

SECURING AUSTRALIAN AGRICULTURE 2006-07

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9 MAY 2006

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ISBN 1741 77473X

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OVERVIEW

Introduction

Australia is one of the world's most successful producers and exporters of agricultural products. A recent Australian Bureau of Agricultural and Resource Economics report reflects this, forecasting earnings of \$29.6 billion from farm exports in 2006-07 - up 6 per cent on 2005-06.

Our exports of processed and unprocessed food and beverages also grew by 9 per cent in 2004-05 to \$24 billion, giving a net trade surplus of \$17.5 billion.

There are several reasons for our continued success in the agricultural and food sector. Being an island continent has protected us from many of the pests and diseases that afflict agriculture in other countries, and enhanced our reputation as a producer of clean and green agricultural products.

Our long tradition of innovation and inventiveness in the sector, including our agricultural Research and Development Corporations, which have been a model for many other countries, is another important contributor to our success.

And then there is the renowned stamina and resilience of our farmers and rural communities, forged from living in a country of climatic extremes - droughts, devastating floods and fires, and destructive cyclones.

But these qualities alone are not enough to ensure our continued prosperity as an advanced agricultural and food-producing nation. We are confronting some new threats to our favourable pest and disease status from emerging or re-emerging pests and diseases, which could put important agricultural industries and our natural environment at great risk.

We have seen the impact of diseases such as foot-and-mouth disease in Britain, or the damage to trade by a few cases of bovine spongiform encephalopathy ('mad cow disease') in North America to understand the effect a similar outbreak could have on Australia.

It is not only our agricultural industries that are at stake. Pests and diseases such as Asian gypsy moth and eucalyptus rust, for example, would not only have a severe impact on commercial enterprises but also have dramatic consequences for our natural ecosystems.

With the growth in global trade and travel, the intensification of agriculture, emerging zoonotic diseases, and bioterrorism threats, we cannot afford to lower our guard.

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Since 1996, the Coalition has demonstrated its commitment to protecting Australia's clean and green agricultural industries and the environment with progressive increases of more than \$1.3 billion in quarantine funding in response to increasing risks of pest and disease incursion into Australia.

The 2005-06 Budget provided an injection of \$560.9 million over four years across the agencies involved in maintaining Australia's quarantine defences – especially the Australian Quarantine and Inspection Service (AQIS), the Australian Customs Service and Biosecurity Australia (BA).

The 2006-07 Budget has provided further significant funding to continue to strengthen the continuum of quarantine, preparedness for pest and disease incursions and for dealing with the growing problem of illegal foreign fishing in our waters, and the biosecurity risks associated with it.

Funding includes:

- \$98.3 million over four years to deal with illegal foreign fishing, including working with Indonesia to combat illegal fishing activity in the region;
- \$44.2 million over three years to strengthen Australia's defences against the threat of highly pathogenic avian influenza; and
- \$16 million over four years to continue to prepare Australia for major outbreaks of pests and diseases.

Avian influenza

Although the risk to Australia from avian influenza remains lower than for most other countries, it is real, and the Coalition Government takes it very seriously. The consequences of a highly pathogenic avian influenza outbreak on Australia's poultry industry would be significant.

There is also the possibility of the virus developing the ability to transmit from human to human.

The 2006-07 Budget package will add \$44.2 million to the nearly \$14 million provided to the Department of Agriculture, Fisheries and Forestry since 2004 to respond to avian influenza through measures such as increased border screening and enhanced monitoring and surveillance activities in northern Australia.

As avian influenza continues to spread around the world, and especially in Asia, taking an increasing toll on animals and further contact-related human deaths, Australia needs to be confident that it is prepared for and can quickly detect, contain and respond to any avian influenza outbreak in its bird populations.

The 2006-07 Budget package will help us achieve that, by maximising quarantine surveillance and intervention levels to the greatest extent possible, by funding research and vaccination strategies, and by refining national procedures for responding to an avian influenza outbreak.

Pests and diseases

Australia's capacity to respond to pests and diseases, including a potential avian influenza pandemic, is a major policy and priority issue for the Coalition Government.

The 2006-07 Budget provides an additional \$10 million over the next four years to replace the Enhancing Animal Health Infrastructure Programme, bringing the Government's commitment to the programme, and its replacement, to \$26 million since 2002.

The programme's initial focus on preparedness for a foot-and-mouth disease outbreak in Australia has grown to cover a broader range of animal diseases and emergency situations. This has involved modelling real events and simulations, such as last year's *Exercise Eleusis*, which tested national emergency responses to an outbreak of avian influenza in poultry.

An independent review in 2005 found that the programme had contributed significantly to building Australia's capacity and capability to manage animal diseases and emergency situations, and also found the need to continue doing so.

With the prospect of new or exotic pests and diseases still emerging in Australia, the programme's objectives remain appropriate and highly relevant, not only in the area of animal health but also plant health, biodiversity, and public health.

The Australian Government, through the Department of Agriculture, Fisheries and Forestry, has played a leading role in building Australia's preparedness for an animal or plant health emergency.

The effectiveness of such measures, however, depends on a high level of collaboration between the Australian and state and territory governments, and industry.

The 2006-07 Budget funding will enable further strengthening of this collaboration and for more effective responses to biosecurity emergencies to be developed.

Biosecurity Australia

The Budget has provided an additional \$10 million over the next four years to extend the Enhancing Animal Health Infrastructure Programme. This will bring the Government's commitment to the programme to \$26 million since 2002.

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Initially, the programme's focus was on preparedness for a foot-and-mouth disease outbreak in Australia, but it has since helped us tackle a much broader range of animal disease and emergency situations.

With the prospect of new or exotic pests and diseases still emerging in Australia, the programme's objectives remain highly relevant, not only in the area of animal health, but also in the areas of plant health, biodiversity and public health.

The funding boost for emergency animal and plant disease preparedness also included \$6 million over four years to Biosecurity Australia. This will enable it to undertake more on-the-ground, import risk assessments, and verify a greater number of import proposals and processes.

Restoring the Murray-Darling Basin

The Coalition Government has reinforced its commitment to restoring the health of the Murray-Darling Basin for the benefit of the environment, irrigators, industry, towns and regional communities in the Basin.

The Government will contribute \$500 million to the Murray-Darling Basin Commission in 2005-06, bringing its total investment in the Murray-Darling system to almost \$2 billion since 1996.

The additional funding will bolster the capacity of the Murray-Darling Basin Commission to undertake essential works in the Basin, which it has identified as necessary to make sure the river system is operating at optimal efficiency.

The additional \$500 million will also fund additional projects under the Living Murray Environmental Works and Measures Programme and provide additional resources to return 500 gegalitres per annum by 2009 for the Living Murray's environmental flows.

The capital works which will now be possible include:

- advancing construction of salt interception structures and systems to reduce salinity and maintain water quality for Adelaide, irrigators and regional communities;
- completion of the sea to Hume dam fishways by 2011 to allow our native fish populations to reconnect along the River Murray;
- maintenance and renewal of River Murray water delivery infrastructure, which is currently being run down; and

- new infrastructure to maximise the environmental benefits of water recovered for Living Murray initiatives, providing greater confidence that recovery of the important ecological sites along the system can be achieved.

The Australian Government calls on the Murray Darling states - Queensland, New South Wales, Victoria, ACT and South Australia - to invest generously to restore the health of the River Murray.

The Australian Government will also seek the agreement of the Murray Darling states and the Murray Darling Basin Commission to ensure that this investment of \$500 million will deliver permanent improvements in governments' capacity to manage the Murray Darling Basin system and to meet the needs of the river system and its users.

Community Water Grants

The severe drought over the past few years has starkly reminded Australians of the need to preserve their most precious natural resource – water.

The Government has encouraged water-saving through major initiatives such as the Australian Water Fund.

In 2005-06 the Coalition Government has awarded more than 1750 schools, environmental groups, rural organisations, sporting associations, natural resource management regional bodies, local governments and non-government organisations more than \$61 million in Community Water Grants, as part of the \$2 billion, five-year Australian Water Fund.

The projects will receive up to \$50,000 for on-ground water-saving measures or projects which improve water-use efficiency or water quality. A further \$139 million will be allocated over the next four years, with Round 2 of the grants to be announced in 2006-07.

Water for the Environment

The Coalition Government will continue to fund several other important water-saving programmes in 2006-07, including:

- \$55.2 million under the \$500 million Living Murray Initiative, which aims to ensure the River Murray system's environmental health and benefit the Murray-Darling Basin as a whole;
- pursuing water-saving projects that return water to the environment, provide economic returns to irrigators and maintain the viability of rural communities; and

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- continuing its 10-year commitment to the Joint Government Enterprise funding for Murray Environmental Flows (trading as Water for Rivers) – delivering water for environmental flows in the Snowy River and the River Murray. In 2006-07, \$7.5 million will be allocated to Water for Rivers.

Illegal fishing

As well as safeguarding our borders against exotic pests and diseases, Australia increasingly needs to protect our valuable resources such as our fisheries and forests.

With our fisheries under increasing pressure from illegal foreign fishing, especially in our northern waters and the Southern Ocean, the 2006-07 Budget has provided a further \$388.9 million over four years for a whole-of-government initiative to combat the problem, and its associated biosecurity risks.

The Enhancing Australia's Fisheries and Maritime Surveillance, Enforcement and Compliance Programme will allow for more than a doubling of the number of illegal foreign fishing vessels to be apprehended each year.

The Agriculture, Fisheries and Forestry portfolio will receive \$98.3 million from the package, including resources for the Department (including AQIS) and the Australian Fisheries Management Authority (AFMA).

The funding will enable the Department and AFMA to be represented at the Joint Offshore Protection Command, improving the coordination of all agencies which play a key role in apprehending and processing illegal fishing vessels.

It will also provide for two initiatives to work with Indonesia to deter illegal foreign fishing, and to appoint a Department of Agriculture, Fisheries and Forestry counsellor to Jakarta.

The new position will raise the profile of illegal fishing as a major issue between Indonesia and Australia. It provides a focus for liaison with the central government in Jakarta, as well as for addressing illegal fishing at a regional level, and for advancing other portfolio industry interests with Indonesia.

Illegal foreign fishing is a significant issue not only for Australia but for Indonesia, Papua New Guinea, the Philippines, Malaysia and other South-East Asian countries.

The funding will enable Australia to work with the United States, New Zealand, Canada, Britain and other likeminded countries to develop the core initiatives from the ministerially-led High Seas Taskforce on Illegal, Unregulated and Unreported Fishing. These include better monitoring and surveillance, and the performance by Regional Fishing Management Organisations.

In addition, the funding will:

- increase AFMA's capability to dispose of apprehended vessels, and prosecute and investigate foreign fishing offences;
- enable the Government to engage Indigenous community groups in northern Australia to monitor pests and diseases, and illegal foreign fishing vessels; and
- provide for a rapid response capacity to vessels on or near land, and the capability to deal with abandoned vessels at sea.

AQIS will also increase its surveillance across northern Australia with additional teams conducting regular surveys of higher risk areas to ensure early detection of any possible incursions of plant or animal pests or diseases.

Trade

Protecting our agricultural sector against pests and diseases, and our fisheries from foreign poachers, is essential to providing a secure operating environment for these industries.

Our reputation as a major agricultural trading nation rests as much on achieving a freer international trading environment for our agricultural and food products as on the quality of our products and our clean and green environment.

As an exporter of two-thirds of our agricultural produce it is vital that Australian farmers and exporters are able to maintain their competitiveness in the global market.

Our ability to maintain this competitiveness, and our position as a major agricultural trading nation, rests on improving the productivity of our production processes, delivering the quality of products demanded by overseas consumers, reducing barriers to overseas trade and maintaining our clean and green reputation.

Australia has a strong interest in seeing trade barriers on agricultural products reduced or abolished, and we have been a leader in seeking a successful conclusion to the World Trade Organization (WTO) Doha round. Success in the Doha round may deliver significant benefits to our farm sector.

Free trade agreements with the United States and Thailand have also begun to reap benefits for our agricultural industries, and should do so increasingly over the next few years. We have also instigated Free Trade Agreement negotiations with China, the Association of South-East Asian Nations, Malaysia and the United Arab Emirates.

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The Coalition Government is striving to reduce unjustified technical barriers that impede the trade in agricultural products. These can work to reduce the gains that are achieved in the WTO and through Free Trade Agreements.

In the same way that we expect other countries to apply quarantine measures that are appropriate to their circumstances and are the least trade restrictive, we must also consider other countries' applications to export their agricultural produce to Australia.

Although we have one of the world's strictest quarantine regimes, our policy on agricultural imports is one of "managed risk", as zero risk is not an option for any trading nation.

This does not mean that we will relax our quarantine in any way. All applications to import agricultural products into Australia will be determined strictly on science.

International Food and Agricultural Service

In July 2005 the Government launched an initiative - the International Food and Agricultural Service (IFAS) - to increase international opportunities for our agriculture, fisheries, food, and forestry industries and build on our trade achievements.

As part of the Department of Agriculture, Fisheries and Forestry, IFAS works with other government agencies and industry to maintain and improve market access opportunities, remove trade distortions, enhance trade cooperation, reduce external risks to Australia's favourable plant and animal health status, and contribute to new international standards for agrifood products.

As well as the new post being established in Jakarta to address concerns with illegal fishing, Australia has 14 agricultural counsellors in 10 countries. During 2005-06 IFAS targeted high priority, emerging markets in Asia by establishing new agricultural specialist positions in India and South-East Asia, and an additional position in China.

New agreement with China

Cooperation with increasingly important trading partners, such as China, is also opening up new opportunities for our agricultural and food sector.

The announcement in April of a \$5.5 million agricultural cooperation agreement with China, our third-largest agricultural export market, is an opportunity for us to share our expertise in areas such as quarantine, rural adjustment, environmental management and agricultural development.

Agricultural trade and cooperation have played a vital part in Australia's relationship with China. The programme is expected to involve major projects in each of its four years, with grasslands management and dairy already identified as early priorities.

The rapid economic growth of the world's largest nation is bringing about significant changes in food demand, and posing challenges for China's agricultural industries as increasingly affluent urban consumers move towards more varied diets, including more meat, dairy and seafood products.

This may open up prospects for a substantial increase in Australian food and agricultural exports in a range of commodities, including feed grains and oilseeds, dairy products and sugar.

Major policy initiatives

While improving competitiveness is mainly a task for individual sectors, the Government has contributed substantially by creating a stable operating environment with low rates of interest and inflation, by investing heavily in research and development, and through major initiatives such as:

- Agriculture- Advancing Australia, the \$1 billion package that has helped farmers, fishers and foresters improve their business and marketing skills, manage risk, and adjust to change through programmes such as FarmBis, Farm Management Deposits and Farm Help;
- the \$114.4 million National Food Industry Strategy, which is helping build a more efficient, internationally competitive food industry; and
- supporting industry restructure through initiatives such as the \$1.94 billion Dairy Industry Adjustment Package, the Sugar Industry Reform Programme 2004, of up to \$440 million and the \$220 million *Securing Our Fishing Future* package to secure the future operating environment for the Commonwealth fishing industry.

Creating Our Future

More recently, the Government took delivery of a major report by the Agriculture and Food Policy Reference Group, chaired by the president of the National Farmer's Federation, Mr Peter Corish.

Much has changed since the last major review of the agriculture and food sector a decade ago, and our farmers and food processors now operate in a complex, highly changeable working environment.

The "Corish" report, *Creating Our Future*, makes some noteworthy recommendations, which the Government will closely consider in coming months, on many of the central

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issues affecting the agriculture and food sector, such as trade, biotechnology, natural resources, transport, quarantine, and biosecurity.

Although it has many encouraging messages for the future of the agriculture and food sector, not least that well-organised, efficient family farms will remain the mainstay of Australian agriculture into the future, the report does not duck the realities of the unprecedented challenges facing our farmers and food processors.

The report strongly argues the need for the sector to increase its capacity to adapt and change, and remain competitive. Farmers and food processors will need to continue to depend on their characteristic qualities of self-reliance, innovation and competitiveness.

Drought assistance

Even the toughest and most self-reliant farmers and communities however, encounter occasional events beyond their capacity to manage. As the country begins to recover from the current prolonged drought, the Coalition Government continues to support farmers while encouraging and assisting increased drought preparedness. Already the Coalition Government has committed over \$1.25 billion directly to farmers affected by this drought, and the total continues to increase as areas of Australia continue to experience severe drought.

However, governments must remain flexible in how and when they provide assistance and, in partnership with the states and territories, the Government has begun a thorough review of drought policy.

Rural Financial Counselling Service

The Rural Financial Counselling Service (RFCS) Programme has been supporting primary producers, fishers and small rural business enterprises suffering financial hardship and who have no other sources of impartial support to manage the challenges of industry change and adjustment.

The 2006-07 Budget has provided an additional \$9.72 million over two years to enhance rural financial counselling services. This funding will ease financial pressures on rural communities and allow new operational arrangements to be introduced.

The Government committed \$23.3 million in the 2004-05 Budget to continue the RFCS programme. In 2004, there was a review to assess the efficiency and suitability of current administrative structures and delivery mechanisms. This followed an independent performance audit of rural financial counselling services in 2003.

Natural resource management

A strong agricultural sector relies strongly on the health of our natural resource base. Farmers, the real stewards of Australia's natural resources, manage 60 per cent of our land and 70 per cent of water extracted for consumption.

The Coalition Government's, unprecedented, decade-long investment in managing our natural resources has seen over \$7 billion committed to major programmes to achieve the twin goals of production and conservation by supporting sustainable agriculture.

In 2006-07 the Government will again allocate significant funds to continue these programmes, including:

- \$144.1 million under the \$1.4 billion National Action Plan for Salinity and Water Quality (NAP) which enters its sixth year, with major works underway in each of the 21 priority catchments;
- \$20 million over two years for Landcare and Waterwatch volunteer movements to undertake Murray-Darling Basin-wide monitoring programmes under the National Action Plan to identify where salt enters rivers and streams;
- \$300 million to the Natural Heritage Trust (NHT), for which over \$3 billion has been committed since the Government was elected in 1996. Final regional plans and investment strategies will soon be completed, forming a national coverage of 56 regions that are supported under the Trust;
- \$20 million to the Australian Government Envirofund, part of the Natural Heritage Trust, to continue grants of up to \$50,000 for local action by community groups, the foundation of the volunteerism that delivers action for the Australian community;
- \$37 million for the National Landcare Programme for community support and national activities to promote sustainable agriculture; and
- \$14.2 million for the Defeating the Weeds Menace programme for support for strategic on-ground control and eradication at a regional level, research into cost effective management techniques and bio-controls for key target weeds, and awareness-raising campaigns.

Soil and groundwater – precious assets

The Budget continues funding for the Healthy Soils for Sustainable Farms Programme, with \$5 million from the Natural Heritage Trust in 2006-07 to increase the use of practices which maintain and restore farmland soils.

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The Coalition Government will continue its cooperation with relevant states and landholders in the Great Artesian Basin Initiative – providing \$10.8 million in 2006-07 to support capping of old, free-flowing bores and replacement of earth drains.

Fishing

In another significant initiative to ensure the sustainability of a valuable natural resource – Commonwealth fisheries – the Coalition Government has provided \$220 million for the *Securing our Fishing Future* package to address overfishing.

The package announced in December 2005 responds to significant concerns within Government and the industry about the poor state of Australia's fish stocks, and the future sustainability and profitability of the industry.

The centrepiece of the package is \$150 million for one-off structural adjustment assistance to reduce the high level of fishing capacity in those fisheries that are subject to over-fishing, or at significant risk of over-fishing.

This will also address the displaced fishing effort arising from the creation of marine protected areas in the south-east marine region.

The package includes a further \$70 million in complementary assistance, designed to assist other on-shore businesses most directly impacted by the changes.

Torres Strait Prawn Fishery

The Budget includes \$1.5 million funding package to help secure the long-term viability of the Torres Strait Prawn Fishery.

The package provides \$500,000 in levy relief over two years for operators in the Strait while new management arrangements are developed in accordance with Protected Zone Joint Authority decisions announced last November – including that the fishery move to a unitised system where future fishing access would be based on a proportion of the sustainable available resource.

The package also provides \$1 million over the next three years for research to support the development of the management arrangements.

Forestry

Australians highly value their old-growth forests, and the need to balance the preservation of these forests and guarantee a sustainable future for the forestry industry has been another priority for the Coalition Government.

The Tasmanian Community Forestry Agreement, signed by the Prime Minister and Tasmanian Premier last May, was a significant breakthrough in achieving these goals.

Under the Agreement, the Australian and Tasmanian governments are committing over \$250 million to revitalise the State's timber industry and preserve old-growth forests.

The mix of conservation and jobs-preserving measures in the Agreement includes commitments to provide additional protection to well over 170,000 hectares of forest on public and private land in Tasmania, reduce clearfelling on public land, and extend the area of protected old growth forest to more than one million hectares.

The Agreement also undertakes to invest more than \$200 million to maintain the Tasmanian industry's timber supply levels, and to assist it to adjust to a future increase in the number of logs sourced from regrowth forest and plantations.

Food policy and safety

As Australia's largest manufacturing industry, the food and beverage sector contributes around 2.3 per cent of the Gross Domestic Product and exports about 22 per cent of its outputs by value. About half of Australia's processed food and beverage firms and 40 per cent of employees are located in rural and regional areas.

The National Food Industry Strategy (NFIS), the Government-food industry Action Agenda, recognises the industry's potential to become more globally competitive.

The Government is providing an additional \$12 million for Food Innovation Grants, bringing total funding under the NFIS to \$114.4 million over the five years to 30 June 2007.

Under its new Food Processing in Regional Australia Programme (FPRAP) the Government allocated \$5.1 million in grants in 2005-06 to assist food processing and agrifood businesses to add value to food produce before it leaves rural and regional Australia.

The Government intends to announce a further \$5.4 million of FPRAP grants by the end of 2006-07.

In addition, the New Industries Development Programme (NIDP) allocated \$1.5 million in grants to businesses in 2005-06 to commercialise new agribusinesses products, technologies or services. The same programme provided \$150,000 in scholarships to allow people to gain marketing and supply chain management skills. The Government expects to announce another two rounds of NIDP grants in 2006-07.

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Under the food regulatory framework, the Agriculture, Fisheries and Forestry portfolio works in partnership with industry, other Australian Government agencies, state and territory jurisdictions and consumers to develop and amend national food standards.

Significant progress has been made with country-of-origin labelling and primary production and processing standards for various food sectors.

Australia's new Country-of-Origin Labelling Standard, gazetted last December, means consumers will be able to clearly see the country-of-origin on any packaged food products and all unpackaged fruit, vegetables, nuts, seafood and fresh pork, ham and bacon products.

The standard will come into force in June 2006 for unpackaged fruit, vegetables, nuts and seafood products, and for unpackaged pork products in December.

New primary production and processing standards for various food sectors will ensure that food safety is addressed across the entire food chain using minimum, effective regulation. This will provide the food production and processing sector with clear statements of its food safety responsibilities.

The Government gazetted a Primary Production and Processing Standard for Seafood in May 2005, and is developing new standards for poultry and dairy. Future work will cover other sectors, including eggs, plant products and red meat.

Crops, wine and horticulture

The Government continues to implement the Sugar Industry Reform Programme 2004, and has already spent more than \$230 million. The Government is also helping the wine and horticulture sectors identify solutions to key issues facing growers through measures such as the Industry Partnerships projects for the vegetable, dried fruits, summer fruits and wine grape sectors.

The Government has provided \$3 million to help the vegetable industry implement the seven foundation projects identified in the recent *Taking Stock and Setting Directions* report.

A major Government priority will be to deal with the threats some farmers feel from disparities in market power within the supply chain. Addressing these and other challenges will require a greater partnership between business and government, and between businesses along the supply chain.

Conclusion

The 2006-07 Budget focus for the Agriculture, Fisheries and Forestry portfolio is on continuing to build Australia's defences against the threat of exotic pests and diseases,

on accelerating the restoration of the Murray-Darling Basin to health, and on protecting our fisheries from increasing encroachment by illegal foreign fishers.

The continued prosperity of our agriculture and food sector depends on Australia remaining free of, and having the capability to manage incursions of exotic pests and diseases and on protecting our natural resources.

As important, are the enterprise, skills, innovation and resilience of our farmers, foresters, fishers and processed food industry.

Over the past decade, the Coalition Government has been effective in creating an operating environment in which our rural and food sector can grow and compete internationally, despite major setbacks such as the worst drought in a century and a recent devastating cyclone.

Our agricultural producers are truly among the most internationally efficient, but ongoing productivity growth, and improvements in logistics and marketing, are critical to the outlook for farm performance, as is expanding our access to export markets.

Other priority issues central to the concerns of many farmers, and the Government, include perceptions – or, more accurately, misperceptions – relating to land management practices.

We must do much more to stem the misinformation, correct the record and raise awareness to give our rural and food sector the due recognition for its significant achievements.

BUDGET MEASURES

Restoring the Murray-Darling Basin

The Coalition Government has reinforced its commitment to restoring the health of the Murray-Darling Basin for the benefit of the environment, irrigators, industry, towns and regional communities in the Basin.

The Government will contribute \$500 million to the Murray-Darling Basin Commission in 2005-06, bringing its total investment in the Murray-Darling system to almost \$2 billion since 1996.

The additional funding will bolster the capacity of the Murray-Darling Basin Commission to undertake essential works in the Basin, which it has identified as necessary to make sure the river system is operating at optimal efficiency.

The additional \$500 million will also fund additional projects under the Living Murray Environmental Works and Measures Programme and provide additional resources to return 500 gegalitres per annum by 2009 for the Living Murray's environmental flows.

\$98.3 million for fisheries portfolio to combat illegal fishing

The Agriculture, Fisheries and Forestry portfolio has received \$98.3 million in the Budget to combat illegal foreign fishing, and the biosecurity risks arising from it.

The funding is part of a broader \$388.9 million whole-of-government package announced in the Budget for increased fisheries and maritime surveillance and response arrangements.

The \$98.3 million will be used to:

- fund departmental - including AQIS - and Australian Fisheries Management Authority (AFMA) representation at the Joint Offshore Protection Command;
- work with Indonesia to deter illegal foreign fishing, and provide a departmental counsellor in Jakarta;
- provide AFMA with increased capability to manage and dispose of apprehended vessels and to prosecute and investigate foreign fishing offences;
- undertake three initiatives with the High Seas Task Force;
- conduct additional surveys through the Northern Australia Quarantine Strategy;

- engage indigenous community groups to help monitor illegal foreign fishing vessels; and
- provide the capacity to respond more rapidly to vessels on or near land and to deal with abandoned vessels at sea.

Strengthening defences against avian influenza

Australia's defences against the threat of highly pathogenic avian influenza will be further strengthened with the Government's announcement in the Budget of additional funding for a range of measures over the next three years.

The Budget will provide \$44.2 million until 30 June 2009 to maintain quarantine regimes, undertake research, and develop vaccination strategies and national procedures for responding to an outbreak of avian influenza.

Since 2004, the Government has provided nearly \$14 million to the Department of Agriculture, Fisheries and Forestry to respond to avian influenza through measures such as increased border screening and enhanced monitoring and surveillance activities in northern Australia.

Avian flu has had a devastating impact on poultry stocks across South-East and East Asia and, more recently, areas of Europe, Africa, the Middle East and Central Asia.

Given the ongoing risks posed by bird flu, preventative measures will be strengthened, including:

- improved screening systems at airports and seaports to increase intervention levels to the maximum extent possible;
- public awareness and educational programmes;
- initiatives through the Northern Australia Quarantine Strategy to detect the avian influenza virus early in Australia's far north and neighbouring countries – and to respond;
- increased surveillance and diagnostic capability to detect disease in wildlife and commercial poultry;
- vaccination strategies, disease modelling and risk factor research; and
- assisting in capacity building activities in our region.

Emergency programme extended for 4 more years

A programme to strengthen Australia's pest and disease emergency preparedness and response capacity has been extended by a further four years with funding in the Budget.

The Budget has provided \$10 million to enhance and extend the Enhancing Animal Health Infrastructure Programme.

This will bring the Government's commitment to the programme, and its replacement, to \$26 million since 2002 when it was established with a specific focus on preparedness for a foot-and-mouth disease outbreak. Since then, the programme has continued to build preparedness for a broader range of animal diseases and emergency situations through modelling, real events and simulations such as last year's *Exercise Eleusis*, which tested national emergency responses to an outbreak of avian influenza in poultry.

As well as continuing to build Australia's capacity and capability to respond to animal and plant pest and disease emergencies, the enhanced programme will strengthen existing arrangements for managing quarantine risks.

The package includes \$6 million over four years for Biosecurity Australia.

Improving financial counselling operations

The Rural Financial Counselling Service (RFCS) Programme has received an additional \$9.72 million over two years to enhance rural financial counselling services.

This funding will ease financial pressures on rural communities and allow the introduction of new operational arrangements.

The Government committed \$23.3 million in the 2004-05 Budget to continue the RFCS programme. In 2004 a review assessed the efficiency and suitability of the programme's administrative structures and delivery mechanisms. The review followed an independent performance audit in 2003 of rural financial counselling.

Securing Torres Strait Prawn Fishery's viability

A \$1.5 million funding package announced in the 2006-07 Budget will help secure the long-term viability of the Torres Strait Prawn Fishery (TSPF) – the most valuable commercial fishery in the Strait.

The package includes \$500,000 in levy relief over two years for operators in the Strait while new management arrangements are developed in accordance with Protected

Budget Measures

Zone Joint Authority decisions announced last November - including that the fishery move to a unitised system where future fishing access would be based on a proportion of the sustainable available resource.

The 2006-07 Budget package also provides \$1 million over the next three years for research to support the development of the management arrangements.