

# **SUSTAINING AGRICULTURE – THE DROUGHT AND BEYOND**

STATEMENT BY  
THE HONOURABLE WARREN TRUSS, MP  
MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY  
13 MAY 2003

SENATOR THE HONOURABLE IAN MACDONALD  
MINISTER FOR FISHERIES, FORESTRY AND CONSERVATION

© Commonwealth of Australia 2003

ISBN 1741 18904 7

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 Communications Pty Limited

# CONTENTS

<b>OVERVIEW .....</b>	<b>1</b>
Drought assistance extended .....	2
Reforming drought assistance .....	3
Agriculture – Advancing Australia and beyond .....	3
Natural resource management .....	4
Fisheries and aquaculture.....	6
Forestry .....	8
Keeping Australia disease and pest-free .....	8
Research and development .....	9
Industry development and reform.....	10
Trade prospects.....	11
Conclusion.....	12
<b>BUDGET MEASURES.....</b>	<b>14</b>
\$122.2 million to continue Landcare activities.....	14
\$2.5 million boost to growing aquaculture industry .....	14
Extra \$5.2 million to wipe out fire ant .....	15
Closing date extended for Farm Help applications .....	15
\$12 million to fight illegal fishing in Southern Ocean .....	16
\$2.34 million to keep Australia’s cattle TB-free .....	16
Tasmanian Wheat Freight Scheme gets Budget funding .....	17



## OVERVIEW

The drought has severely tested rural endurance and resilience. The Australian Bureau of Agricultural and Resource Economics (ABARE) estimates the net value of farm production to decline to around \$2.3 billion in 2002-03 – nearly 80 per cent less than in 2001-02, when farm incomes were the highest in over two decades.

However, some recent encouraging rains and a continuing strong Australian economy have renewed optimism that better times may not be far ahead.

ABARE has forecast a substantial rise in farm incomes in 2003-04 from the drought-induced lows of 2002-03. If autumn-winter rains prevent a large-scale sell-off of livestock and allow the planting and harvesting of a successful winter crop, the net value of farm production in 2003-04 will bounce back by nearly 160 per cent to around \$6 billion.

Assisting farmers and rural communities to cope with the drought – and to recover from it – will continue to be a top priority for the Government in 2003-04.

This priority aims to enhance the Government's already substantial achievements in building a stronger, more competitive and self-reliant rural sector. In addition to supporting farmers in severely drought-affected areas, the Government's recent achievements include:

- the \$800 million Agriculture – Advancing Australia packages that have placed greater emphasis on capacity building, risk management and self-reliance for farmers
- unprecedented investment in managing the natural resources that underpin our agricultural resources through the Natural Heritage Trust and the National Action Plan on Salinity and Water Quality
- significantly boosting border protection to safeguard Australia's valuable agricultural industries and environment from pests and diseases
- giving key agricultural industries such as wheat, red meat, horticulture, dairy and pigs ownership and control of their industries to compete more effectively on domestic and international markets
- setting priority directions and investing in rural research and development and innovation
- supporting emerging new industries such as aquaculture.

## Drought assistance extended

The Coalition Government has strongly demonstrated its concern about the impact of the drought on our rural communities and has provided the most generous and comprehensive assistance ever.

In September 2002, the Government introduced significant changes to Exceptional Circumstances (EC) drought relief to make assistance more generous and available earlier than had previously been the case.

The new measures provide welfare assistance for six months as soon as a prima facie case for EC assistance has been established and the application referred to the National Rural Advisory Council (NRAC) for formal assessment.

To enable applications to be considered sooner, the Government has encouraged NRAC to use predictive modelling of farm incomes where appropriate.

On 9 December 2002, recognising the severe and widespread nature of the present drought, the Coalition Government extended interim income support to all farmers in Australia that had suffered a one-in-20 year drought over the preceding nine months period March – November 2002.

The Government also made available interest rate relief for two years on new and additional loans up to \$100,000 for measures such as the purchase of stock fodder or for drought recovery purposes for farmers in these areas.

This interest rate relief is also available to farmers granted prima facie EC assistance. The package was designed to ensure that worst affected farmers had access to interim support while Exceptional Circumstances applications were being prepared and considered.

The drought has also severely affected many small rural businesses and, for the first time, the Commonwealth has given access to interest rate relief to small businesses dependent on farmers declared to be in Exceptional Circumstances.

New measures have also been provided to assist employees and apprentices in drought-affected communities.

More than 11,000 farm families have received some form of Commonwealth drought assistance, and the Government has made available more than \$110 million so far in financial support direct to farmers in need.

During the ten months to the end of April some 36 EC applications had been assessed. A further seven applications are in the process of being considered. This is the highest number of EC applications considered in a year.

The new assessment measures introduced by the Government have resulted in a dramatic reduction in the time now being taken to consider applications for full EC assistance, and initial assistance is generally available in about a week.

The net result of the Government's comprehensive drought assistance package is that more than 80 per cent of the farming areas of Australia are now receiving some form of Commonwealth drought assistance.

## Reforming drought assistance

The Government believes the best way of delivering drought support is through a genuine partnership involving farmers themselves, local communities, the States and the Commonwealth.

For more than two years the Government has tried to reform Exceptional Circumstances arrangements but has been blocked by the refusal of the States to shoulder an additional financial burden.

As part of the push for a better system, the Government plans to convene a meeting of national and State farming organisations and other relevant groups later this year to review the effectiveness of Commonwealth and State drought policy and programmes.

## Agriculture – Advancing Australia and beyond

Many farmers have been better able to manage the drought because of Coalition Government initiatives such as the Agriculture – Advancing Australia (AAA) package. Through the package, the Government has supported mechanisms to give greater emphasis to capacity building, risk management and self-reliance.

AAA programmes, including Farm Management Deposits, FarmBis, the Farm Innovation Programme, Farm Help and the Rural Financial Counselling Service Programme, have helped farmers develop and upgrade their business and risk-management skills, and given them a safety net during hard times.

The extraordinarily successful Farm Management Deposits (FMD) scheme, which has seen farmers put aside more than \$2 billion in the past good seasons, has helped carry many farmers through the drought and positions them to meet the heavy expenditure needs of the recovery period. The scheme allows farmers to set aside before-tax income from the good years to help them manage their businesses during the more difficult years.

### *Sustaining Agriculture – The Drought and Beyond*

In December 2002, the Government amended the FMD legislation to allow farmers in Exceptional Circumstances-declared areas, who access their FMDs within 12 months of the day they made their deposits, to keep their tax benefits.

Many farm families in financial difficulty have turned to the Farm Help programme. Since 1998, Farm Help has assisted around 8,000 low-income farm families who cannot borrow further against their assets and need financial support while they examine their options for the future.

The Government will extend the closing date for applications for assistance under Farm Help from 30 November 2003 to 30 June 2004. This will allow farmers continued access to support for up to three-and-a-half years.

An independent evaluation has found the Government's flagship agricultural initiative, the \$800 million Agriculture – Advancing Australia programme, has made substantial progress in meeting its main objectives, and the Coalition will look at building on the package's achievements. The Government will consult key stakeholders on future options for the 2004-05 Federal Budget.

## Natural resource management

The Coalition Government's unprecedented investment in natural resource management includes \$3.4 billion for the Natural Heritage Trust (NHT) and the National Action Plan on Salinity and Water Quality (NAP).

Community involvement in NHT projects since 1996 has paved the way for the next phase of the Trust in which regional communities will identify their own priority issues under catchment management plans and take action to address them.

The \$1 billion NHT extension, announced in the 2001-02 Budget, complements the NAP, with direct investments through four main programmes – Rivercare, Coastcare, Landcare and Bushcare. In 2003-04 the Government will provide \$250 million for NHT activities.

The Government is pleased to note that all 62 regions across Australia are now engaged in developing an integrated approach to natural resource management planning and are bringing forward strategies for targeted investment to address the pressing issues of salinity and water quality.

### **National Action Plan for Salinity and Water Quality**

Under the NAP, the Government has approved \$160 million joint funding in States that have bilateral agreements with the Commonwealth and, together with the States



and Territories, has released more than \$70 million to regions for investment in statewide projects. In 2003-04 the Government will provide \$113.8 million under the NAP to fund a range of community-based activities.

### **National Landcare Programme**

The 2003 Federal Budget delivers \$122 million over the next three years for the National Landcare Programme (NLP). Landcare is widely recognised in the community and is recognised internationally as a uniquely Australian approach to natural resource management.

Landcare involves around 4,000 voluntary community groups, mainly in rural Australia. The funding in the 2003 Budget will maintain the momentum and swell of support gained through the Government's considerable investment in Landcare.

The Government will conduct a review of Landcare to examine the effectiveness of the programme and will consider the outcomes of the review in the 2004-05 Budget context.

### **Australian Government Envirofund**

The 2003 Budget provides funding of \$20 million for each of the next two years for the Australian Government Envirofund. The Envirofund provides grants of up to \$30,000 for community groups to carry out onground actions to target local environmental problems.

The types of projects that the Australian Government Envirofund funds range from reversing land degradation to improving water quality and the environmental condition in our river systems and wetlands; from conserving and restoring habitat for our unique native flora and fauna to protecting our coastal catchments, ecosystems and marine environments.

### **Murray-Darling Basin**

Recognising the importance of the Murray-Darling Basin, governments in the Basin and the Commonwealth have agreed to coordinate their approach to dealing with resource management for sustainable use. The Federal Government has allocated \$16.6 million out of a total of \$96.1 million being provided by all jurisdictions in the Basin in 2003-04 for the Murray-Darling Basin Initiative.

### *Sustaining Agriculture – The Drought and Beyond*

The importance of the Basin to the national economy underlines the need to ensure that the condition of its natural resources is maintained for profitable use and to provide benefit for all Australians.

The challenge for government, industries and communities is to agree on how to continue operating this modified environment for everyone's benefit.

The challenge incorporates two issues that are inseparable.

The first is providing water allocation and access entitlement arrangements that provide certainty and durability for all water users in the Basin. The second is ensuring that enough water has been allocated to meet the environmental needs of the River Murray and its surrounding floodplains.

All jurisdictions of the Murray-Darling Basin have agreed on the need to examine the future operation of the River Murray system. To inform decision-making, the Murray-Darling Basin Ministerial Council launched the Living Murray Initiative, a programme of scientific, social, economic and policy analyses. The Murray-Darling Basin Commission expects to report on the analyses to Council in October 2003 before Ministers decide on what future action needs to be taken.

Whatever the decision on additional water for environmental purposes in the Murray-Darling system, it must be backed by an efficiently operating 'Murray-Darling Basin market' for water.

Effective trading arrangements, including exchange rates for interstate trade, are essential – and must be supported by bankable entitlements for water access.

Jurisdictions will have to act together under the CoAG water processes to ensure regulatory regimes in States and Territories can deliver these outcomes, not just in the Murray-Darling Basin but also throughout Australia.

## **Fisheries and aquaculture**

The Government is supporting emerging industries such as aquaculture, which receives a 2003 Budget allocation of \$2.5 million to help carry out the recently agreed Action Agenda for Australian Aquaculture in 2003-04.

With its high growth potential, this robust and evolving industry will help fill the gap between wild catch fisheries production and consumer demand expected over the next five years and beyond.

The outcome of the Commonwealth Fisheries Policy Review will provide a vision for the direction and management of the Commonwealth's fisheries. The Government will

give priority to addressing issues relating to the sharing of fisheries resources between the commercial, recreational, and Indigenous sectors and ensuring that the nation's fisheries remain viable for future Australian generations.

The Government is using a two-pronged approach to guarantee Australia's fisheries resources. The first is the introduction of statutory management plans to all major Commonwealth fisheries, increasing the operational and investment certainty for operators.

Closely related to the implementation of management plans is the strategic assessment of Commonwealth fisheries under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). Management plans cannot be accredited without passing the EPBC Act assessments, reducing the possibility of over-fishing and habitat destruction, which in turn offer some of the best protection of both the industry and resource in the long run.

Australia is also committed to maintaining its strong engagement in international fisheries forums. These include the Indian Ocean Tuna Commission (IOTC), the Central and Western Pacific Fisheries Commission (WCPFC), the Commission for the Conservation of Southern Bluefin Tuna (CCSBT), the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the United Nations Committee on Fisheries (COFI). This international engagement is aimed at fostering greater international cooperation in the pursuit of sustainable fisheries and in protecting Australia's national interests on the high seas.

### **Southern Oceans Fishery**

The Government has also given a boost to safeguarding our valuable Southern Ocean fisheries against illegal, unregulated and unreported (IUU) fishing. Today's Budget allocates \$12 million in 2003-04 for armed enforcement patrols and increased patrol activity in the Australian fishing zone at Heard Island and McDonald Islands. This includes \$1.8 million in 2003-04 to cover the direct participation of the Department of Agriculture, Fisheries and Forestry - Australia and the Australian Fisheries Management Authority in the Customs patrol programme.

As well as strong engagement through the CCAMLR, Australia will continue to pursue bi and multilateral agreements with like-minded nations to combat IUU fishing in the Southern Ocean. The Howard Government will also continue to apply strong diplomatic pressure to flag-of-convenience states and other nations that permit their vessels to engage in IUU fishing.

## Forestry

Under the Coalition Government, Australia continues to set benchmarks in forestry management practices.

The finalisation of an Australian Forestry Standard (AFS) in 2002 has given Australia a creditable and auditable standard to cover sustainable forest management for wood production. AFS certification means forest managers or owners have met an exacting standard of sustainable forest management.

The Federal Government is also moving to make investment in the forest and wood products industry easier and convened a national workshop in 2002 to look at ways of streamlining government regulation. The Government plans to facilitate a range of regional investment workshops in forest areas over the next 12 months.

The publication of the Commonwealth's Forest and Wood Products Industry Capability Statement in March 2003 will also assist governments and industry sell investment opportunities in Australia's forest and wood products industry.

The Government has extended funding for the Forest Industry Structural Adjustment Programme (FISAP). This continued funding will assist the native timber industry take advantage of the outcomes of the Regional Forest Agreements and promote investment and employment in many rural and regional parts of Australia.

## Keeping Australia disease and pest-free

The Government has significantly strengthened border protection over the past 18 months, with its \$596 million funding boost in 2001-02 delivering the strongest quarantine inspection arrangements ever seen in Australia. Increased quarantine intervention initiatives by the Australian Quarantine and Inspection Service (AQIS) include extra X-ray units, detector dog teams and staff at airports, seaports and international mail centres nationally.

A Joint Committee of Public Accounts and Audit inquiry report on quarantine tabled in Parliament in March 2003 provides reassurance that the Government's additional quarantine funding is being well spent.

A priority of the Department in the year ahead will be to respond to the Joint Committee's recommendations for improvements in some areas, such as import risk analysis, marine pest issues and containerised cargo processing.

The Government has also stepped up Australia's readiness for a devastating animal disease outbreak like foot and mouth disease.

In September 2002, the Commonwealth coordinated a large-scale simulation known as Exercise Minotaur to test response procedures. It involved the people who would have to deal with a foot and mouth disease outbreak, should one ever occur. Exercise Minotaur was the largest exercise of its kind, and created much interest here and overseas.

Australia has also implemented a world-first Emergency Animal Disease Response Agreement, boosting our ability to respond quickly and effectively to any animal disease outbreak.

The Agreement establishes cost-sharing arrangements between the Commonwealth Government and State governments, and livestock industries to control, contain and eradicate 63 nominated animal diseases.

As part of the Government's efforts to control animal diseases, overall \$2.34 million has been provided as part of a new four-year programme to maintain our internationally recognised bovine tuberculosis-free status.

The funds will be used to continue the Tuberculosis Freedom Assurance Programme (TFAP) set up in 1998 to ensure Australia meets the international obligations expected of TB-free countries.

The new programme – TFAP2 – will cost \$20.1 million over four years and has the support of all Australian governments and the Cattle Council of Australia.

In response to a threat to our plant and livestock industries, and our environment, the Budget has brought forward another \$5.2 million in 2003-04 to expand the national strategy to eradicate the red fire ant by 2006. This funding is in addition to the \$15.3 million the Government has already agreed to provide in 2003-04.

## **Research and development**

The Government's new priorities for rural research and development corporations and companies (RDCs) complement the National Research priorities announced by the Prime Minister in December 2002. They include sustainable natural resource management, improving competitiveness through a whole-of-industry approach and maintaining and improving confidence in the integrity of Australian agricultural, food, fish and forestry products.

The RDCs are a unique and successful partnership between the Commonwealth Government and industry that delivers benefits across the economy and underpins prosperous rural industries and healthy regional communities.

During 2001-02 the RDCs invested more than \$391.5 million in research and development that has improved the productivity of the agricultural, forestry, food and fisheries industries.

## Industry development and reform

Industry reform to enable agriculture to meet the increasingly competitive challenges in domestic and international markets has been another high priority for the Coalition Government.

The Government has recently set in train the means for several vital industries to restructure to maintain their competitiveness.

### **Sugar**

This Budget continues the Government's commitment to sugar industry reform and adjustment under the Sugar Industry Reform Programme. This programme, announced in September 2002, includes measures to help ensure the long-term competitiveness, sustainability and profitability of the sugar industry.

Industry and Regional Guidance Groups will oversee the development and implementation of vital reform plans supported by Regional Projects assistance and industry restructuring, which will deliver up to \$ 65 million assistance over three years.

### **Dairy**

Legislation to convert the Australian Dairy Corporation and Dairy Research and Development Corporation into a Corporations Act company received Royal Assent on 15 April 2003. The new company, Dairy Australia, will be an industry-owned, service delivery company with its membership drawn from dairy farmers and peak farmer and processor bodies.

### **Food industry**

This Budget continues to fulfil a commitment made in September 2001 to develop and implement the five-year, \$102.4 million National Food Industry Strategy. The Strategy has gained high-level industry involvement with the establishment of the National Food industry Council, chaired by the Minister for Agriculture, Fisheries and Forestry.

The Strategy's goals are to improve innovation, market development and environmental sustainability. The Food Innovation Grants Programme and the Centres of Excellence Programme, developed with industry, are two significant elements of the Strategy. The Technical Market Access Programme has also expanded in line with the growing opportunities in China.

## **Wine**

The wine industry is an Australian success story. Following an independent study of wine tourism and exports, the Government has announced that it will provide up to \$500,000 for a wine business improvement programme that will include workshops on business management and marketing, and a one-off subsidy to encourage wineries to participate in an industry benchmarking study.

## **Trade prospects**

Trade is vital to economic growth in rural and regional Australia and the next 12 months are shaping up to be one of the most defining periods for the future of Australian agriculture.

The combination of ongoing trade liberalisation negotiations under the World Trade Organisation Doha Round, negotiations on bilateral free trade agreements with the United States and Thailand and our involvement in a number of international trade disputes make the international sphere in 2003-04 a particularly important and busy one.

At the forefront in the international environment is the Doha round of WTO negotiations. Australia, in coalition with our Cairns Group partners, is working towards a trading system where agricultural products are treated on the same footing as other traded goods, creating new market opportunities for Australian exporters. We give a high priority to eliminating domestic and export subsidies, which continue to distort world markets.

Positions in the Doha round negotiations remain far apart with some major WTO Members not willing to seriously engage. The crucial end-March deadline for establishing the reform modalities has been missed. Tough negotiations lie ahead if this round is still to be concluded by 1 January 2005.

In tandem with the Doha round, Australia is pursuing free trade agreements with key trading partners. FTA negotiations with Thailand commenced in 2002 and initial tariff offers are expected in May/June this year.

## *Sustaining Agriculture – The Drought and Beyond*

FTA negotiations with the United States began in late March and negotiators have set an ambitious deadline for their conclusion in 2004. While progress will not be easy in some areas, the Government believes these FTA negotiations can and will deliver significant benefits to portfolio industries and Australia's rural sector.

The next 12 months will see Australia engaged in a number of WTO dispute settlement processes of importance to Australian exporters and industries. Australia is directly involved in several agriculture-related disputes and is considering its involvement in others. Disputes currently on our agenda are:

- the European Commission's challenge regarding our quarantine arrangements
- Australia's challenge to the European Commission's regime for geographical indications, which could threaten the use of certain common terms or brands in Australia
- as a third party in Brazil's challenge to US subsidies for cotton
- as a co-complainant with the US against the European Union's ban on genetically modified organisms, and
- as a third party in the dispute brought by the US against the practices of the Canadian Wheat Board.

Without doubt, the next 12 months present both enormous opportunities and challenges for Australia's agricultural trade, and throughout this the Government will be working hard to ensure that we deliver the goods.

Our trade also depends heavily on us maintaining our 'clean and green' image. Responsible management of our natural capital – our land, soil, water, vegetation and fisheries – is central to continued rural prosperity.

The introduction by AQIS of the web-based E-cert system in 2003-04 will allow the electronic transmission of health and phytosanitary certificates to overseas trading partners. The system is expected to become the international standard, helping Australia maintain its position as a leading exporting nation with state-of-the-art agriculture and food security export systems.

## Conclusion

In conclusion, despite the drought, the Commonwealth Government remains confident of the strength and resilience of our agricultural, fisheries, food and forestry industries, underpinned by a strong and diverse economy.



One lesson to be learned from the drought is that the Commonwealth and the States, industry and local communities must work and plan together to ensure agriculture has a profitable, competitive and sustainable future.

The Commonwealth has been trying to engage the States to develop a cooperative approach to drought assistance. The Commonwealth will strive even harder, with the lessons of the current drought to support our proposals to ensure future drought policy is cooperative and separated from politics and point scoring.

## **BUDGET MEASURES**

New measures announced in today's Budget include:

### **\$122.2 million to continue Landcare activities**

This Federal Budget will provide \$122.2 million over the next three years to enable the National Landcare Programme to continue its invaluable work in natural resource management.

Around 4,000 voluntary community groups are involved in Landcare, mainly in rural Australia, and the funding will maintain the momentum and swell of support gained through the Government's large investment in the programme.

About 40 per cent of farmers take part in Landcare activities, and the numbers are growing. As managers of 60 per cent of our land, farmers are crucial to achieve the Government's primary industry and natural resource management goals.

Funding will continue for the main Landcare supports nationally. They include the Australian Landcare Council, the National Landcare Facilitator, and Landcare Australia Limited.

It will also assist other Landcare activities, such as on-ground projects and support activities undertaken jointly with the community, and the States and Territories.

The Government will conduct a review of Landcare beyond 2003-04 to examine the effectiveness of the programme and will consider the outcomes of the review in the 2004-05 Budget context.

### **\$2.5 million boost to growing aquaculture industry**

Today's Federal Budget boosts Australia's emerging aquaculture industry.

The Government has announced funding of \$2.5 million in 2003-04 to help implement the recently agreed Action Agenda for Australian Aquaculture.

Aquaculture has high growth potential and the industry is expected to help fill the gap between wild catch fisheries production and consumer demand expected to occur over the next five years and beyond.

The industry also has the potential to provide job opportunities and alternative income streams for farmers and Indigenous people in remote and rural Australia, and to improve regional infrastructure.

During 2003-04, the peak industry body, the National Aquaculture Council, will work with the industry and governments to research and develop aquaculture in fresh and saltwater environments.

Initiatives include a national conference of stakeholders to explore further opportunities for aquaculture expansion. The Department of Agriculture, Fisheries and Forestry - Australia will organise the conference.

## **Extra \$5.2 million to wipe out fire ants**

The Commonwealth Government has provided an additional \$5.2 million in 2003-04 to expand the national strategy to eliminate fire ants in the Brisbane area by 2006.

The funding is in addition to the \$15.3 million the Government has already agreed to provide in 2003-04.

The allocation continues the Commonwealth's responsibility under the cost-sharing arrangement with the States, endorsed by the Natural Resource Management Ministerial Council in May 2002.

The extra funds will cover eradication costs over a larger area after the discovery of some nests outside the original five-kilometre surveillance zone.

The Government considers eradicating fire ants is crucial. If they are allowed to spread in Australia, they will severely damage plant and livestock industries, urban infrastructure and the environment.

The CSIRO predicts the spread of fire ants, if left unchecked, would adversely affect all States and Territories. The Australian Bureau of Agricultural and Resource Economics estimates the cost of allowing the ant to spread in the first 30 years would be \$8.9 billion.

## **Closing date extended for Farm Help applications**

The Commonwealth Government has provided funds to extend the closing date for applications for the Farm Help programme by seven months while the Government considers a successor package. The new closing date is 30 June 2004 (previously 30 November 2003).

### *Sustaining Agriculture – The Drought and Beyond*

Farm Help is part of the Government's \$800 million Agriculture – Advancing Australia programme, which is nearing the end of its four-year funding cycle.

The Government has allocated \$20.7 million in 2004-05 to extend applications to 30 June 2004, and further residual expenditure of \$3 million in 2005-06.

This will allow farmers continued access to the programme, which provides up to three-and-a-half years support from the different assistance measures.

Since December 1997, Farm Help has provided, through Centrelink, a safety net for around 8,000 low-income farm families who cannot borrow further against their assets and need time to examine their options to improve their financial security.

## **\$12 million to fight illegal fishing in Southern Ocean**

The Government has provided \$12 million in 2003-04 for a patrol capability in the Australian Fishing Zone at Heard and McDonald Islands, in the Southern Ocean.

The funding includes \$1.8 million for the Department of Agriculture, Fisheries and Forestry – Australia and the Australian Fisheries Management Authority (AFMA) to manage post-apprehension processes. Authorised fisheries officers, engaged by AFMA, will be onboard these patrol vessels.

Customs will receive \$10.2 million to develop a patrol programme as part of a larger government response to illegal fishing when the four year unarmed civilian vessel programme ends in June 2003.

The new programme will include the use of armed enforcement patrols and an increase in patrol frequency, and is part of a larger Australian effort to increase international and diplomatic efforts to combat illegal fishing in the Southern Ocean.

## **\$2.34 million to keep Australia's cattle TB-free**

The Federal Government is providing \$2.34 million as part of a new four-year programme to maintain Australia's internationally recognised bovine tuberculosis-free status

The funds will be used to continue the Tuberculosis Freedom Assurance Programme (TFAP) set up in 1998 to ensure Australia meets the international obligations expected of TB-free countries.

This involves ongoing surveillance and monitoring activities through the National Granuloma Submission Programme and for confirmatory diagnosis through the Australian Reference Laboratory for Tuberculosis in Perth.

Animal Health Australia manages the TFAP, which was successful in eradicating the expected, but only occasional, outbreaks. Only six have been detected since 1998.

The new programme – TFAP2 – will cost \$20.1 million over four years, and has the support of all Australian governments and the Cattle Council of Australia.

## **Tasmanian Wheat Freight Scheme gets Budget funding**

Wheat transport assistance through the Tasmanian Wheat Freight Shipping (TWFS) programme will continue with funding provided in this year's Federal Budget.

The Budget had provided \$1.2 million in 2003-04 to continue the TWFS with a further \$1.2 million included in Forward Estimates for 2004-05.

The TWFS has helped Tasmanian wheat-using industries compete with imports of other grains and finished products from the mainland that receive assistance under the Tasmanian Freight Equalisation Scheme (TFES).

The TWFS has been in place since 1989 when the domestic wheat market was deregulated. After a review of the scheme and extensive consultation with industry, the Government is considering changes to the TWFS to bring it into line with the TFES.