the seven-year, \$150 million capital works programme to which the Murray Darling Basin Ministerial Council committed in April 2002.

The \$150 million capital works programme is also additional to the \$500 million COAG National Water Initiative funding and will be focussed on activities such as refurbishing dams and weirs, salinity mitigation and developing and implementing MDBC policies and strategies.

Commitment to Landcare maintained

The Budget has provided continued funding for the National Landcare Programme over the next four financial years following a review confirming the programme's effectiveness.

The Budget provides \$159.5 million over four years for Landcare on top of \$500 million provided by the Coalition since 1996.

The 2003 review confirmed the need to continue the programme because of its effectiveness in engaging and equipping farmers and landholders to use and manage natural resources better, and identified the potential for savings through more efficient programme administration.

The savings will be achieved by using regional frameworks that have been set up to deliver natural resource management programmes, including the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality.

Some 40 per cent of farmers are members of Australia's 4000 Landcare groups and another 35 per cent participate from time to time in landcare activities, making farmers our nation's most committed and active hands-on carers for the environment.

More funds for Artesian Basin recovery

The Government has allocated \$42.7 million over five years to extend the Great Artesian Basin Sustainability Initiative (GABSI), which has been restoring artesian pressure since 1998.

The Government has already invested \$32 million into the Basin to cap old free-flowing bores and replace earth bores with pipes. Around 300 priority bores have been rehabilitated, leaving another 850 to be treated.

Extension of the GABSI will include completing Western Australia's Carnarvon Artesian Basin.

The rehabilitation of the Great Artesian Basin is a cooperative effort involving States and landholders.

Budget extends animal and plant disease response

A programme to further boost Australia's readiness to respond to biosecurity threats and animal and plant disease emergencies has been allocated \$21.6 million over four years in the 2004 Budget.

The Coalition Government's *Securing the Future* initiative will build on the work of the Building a National Approach to Animal and Plant Health programme to strengthen Australia's animal and plant health status.

The growing scope and diversity of trade relations; increases in international passenger, mail and cargo traffic; trading pressures for greater access of foreign agricultural produce to the Australian market and the emergence of new diseases are putting Australian industries under threat from new and emerging biosecurity risks.

Securing the Future will ensure Australia is positioned to respond to biosecurity threats to, and emergencies in, its agricultural, fisheries, forestry and food industries.

Budget funding attacks avian influenza

Australia will be better protected against the threat of Avian Influenza thanks to \$133.6 million in funding announced in today's budget – with \$8.3 million to be administered by the Australian Quarantine and Inspection Service (AQIS).

The funding will go towards a number of measures to enhance border protection at airports and seaports and strengthen protection against a viral epidemic such as avian influenza.

The funding will be injected into a number of measures, including the employment of additional staff and a targeted awareness campaign.

Currently, AQIS screens all flights, passengers, baggage and mail from high-risk countries. This will be further enhanced through an additional 47 employees, additional contractors to assist with luggage handling, and improved health room facilities.

AQIS will also implement an awareness campaign to alert travellers to the risks of bringing in avian influenza through poultry products, feathers and eggs.

Surveillance of Australia's Northern borders will also be increased through the Northern Australia Quarantine Strategy.

Funds to strengthen agricultural trade links with Asia

A programme to strengthen Australia's bilateral agricultural trading arrangements with key trading partners, especially in Asia, has received \$6.4 million over four years.

The International Agricultural Cooperation Programme, which is part of the *Agriculture - Advancing Australia* suite, plays an important role in strengthening trading relationships, especially with China, Indonesia, Thailand and the Philippines.

Activities under the programme will support the Department of Agriculture, Fisheries and Forestry's technical market access work and provide substance to high-level ministerial and other agreements.

Budget reinforces biosecurity standards

Australia will be better placed to advance its agricultural trade interests while maintaining its high standard of biosecurity as a result of \$3.5 million in new Budget funding.

The funding will allow the Department of Agriculture, Fisheries and Forestry (DAFF) agency Biosecurity Australia to ensure its import risk analysis process and related activities are timely, conducted with the highest standard of scientific rigour, transparent and consultative.

The extra funding will also help DAFF work with the Department of Foreign Affairs and Trade in defending Australia's interests against challenges to Australia's quarantine system.

Marine pest fight gets \$3.7 million

The Australian Government has provided \$3.7 million to further develop a national system to manage introduced marine pests.

The funds will go towards implementing the National System for the Prevention and Management of Marine Pest Incursions, which will involve developing a coordinated response from Australian and State and Territory governments for dealing with the serious and growing problem of introduced marine pests.

Some components of the National System, including international ballast water-management arrangements, are already in place. This year's budget funding will ensure the development of the rest, such as best management practices for aquaculture, and aquarium trade regulations.

\$11.3 million to improve livestock trade

The Budget has provided nearly \$11.3 million over the next four years to implement recommendations in the Keniry Report into Australia's livestock export trade.

The funds will include the costs of stationing an Australian Government veterinary counsellor in the Middle East, improving animal welfare practices in importing countries and introducing a new industry regulatory system.

The livestock trade is a significant contributor to the Australian economy, generating about \$1 billion a year in rural economies and supporting about 9,000 jobs.

\$15 million for WA timber industry

Western Australia's forestry industry and communities have received two programmes worth \$15 million to help offset the effects of the State Government's decision to cease logging in old-growth forests.

The Australian Government will provide \$12.5 million over two years under the Forestry Assistance Programme for Western Australia to promote investment and long-term job creation in the industry.

Another \$2.5 million will be provided under the Grants for Forest Communities programme and for small businesses that create employment in the forest industry.

Another \$1 million for aquaculture

Australia's fast growing aquaculture industry has received another \$1 million in 2004-05 to build on initiatives begun last financial year.

The Government provided \$2.5 million in 2003-04 to begin implementing the Action Agenda for Aquaculture to realise the industry's sales vision of \$2.5 billion by 2010.

The new funding will help the industry's peak body, the National Aquaculture Council, fund an executive officer to continue implementing the action agenda.

It will also allow the continued promotion of Indigenous aquaculture agencies, help fund a marketing and promotional strategy and enable further progress on streamlining aquaculture regulation.

\$3.8m to continue biotechnology studies in agriculture

The Australian Government Budget has provided another \$3.8 million over the next four years to enable the Department of Agriculture, Fisheries and Forestry to pursue projects to assist the application of biotechnology in agriculture.

The money is earmarked from a further \$20 million over four years provided in today's Budget for the National Biotechnology Strategy, which is part of a broader Howard/Anderson Government initiative: *Backing Australia's Ability*.

The funding will enable the department to continue studies and initiatives on important issues in agricultural biotechnology, with a focus on three main areas – supply chain management, marketing and emerging issues.

The investment will deliver balanced, quality information about the application of biotechnology, particularly gene technology, to agriculture and food.

Armed patrols to protect Southern Ocean Fisheries

Australian Customs Service and Australian Fisheries Officers will soon begin regular armed patrols of the Southern Ocean to better protect Australia's sovereign interests and valuable fish resources.

The Budget includes almost \$89.2 million over the next two years for armed patrols of Australian waters around the remote Heard Island and McDonald Islands (HIMI) and costs related to any apprehensions.

The funding is part of a comprehensive plan to protect Australia's Southern Ocean fisheries through increased patrols and surveillance, and closer cooperation with countries such as France and South Africa.

It will enable Customs and Fisheries officers to take immediate action to apprehend any illegal fishing vessel trying to catch the valuable Patagonian toothfish or committing any other offence inside this remote part of the Australian Fishing Zone.

\$2.4 million for foreign Northern fisheries compliance

The Australian Fisheries Management Authority (AFMA) received \$2.4 million for foreign fisheries compliance in northern Australia, which will help protect Australia's Northern borders.

The funding will ensure AFMA is fully equipped to fulfil its foreign fisheries compliance role in Northern Australia.

The Budget provides \$1.9 million in 2004-05 to address existing pressures on AFMA's finances as a result of the increasing foreign compliance workload in Northern Australia. The remaining \$500,000 is for the maintenance and destruction of foreign fishing vessels and to aid in the investigation process.

Additional funding will also be provided to the Department of Immigration and Multicultural Affairs to provide for increased removal costs of illegal foreign fishers.

In 2003, the Australian Government apprehended 139 suspected illegal foreign fishing vessels in the northern Australian Fishing Zone.