

TAKING STOCK – POSITIONING OUR RURAL AND FOOD INDUSTRIES FOR THE FUTURE

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OVERVIEW

Introduction

Australia's agriculture, fisheries, forestry and food sectors are at a crucial point in their development – eyeing new opportunities and facing ongoing and emerging challenges of sustainability and future competitiveness.

Many of our rural and food industries have achieved impressive productivity improvements over recent decades – with their rates of growth outstripping those of the broader economy. This underlines the sector's capacity to adapt to change and remain competitive.

And while agriculture's share of Gross Domestic Product (GDP) has declined from about 4 per cent in the early 1980s to 3 per cent in the three years to 2003-04, respected economists Econtech produced a report recently for the Farm Institute of Australia showing that when industries tied to agriculture are factored in, the sector fuels 12 per cent of GDP and 17 per cent of all jobs in this country.

The 2002-04 drought is highlighting the interdependence of agriculture and other parts of the economy and has demonstrated agriculture's importance to overall economic performance.

A fall in the gross value of agricultural production of 19 per cent to around \$32 billion as a result of the drought led to a decline in Australia's GDP of around 1 per cent in 2002-03.

Unwavering commitment

The Howard/Anderson Government has been resolute in its commitment to ensuring our agricultural, fisheries, food and forestry industries remain internationally competitive, sustainable and a significant contributor to the economy.

Since 1996-97 the Government has invested in major initiatives such as the \$1 billion Agriculture - Advancing Australia (AAA) Package. AAA programmes such as FarmBis, Farm Help and Farm Management Deposits have helped tens of thousands of primary producers to acquire a more innovative, business-oriented attitude to farming.

Other programmes, such as the National Food Industry Strategy – with funding of \$102 million over five years from July 2002 – are designed to encourage the development of innovative, responsive and efficient industries.

Since 1996, the Coalition has demonstrated its commitment to protecting Australia's clean and green agricultural industries and the environment with progressive

Taking stock – positioning our rural and food industries for the future

increases of more than \$1.3 billion in quarantine funding in response to increasing risks of pest and disease incursion into Australia.

Getting on with the job

During the 2004 federal election, the Coalition Government's agriculture, fisheries, forestry and food policy documents powerfully restated the Howard/Anderson Government's strong commitment to the regional and rural sector. The 2005 Budget delivers on that commitment – by ensuring the continued self-reliance of portfolio industries and providing an appropriate operating environment.

The 2005-06 Budget initiatives include:

- \$560.9 million over four years to maintain, monitor and, where necessary, strengthen Australia's strict quarantine regime;
- \$217.2 million over five years to continue patrols against illegal fishing in Australia's territorial waters in the Southern Ocean, and for Fisheries officers to participate in French patrols in the Southern Ocean;
- \$200 million for the Living Murray Initiative;
- \$144 million to maintain the Government's 40 per cent subsidy of AQIS export fees and charges for agricultural exports;
- \$91.4 million over five years to strengthen the processing and detention of suspected illegal foreign fishers in our northern waters, to increase the capacity to apprehend and prosecute them and to monitor and protect Australia from potential quarantine risks from apprehended boats;
- \$40 million over four years to defeat the weed menace;
- \$30 million over four years to continue funding obligations under the Joint Government Enterprise for Murray Environmental Flows (trading as Water for Rivers);
- \$20 million over four years to assist Australian livestock industries to introduce the National Livestock Identification System – building on previous expenditure of \$6.1 million by the Coalition Government;
- \$20 million over two years to identify salt deposits in the Murray-Darling Basin and options for managing them;
- \$15 million over three years for an expanded Industry Partnerships Programme;

- \$15 million over three years for the Recreational Fishing Community Grants Programme;
- \$12 million over four years to boost food processing in regional Australia;
- \$9.7 million over four years to boost access to international markets for producers and processors in rural and regional Australia;
- \$7.9 million over five years to establish a Centre of Excellence for Risk Analysis. Part of its role will be to further build and strengthen the import risk assessment system;
- \$6 million over five years to implement the Australian Animal Welfare Strategy;
- \$5 million over four years for a new Healthy Soils for Sustainable Farms Programme;
- \$3 million over two years for a campaign to encourage consumers to buy 100 per cent Australian-grown produce.

Research and development

The provision and adoption of new technologies is a key driver in improving farm performance. The Howard/Anderson Government continues to strongly support agricultural research and development.

From 1996-97 to 2003-04, the Coalition Government, in conjunction with industry, has supported expenditure of more than \$2.9 billion by the rural Research and Development corporations and companies for research and development to promote internationally competitive industries built on sustainable management of the natural resource base. For 2005-06, this partnership is forecast to provide \$438 million for rural research and development.

Drought assistance

With many parts of the country still gripped by drought, the Coalition Government continues to make a major commitment to both drought preparedness and support to farmers. We are also pressing the states and territories to join us in making reforms to drought assistance to ensure that help is available in a timely way when exceptional droughts occur.

State and Territory agriculture ministers meeting in Darwin in April largely agreed to the Coalition Government's six-point plan to reform the Exceptional Circumstances (EC) support to farm families in need.

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Important progress was also made on further development of a computerised National Monitoring System to streamline the EC application and assessment process with the establishment of a steering committee and the allocation of \$600,000 in Australian Government funding to bring it online.

During the present drought, the Howard/Anderson Government has been providing direct welfare payments and business support to farmers at a rate of more than \$4 million a week. Before this drought is over, it is expected that the Australian Government will have contributed about \$1 billion on drought assistance measures for farmers.

Farmers are also benefiting from the hundreds of millions of dollars in tax concessions that the Government provides annually to assist in drought preparedness, especially through the successful Farm Management Deposits Scheme.

Environmental credentials

The Coalition Government's real and practical commitment to the environment and conservation makes it the 'greenest' in Australia's history – with more than \$7 billion now committed to major programmes.

The evidence is in its continuing support for the \$3 billion Natural Heritage Trust (NHT) and the \$1.4 billion National Action Plan for Salinity and Water Quality (NAP) and the National Landcare Programme (NLP), which has been in place since the 1980s and will have received funding of \$700 million by 2008. The Envirofund is the community component of the NHT and provides grants of up to \$50,000 for on ground environmental works. Community organisations and individuals can apply directly for funding without directing submissions through their local regional Natural Resource Management body.

The \$2 billion, five-year Australian Water Fund delivers on a major 2004 election commitment. As part of the Fund, Community Water Grants will deliver on an election commitment to provide communities with grants of up to \$50,000 for on ground water saving measures or projects which improve water use efficiency or water quality. In some instances the grants can be combined to provide funding of a larger scale to community-based Non-Government Organisations. Organisations eligible to apply include community organisations, local government and schools. Community Water Grants will be rolled out over five years to a total of \$200 million.

The 2005 Budget funds several significant new environmental and conservation initiatives, including \$20 million over two years under the National Action Plan to identify salt deposits in the Murray-Darling Basin and options for managing them.

It also provides \$5 million over four years for the Healthy Soils for Sustainable Farms Programme.

Both these new programmes fulfil election commitments.

The Howard/Anderson Government has been the main driver behind the historic National Water Initiative, agreed by the Council of Australian Governments in 2003, and the \$500 million Living Murray Initiative, which aims to assure the environmental health of the River Murray system and benefit the Murray-Darling Basin as a whole.

Its cooperation with relevant states and landholders in the Great Artesian Basin Initiative has seen artesian pressure returning to the Basin as a result of an ambitious programme to cap old, free-flowing bores and replace earth drains.

The Coalition Government has taken an international lead in trying to curb illegal, unregulated and unreported fishing, and has been relentless in its pursuit and apprehension of illegal fishing in our waters, particularly in the Southern Ocean.

Border security

The 2005-06 Budget provides an injection of \$560.9 million over four years across the agencies involved to maintain Australia's invisible quarantine fence at our borders – especially the Australian Quarantine and Inspection Service (AQIS), the Australian Customs Service and Biosecurity Australia.

Quarantine risks have not diminished and quarantine intervention will be maintained at high levels for arriving passengers and baggage, international mail and at other border entry points such as seaports.

Australia has continued to be free of the world's major pests and diseases, such as foot-and-mouth disease and bovine spongiform encephalopathy.

Increased market access has also been achieved for Australia's agricultural exports as a result of work by the Market Access Division of the Department of Agriculture, Fisheries and Forestry to demonstrate our clean and green advantage. This work has included implementation of the Australia-United States Free Trade Agreement, which provides increased access for Australian agricultural industries, including beef, cut flowers, dairy and sheep meat.

The Department has also worked on a range of bilateral initiatives, including Memoranda of Understanding with four Middle Eastern countries to provide increased certainty to the live animal trade to that region, working with industry to maintain exports of live dairy cattle to China and improved access conditions for a range of horticulture products to key Asian markets.

Protecting Australia's fisheries

Australia is strengthening the vigorous protection of its fishing zones by forging closer relationships with other responsible fishing nations, such as France, South Africa, New Zealand and the United Kingdom.

The 2004-05 Budget provided nearly \$90 million over two years for an armed patrol programme using the vessel Oceanic Viking to protect Australia's sovereign interests in its territorial waters around Heard Island and Macdonald Islands in the Southern Ocean.

The growing partnership between Australia and France is seeing Australian officers participating more frequently in French patrols – and vice versa in waters surrounding Australian and French Southern Ocean Territories.

Today's Budget provides \$217.2 million over five years to continue the patrols until 2010. This funding is spread across the Department of Agriculture, Fisheries and Forestry, the Australian Fisheries Management Authority (AFMA) and the Australian Custom Service.

The 2005-06 Budget also provides \$91.4 million over five years spread across AFMA, AQIS, the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and the Department of Defence to deal with the increasing number of illegal fishers being apprehended in our northern waters.

Australia has also been conducting an effective campaign against fishing in our northern waters. This funding includes \$43 million to strengthen the processing and detention of suspected illegal foreign fishers and increase AFMA's capacity to apprehend and prosecute illegal fishers.

The funding for fisheries enforcement in our northern waters also includes provision of \$2 million for AQIS to increase its capacity to monitor and protect Australia from potential quarantine risks from apprehended boats.

Support for Australian exporters

In another measure to support Australia's exporters the Coalition Government will provide \$144 million directly to AQIS over the next four years to continue the policy of providing a 40 per cent concession on AQIS inspection fees and charges for agricultural exports.

This contribution has been to the great benefit of Australian rural and food industries, assisting Australian agricultural exports to be more price competitive in overseas markets. With over 64 per cent of agricultural production from Australian farms exported, the benefits to producers and regional communities are substantial.

Avian influenza

The spread of avian influenza (AI) in Asia continues. While the risk to Australia remains moderate, the potential consequences are high.

The 2004-5 Budget approved funding of \$141.9 million to protect Australia from AI, with \$8.3 million over 18 months provided to allow AQIS to undertake a range of additional preventative measures and provide enhanced border controls, especially at airports and in northern Australia.

While the present border control measures have been successfully implemented and maintained, the current high profile risk of AI has not diminished.

The 2005-06 Budget provides a further \$5.6 million to enable AQIS to maintain preventative measures into 2006.

Biosecurity Australia

The 2005-06 Budget provision for Australia's quarantine services delivers on another election commitment to boost the integrity of the import risk analysis (IRA) process and the independence of Biosecurity Australia by establishing it as a prescribed agency.

It is vital that sound quarantine and risk methodologies are used to manage risks associated with imports to ensure that exotic weeds, pests and diseases are not able to damage agricultural productivity and harm our trade prospects. Whether it is cars, microwaves or agricultural products, no import into this country holds a zero risk. Biosecurity Australia's role is to identify the risks and devise means of managing them in line with Australia's conservative approach to quarantine.

The development of risk management techniques and sound biosecurity policy is therefore essential to maintain Australia's favourable disease and pest status and to support Australian agricultural and food producers and related rural communities.

The Howard/Anderson Government has already established Biosecurity Australia as a prescribed agency.

Today's Budget funding of \$39.2 million over four years puts the agency on a firm and secure financial platform, which will be critical to ensuring that sound science determines outcomes in this important part of our quarantine regime.

The Budget also provides \$7.9 million over five years – another election commitment – for a Centre of Excellence for Risk Analysis, which will become a focal point for organisations wanting to improve their risk management techniques, including the use of mathematical risk models.

National Livestock Identification Scheme

From 1 July 2005, all states will have commenced roll-out of the National Livestock Identification Scheme (NLIS) for cattle and progressed work on the design of the NLIS mechanism for sheep.

The scheme is Australia's permanent, whole of life identification system that enables individual animals to be tracked from property of birth to slaughter for food safety, product integrity and market access purposes.

The implementation of the scheme will meet increasing consumer and market demands regarding the safety and integrity of Australian livestock and livestock products. It also fulfils a key recommendation of the report of the Foot and Mouth Disease simulation Exercise Minotaur.

Although it is essentially a state and territory responsibility, the Coalition Government has allocated \$20 million over four years to assist the Australian livestock industry to introduce the scheme.

This funding builds upon \$2 million provided by the Government in June 2004 to enhance the NLIS database and assist in technology development. It also adds to the \$4.1 million in matching research and development funds provided to Meat and Livestock Australia Ltd for NLIS development work over the past four financial years.

Local action against salinity

Today's Budget continues to reinforce the Coalition Government's impressive environmental credentials.

Since 1996-97 the Coalition Government has committed over \$1 billion to protect the health of the River Murray and for water quality and salinity prevention projects in the Murray-Darling Basin.

Although dryland salinity remains the greatest threat to the Murray-Darling Basin recent research by the Bureau of Rural Sciences has been encouraging.

It shows that salt deposits in the Basin are not as widespread as once thought. It also indicates that salt deposits that are likely to be moved into rivers by groundwater, can be identified and immobilised.

Today's Budget honours the Coalition's election commitment to support the Landcare and Waterwatch volunteer movements undertaking Basin-wide monitoring programmes to identify where salt enters rivers and streams.

The Budget provides \$20 million for the initiative over two years under the NAP – in addition to the Government's commitment to a further \$2 billion Australian Water

Fund announced in our election policy *Securing Our Water Future* to conserve our scarce water resources.

The funds will enable community groups to participate in monitoring and mapping of salinity hot spots in the Basin, so tailored management options can be delivered for effective local action.

Sustaining forestry

The Australian Government will extend the 12 month prepayment rule for forestry managed investments until 30 June 2008. This extension will create certainty for the industry and investors in forest-managed investment schemes while a review is conducted and options to assist the industry over the longer term are examined. The review will include examination of tax impediments to long-term investment in plantations.

The Prime Minister announced in June 2004 that the Australian Government would be prepared to consider contributing up to \$5 million to assist with project costs associated with the development of an environmental best practice pulp mill in Tasmania by Gunns Limited following the completion of a feasibility study.

During the 2004 election campaign the Coalition Government committed to significant new forest reserves and investment in the Tasmanian forest industry. Measures to implement those commitments are expected to be announced by the Australian and Tasmanian governments shortly.

Weed control

Weed control costs our farmers around \$1.5 billion a year, and governments – Australian, state and local – spend \$100 million annually trying to defeat the weed menace.

During the election, the Coalition Government committed \$40 million over four years to eradicate the most threatening and invasive weeds. Today's Budget fulfils that commitment.

The funds will also be used to boost weed control and the necessary research, as well as community awareness and action.

Regional groups established under the Natural Heritage Trust and the National Landcare Programme will have the main role in implementing the initiative.

Healthy soils for sustainable farms

Some European-style agricultural practices are not well suited to Australian soils, but a transition to new techniques is now taking place to assure the health of our soils.

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The 2005 Budget has provided \$5 million over four years to the Healthy Soils for Sustainable Farms Programme from the Natural Heritage Trust, fulfilling another Howard/Anderson Coalition Government election commitment.

The programme will build on our successful industry partnership programme under Landcare and the community-based regional groups established under the Natural Heritage Trust and the National Action Plan.

Funding for Murray Environmental Flows

The Australian Government has confirmed its commitment to the Joint Government Enterprise funding for Murray Environmental Flows (trading as Water for Rivers) for the next four years.

The commitment, under the terms of the 2002 Snowy Waters Inquiry Outcomes Implementation Deed, reflects the agreement of New South Wales, Victoria and the Australian Government to deliver water for environmental flows in the Snowy River and the River Murray.

The Government's commitment of \$7.5 million annually, for ten years commencing in 2002, together with New South Wales' and Victoria's commitments of \$15 million each annually, will enable Water for Rivers to recover water for the benefits of the environment in the Snowy and Murray Rivers.

Water for Rivers aims to restore 282 gigalitres in environmental flows to the river systems by 2012, with 212 gigalitres for the Snowy River and 70 gigalitres going to the River Murray.

The programme complements existing National Water and Living Murray initiatives.

Industry Partnership Programme

Industry self-reliance and the importance of planning to remain competitive in international markets have been constant themes of the Howard/Anderson Government.

In keeping with these themes, the 2004-05 Budget provided \$4.7 million for a one-year trial of an Industry Partnership Initiative. This involved the government working with agriculture, fisheries and forestry industry organisations and groups to develop and implement strategies to improve their long-term viability and to promote training in business and risk management, natural resource management and market competitiveness.

During the 2004 election campaign, the Coalition Government committed to build on the pilot programme and extend the Industry Partnership Programme by \$15 million over three years. This Budget delivers on that commitment.

The Government worked with five industries on substantial projects in the 2004-05 pilot, and is undertaking scoping studies with a further 10 industries. These studies are due for completion before the end of June 2005 to allow significant expansion of the programme in 2005-06.

The Industry Partnership Programme will continue leadership training for women and young leaders and provide new training for industry leaders entering industry partnerships.

Industry adjustment

Where industries have faced severe problems, the Coalition is prepared to respond with targeted assistance packages to help in the adjustment process.

An unprecedented \$1.94 billion is being provided over eight years to assist the dairy industry adjust to changes made by state governments to the milk marketing arrangements.

The Coalition is acting to help the sugar industry with a package of assistance worth up to \$444 million over five years.

And citrus growers and nurseries throughout Queensland affected by the discovery last year of citrus canker on two farms in the Emerald area, and the subsequent control and eradication program, now have access to an Australian Government assistance package worth up to \$1.5 million.

Recreational Fishing Community Grants Programme

This Budget also meets another election commitment – to Australia's 3.4 million recreational fishers.

During the 2004 election campaign, the Government committed to provide \$15 million over three years to the Recreational Fishing Community Grants Programme.

The programme will provide grants of up to \$100,000 to community groups to support local initiatives that promote and expand tourism opportunities, protect coastal and inland water environs and capture the economic benefits of such activities.

The programme recognises the importance of the recreational fishing sector to the economy, especially in smaller regional and country centres.

Grants to boost food processing

Another election commitment honoured in the 2005-06 Budget as part of the Howard/Anderson Government's Investing in our Farming Future Initiative is the provision of \$12 million over four years to boost food processing in regional Australia.

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The programme will help stimulate economic growth by encouraging the value-adding of food produce before it leaves rural and regional areas, and by also strengthening the associated infrastructure and support network.

Under the programme, individuals, groups of primary producers or small to medium sized agribusinesses may be eligible for Australian Government funding of up to \$200,000 for relevant projects.

International Food and Agriculture Service

Funding in today's Budget for 'Exporting Australian Agriculture to Emerging Markets' delivers on the Coalition Government's election commitment to establish a Food and Agriculture Trade Service.

The Budget provides \$9.7 million over four years to build on the achievements of existing bilateral technical market access efforts for food and agricultural products.

The International Food and Agriculture Service will strengthen Australia's capacity to avert or remove market access impediments to agrifood exports through a combination of multilateral, regional and bilateral strategies.

The service follows through on the Howard/Anderson Government's hard-won efforts to establish Free Trade Agreements with Singapore and Thailand, as well as the United States.

Bilateral agreements in Southeast Asia, China and possibly Japan will also expand our market access, and we need to be in a better position to exploit these opportunities.

At the same time, we need to support ongoing multilateral efforts that can change the broader trading environment to our advantage, so that we have continued momentum for producers to access markets in the longer term.

The 2005 Budget funding will allow Australia, initially, to position another two agricultural counsellors overseas. We have already expanded our presence in the Middle East through the posting of an agricultural counsellor in Dubai.

The new funding will enable Australia to expand our agricultural presence within diplomatic posts in high priority markets in Asia, with the intention to establish a new position in Southeast Asia and a new position elsewhere in Asia.

Australian HomeGrown campaign

During the election campaign the Howard/Anderson Government committed to support the Australian HomeGrown campaign on a dollar-for-dollar basis with industry.

The aim of the campaign is to increase consumer awareness and consumption of food products sold in Australia that are made from 100 per cent Australian-grown produce.

The 2005-06 Budget delivers on the election campaign promise by providing an additional \$3 million – to be matched by industry – to assist in the delivery of a two-year national campaign, including advertising and promotional activities, following a pilot campaign in early 2005.

Funding of \$1 million for the campaign during 2004-05 brings the total government commitment to the HomeGrown Campaign to \$4 million.

Independent market research shows over 95 per cent of consumers have a strong preference for Australian food products and for such products to be so labelled to help their decision-making.

They also believe it will keep jobs in Australia and support our local farmers.

The Government expects fresh produce industries and manufacturers using Australian home-grown produce will recognise the potential short and long-term benefits of participating in the campaign, and to display the Australian HomeGrown trademark on their packaging and within their own advertising and branding.

Animal welfare strategy

The Coalition Government continues to recognise the importance of animal welfare, and today's Budget provides \$6 million over five years to help implement the Australian Animal Welfare Strategy, endorsed by the Primary Industries Ministerial Council in May 2004.

The strategy builds on the current animal welfare framework in Australia to achieve sustainable animal welfare improvements.

Southern Bluefin Tuna — Scientific Research Programme

The 2005 Budget continues Australia's financial contribution of \$3 million over three years to the Commission for the Conservation of Southern Bluefin Tuna – Scientific Research Programme.

The Australian southern bluefin tuna fishery has an annual gross production value of around \$300 million and statutory fishing rights valued at up to \$1 billion. These revenues and asset holdings are centred in regional South Australia where the fishery directly supports 3,000 jobs.

The continuation of the scientific research programme is in line with the Coalition Government's commitment to ecologically sustainable development and the development of employment opportunities in regional centres.

Australia stands to receive significant benefits at both the domestic and international level by continuing to fund the scientific research programme.

New policy framework

Notwithstanding the achievements of the agriculture and food sector, it is timely to take stock of how well placed it is to meet the challenges of sustainability and future competitiveness.

It is almost 10 years since the last major review of Australia's overarching food and agriculture policy by the Coalition Government set the sector on a more business-oriented, innovative course. In that time we have seen major changes in the environment in which our rural industries operate and ongoing fine-tuning of policy settings.

However, an increasingly complex and fluid mix of challenges is confronting primary producers, food manufacturers, industry organisations and policymakers alike. They include traditional issues such as declining terms of trade, competitive and interconnected global markets, changing consumer preferences, protectionist international trading policies and a fragile natural resource base.

New and equally important challenges are also emerging – among them, new biosecurity risks, rural labour shortages, higher agricultural land prices, animal rights activism, scepticism about new technology such as genetically modified organisms, and the demand for the agricultural, fishing, forestry and food sectors to more actively demonstrate its environmental credentials.

The times call for new thinking and new approaches.

In March 2005, the Coalition Government released an Agriculture and Food Industry Stocktake report prepared by the Department of Agriculture, Fisheries and Forestry as the first stage in the development of a new rural industry policy framework.

The stocktake paper provides a starting point for a wide-ranging discussion among stakeholders – farmers, food manufacturers, industry representative bodies, regional communities and government – about preparing for the future.

A Reference Group with a broad range of experience in the agriculture and food industries will guide the development of the new policy and report to the Government by the end of 2005. The President of the National Farmers' Federation, Mr Peter Corish, will chair the group.

The Coalition Government also recognises that young people can bring new thinking and new approaches to policy-making processes for the agriculture and food sector. Later this year the government plans to host a National Youth Forum in Canberra and

to establish a rural youth advisory council as part of the Coalition's commitment to providing opportunities for young people to have input into policy-making processes.

Conclusion

The 2005-06 Budget honours the Howard/Anderson Government's 2004 election commitments to the agriculture and food sector and demonstrates the Coalition Government's resolve to assist our rural and regional industries to position themselves to compete in international markets.

The 2005-06 Budget addresses the traditional issues faced by primary producers, food manufacturers, industry organisations and policymakers alike – and also has an eye to emerging and equally important challenges.

The huge increase in the traffic of people and goods around the world and the emergence of potentially pandemic diseases are creating new biosecurity risks. Australia cannot afford to relax its strict quarantine and border protection regime, and today's Budget ensures that we continue to have the means to keep our border defences strong.

Our agricultural and food industries remain an integral part of our economy and are key to our trade success.

Maintaining and growing this position, however, will require new skills, new strategies and new visions.

The Coalition Government has made its continued commitment to the sector clear, but we are not standing still.

It is also time to take stock – to ensure our regional industries are well positioned for the future.

BUDGET MEASURES

Bolstering quarantine defences

Australia's strict quarantine regime and increased intervention arrangements will be maintained with more than \$560.9 million over four years being provided in today's Budget.

The money will be spread across the agencies involved in quarantine – the Australian Quarantine and Inspection Service (AQIS), Australian Customs Service and Biosecurity Australia.

AQIS will receive \$266.1 million to maintain the Quarantine Border Security Programme – which has raised screening rates for international mail and freight to 100 per cent and has increased international airline checks from 25 per cent to more than 90 per cent – and Customs will receive \$250 million for its role in quarantine border protection.

Today's Budget continues the Coalition Government's policy of progressive increases in quarantine funding of more than \$1.3 billion since 1996.

The Australian Government is also acknowledging in today's Budget the risk to Australia posed by the spread of avian influenza in Asia, providing a further \$5.6 million for passenger and luggage-screening programmes, increased surveillance activities in northern Australia, and a public awareness campaign.

Biosecurity Australia

The 2005-06 Budget provision for Australia's quarantine services fulfils another election commitment to boost the integrity of the import risk analysis process and the independence of Biosecurity Australia. The Government established Biosecurity Australia as a prescribed agency in 2004.

Today's Budget funding of \$39.2 million over four years puts the agency on a firm and secure financial platform, which will be critical to ensuring that sound science determines outcomes in this important part of our quarantine regime.

The funding will provide Biosecurity Australia with the financial platform needed for its work as a prescribed agency.

Supporting Australia's exporters

The 2005-06 Budget allocation also upholds the \$144 million Coalition Government election commitment to continue to offset 40 per cent of AQIS's export certification and inspection charges for agricultural exports.

Under this measure, \$144 million will be provided to AQIS to meet the cost of these lower charges.

With over 64 per cent of agricultural production from Australian farms exported, the benefits to producers and regional communities are substantial.

National Livestock Identification Scheme

From 1 July 2005, all states will have commenced roll-out of the National Livestock Identification Scheme (NLIS) for cattle and progressed work on the design of the NLIS mechanism for sheep.

Although the scheme is essentially a state and territory responsibility, the Coalition Government has allocated \$20 million over four years to assist the Australian livestock industry to introduce the scheme on a national level.

Improving risk analysis

The Budget provides \$7.9 million over four years to establish a Centre of Excellence for Risk Analysis.

The Centre will become a focal point for organisations wanting to improve their risk management techniques, including the use of mathematical risk models.

Weed control

Today's Budget honours an election commitment to provide \$40 million over four years to the Defeating the Weed Menace Programme.

The programme will boost weed control and the necessary research as well as community awareness and action.

The initiative will be largely implemented through the regional groups established under the Natural Heritage Trust and the National Landcare Programme.

Local action against salinity

Research by the Bureau of Rural Sciences indicates that salt deposits in the Murray-Darling Basin that likely to be moved in rivers by groundwater, can be identified and immobilised.

The 2005-06 Budget provides \$20 million over two years under the National Action Plan to support Landcare and Waterwatch volunteer movements undertaking a Basin-wide monitoring programme to identify where salt enters rivers and streams.

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The funds will enable community groups to participate in monitoring and mapping of salinity hot spots in the Basin, so tailored management options can be delivered for effective local action.

Keeping the Snowy and River Murray flowing

A programme to improve environmental water flows in the River Murray and Snowy River has been assured for a further four years by funding in today's Budget.

The Budget provides \$30 million under the terms of the 2002 Snowy Waters Inquiry Outcomes Implementation Deed, agreed with New South Wales and Victoria, to deliver water for environmental flows into the two rivers.

The government has committed \$7.5 million annually through the Joint Government Enterprise for Murray Environmental Flows (trading as Water for Rivers) for 10 years until 2012. New South Wales and Victoria have each agreed to commit \$15 million annually in the same period.

The Budget funding for Water for Rivers is part of the Australian Government's ambitious water reform agenda, which includes the National Water Initiative and \$200 million commitment to the Living Murray Initiative.

The \$500 million Living Murray Initiative was established in 2004 to assure the health of the River Murray system. Now that the state and territory governments have reconfirmed their commitment to the National Water Initiative, \$200 million will be appropriated to the Department of Agriculture, Fisheries and Forestry in the 2005-06 Budget to enable investment in a range of water recovery and water efficiency activities as part of the Living Murray Initiative over the next five years. The funding is in line with the Council of Australian Government's resolution on the National Water Initiative and builds on \$150 million already allocated by the Basin jurisdictions to assist delivery of water to complement the Living Murray objectives.

Sealing partnerships with industry

The Industry Partnership Programme has received funding of \$15 million over the next three years in today's Budget, building on the success of the Coalition Government's one-year, \$4.7 million pilot programme.

The initiative is part of the Government's \$1 billion Agriculture - Advancing Australia Package, which includes highly successful programmes such as FarmBis, Farm Help and Farm Management Deposits.

The Industry Partnership Programme will enable industries to form a partnership with the Government to analyse their strengths and weaknesses and to identify and address threats and opportunities over a five to 10 year period.

Industries will contribute in-kind or provide other support to the projects.

Funding for recreational fishing programmes

The important contribution recreational fishing makes to local economies is recognised in today's Budget, with \$15 million being provided over three years for a community grants programme.

The Recreational Fishing Community Grants Programme will provide grants up to \$100,000 to community groups for a range of purposes, including artificial reefs to attract fish and improvements to infrastructure like tracks and paths to fishing spots.

More than three million people in Australia go fishing at least once a year, and 24 per cent of Australian households fish regularly. Australians spent more than \$1.8 billion on recreational fishing services during 2001.

Boosting food processing in regional Australia

Another election commitment honoured in the 2005-06 Budget as part of the Howard/Anderson Government's Investing in our Farming Future Initiative is the provision of \$12 million over four years to boost food processing in regional Australia.

The programme will help stimulate economic growth by encouraging the value-adding of food produce before it leaves rural and regional areas and by also strengthening the associated infrastructure and support network.

Under the programme, individuals, groups of primary producers or small to medium-sized agribusinesses may be eligible for Australian Government funding of up to \$200,000 for projects.

Opening doors to new markets

Funding in today's Budget will help open up new opportunities in key markets for Australian exporters.

The Budget provides \$9.7 million over four years to the Department of Agriculture, Fisheries and Forestry for a new International Food and Agriculture Service to build on the achievements of Australia's existing bilateral and technical market access efforts.

The Service will enable Australia to follow up on the signing of free trade agreements with the United States, Singapore and Thailand with 'on-the-ground' action.

The new Service, initially, will post a further two agricultural counsellors overseas to high priority and emerging markets in Asia. Additional resources will also be established in Canberra to support our market expansion activities.

Promoting 100 per cent Aussie-produced food

Shoppers looking for 100 per cent Australian-produced food and food products in supermarkets should have their task made easier as a result of a new campaign funded in the Budget.

The Budget has provided \$3 million – to be matched by industry – to fund a national rollout of the Australian HomeGrown campaign over the next two years.

This is in addition to Government funding of \$500,000 for the pilot campaign for HomeGrown run in Coles stores across Victoria between January and March this year. Another \$500,000 is also available to support the campaign this year, depending on industry contributions.

This delivers on the Government's election commitment to provide up to \$4 million to support the campaign.

The HomeGrown campaign is owned and managed commercially by the not-for-profit company, Australian HomeGrown Limited.

Continuing the fight against illegal fishing

Australia's fight against illegal, unreported and unregulated fishing in its territorial waters has received further funding in the 2005-06 Budget.

The Budget provides \$217.2 million over five years to continue patrols and work with other nations to apprehend and monitor illegal fishers, particularly in the Southern Ocean.

The new programme will strengthen Australia's ability to protect the Southern Ocean fisheries and ensure the survival of the Patagonian toothfish fishery.

The 2005-06 Budget also provides \$91.4 million over five years spread across AFMA, AQIS, DIMIA and the Department of Defence to deal with the increasing number of illegal fishers being apprehended in our northern waters.

Australia has also been conducting an effective campaign against illegal fishing in our northern waters. The \$91.4 million funding includes \$43 million to strengthen the processing and detention of suspected illegal foreign fishers, and to increase AFMA's capacity to apprehend and prosecute illegal fishers. It also includes funding for AQIS to monitor and protect Australia from potential quarantine risks from apprehended boats.

Securing a future for southern bluefin tuna

Australia will continue to support international scientific research to secure the long-term future of the valuable southern bluefin tuna fishery.

Today's Budget provides \$3 million over three years to continue Australia's support for the Scientific Research Programme of the Commission for the Conservation of Southern Bluefin Tuna.

The Australian southern bluefin tuna fishery has an annual gross production value of around \$300 million, and statutory fishing rights valued at up to \$1 billion.

The industry provides 3,000 jobs in regional South Australia.

Healthy soils for sustainable farms

The 2005 Budget has provided \$5 million over four years to the Healthy Soils for Sustainable Farms Programme from the Natural Heritage Trust to further aid in the transition to agricultural practices, which assure the health of our soils.

The programme will build on our successful industry partnership programme under Landcare and the community-based regional groups established under the Natural Heritage Trust and the National Action Plan.

Improving animal welfare

Today's Budget provides \$6 million over five years to help implement the Australian Animal Welfare Strategy, endorsed by the Primary Industries Ministerial Council in May 2004.

The Strategy builds on the current animal welfare framework in Australia to achieve sustainable animal welfare improvements.