



BUDGET
**STRENGTHENING RURAL AND REGIONAL
AUSTRALIA**

STATEMENT BY

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INTRODUCTION

The Rudd Labor Government is committed to building a modern, competitive, prosperous Australia capable of meeting the challenges of the 21st century.

In order to secure the nation's future and its working families, investment in regional and rural communities and the industries they depend upon is critical.

Over the past decade, many parts of regional Australia have experienced unprecedented growth through the resources boom. Around half of our total export income is from the resources sector. The resultant increases in investment, employment and income opportunities are forecast to continue in the short to medium term with sustained economic growth in China and other developing countries.

The worst drought on record, however, has tested the strength and resilience of our primary industries and our regional communities. It has also highlighted the serious challenge that climate change presents for agriculture.

The resources boom and a changing climate bring a new set of challenges – shifting employment patterns and persistent skill shortages, growth in some regional centres as others decline, changing land and water use and widespread infrastructure bottlenecks.

There has never been a greater need for a new direction and innovative government policy in rural and regional Australia.

The Rudd Labor Government has a new vision for strengthening rural and regional Australia – one that will deliver better services for communities, investment in infrastructure, and innovation for our industries to help them grow, adapt and prosper.

As one of only five Ministerial Statements delivered in the 2008-09 Budget, this statement covers a range of policies for regional Australia and rural industries.

National coordination of infrastructure, an education revolution, decisive action on climate change and water supplies, a national broadband network, a nation plan to fix our hospital system and restoring balance and fairness into our workplaces – these strong plans in the 2008-09 Budget will help secure our regional economies and build prosperous communities.

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Tony Burke
Minister for Agriculture,
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1. BUDGET HIGHLIGHTS

REGIONAL DEVELOPMENT AUSTRALIA

The Government is committed to genuine engagement with regional communities. We have established Regional Development Australia to ensure effective engagement with communities.

This new body will transition from the network of Area Consultative Committees and will take on a broader role to provide strategic input into national programs, improve the coordination of the Government's regional development initiatives and link closely to local governments and other regional organisations.

BETTER REGIONS

A total of \$176 million will be provided over four years for a range of regional infrastructure election commitments which have been identified by local communities as priorities for their regions.

Well planned, funded and essential infrastructure supports towns and communities, attracts greater investment, creates job opportunities and supports their quality of life.

In addition to our Better Regions program, the Government will introduce a new Regional and Local Community Infrastructure program from 2009-10 to invest in the future of our regional communities.

AUSTRALIA'S FARMING FUTURE

The Government has committed \$130 million over four years to the Australia's Farming Future initiative to help primary industries adapt and respond to climate change. Beginning in July, it will deliver three programs:

- Climate Change Adaptation Partnerships program (\$60 million over four years) to develop practical demonstrations that improve the sector's response to climate change
- Climate Change and Productivity Research program (\$15 million over four years) to undertake research on managing emissions and adaptation, and
- Climate Change Adjustment program (\$55 million over four years) to provide primary producers with professional advice, training and re-establishment grants.

COOPERATION AND PLANNING IN NORTHERN AUSTRALIA

The Government will provide \$8 million over four years from 2008-09 for the recently established Office of Northern Australia to provide high-level advice and improve cooperation and planning for major initiatives across northern Australia. It will be located in Darwin and Townsville.

The Government has moved responsibility for the Northern Australian Land and Water Taskforce to the Office of Northern Australia and has expanded its terms of reference to give it a broader sustainability focus and to identify development opportunities across a range of sectors.

NATION-BUILDING INFRASTRUCTURE

An investment of \$3.2 billion will help drive Australia's prosperity through a range of nation-building road and rail initiatives across Australia as part of the Government's fresh approach to infrastructure development.

The Government is leading infrastructure reform by establishing Infrastructure Australia, with an allocation of \$20 million over four years, to audit nationally significant infrastructure, coordinate infrastructure development across the nation and advise on policy and regulatory reforms to improve use of existing infrastructure.

LOCAL COUNCILS

The Government will provide nearly \$1.9 billion in financial assistance grants to local councils in 2008-09 to spend on priorities including improving local roads, environment protection and community facilities such as swimming pools and health centres.

REGIONAL AIRPORTS FUNDING

The Government is providing up to \$12.6 million over four years, from 2007-08, to assist 29 regional airports with baggage security screening.

The Regional Airport Funding program provides \$29.5 million to assist up to 150 regional airports to implement basic security measures required under the Aviation Transport Security regulatory regime.

AIR SERVICES FOR REGIONAL AUSTRALIANS

The Government is providing \$44.7 million over four years to subsidise weekly flights to remote communities in the Northern Territory, Western Australia, Queensland, South Australia and Cape Barren Island, under the Remote Air Services Subsidy Scheme.

BROADBAND

The Government has committed \$270.7 million under the Australian Broadband Guarantee to ensure all Australians, particularly people living in regional Australia have access to metro-comparable broadband services. The Australian Broadband Guarantee aims to improve broadband services and information accessibility, and is primarily targeted to benefit people in rural and regional areas.

EDUCATION REVOLUTION IN THE REGIONS

The Government has committed to a Digital Education Revolution as a core part of the broader Education Revolution, enabling students, including in regional Australia, to gain skills to equip them for life and work in a digital world. The funding commitment is now \$1.2 billion over five years to 2011-2012 with a further \$200 million provided in the 2008-09 Budget to support the National Secondary Schools Computer Fund beyond the initial four year funding period to 2011-2012.

Regional Australia will also benefit from the range of Education Revolution initiatives in the Budget, including the \$2.5 billion Trade Training Centres in Schools program and Skilling Australia for the Future, which will deliver an additional 630,000 training places over the next five years.

BASS STRAIT PASSENGER VEHICLE EQUALISATION SCHEME

The Bass Strait Passenger Vehicle Equalisation Scheme subsidy for standard passenger vehicles will be increased to \$180 to help foster growth and development in Tasmania.

REEF RESCUE PLAN

The Government has committed \$200 million over five years to the national Reef Rescue Plan, to tackle climate change and improve water quality in the Great Barrier Reef through improved land management, water-quality monitoring and research and development.

EMISSIONS TRADING SCHEME

The Government has provided around \$69 million, including around \$31 million in additional funding to design and implement an environmentally effective and economically responsible greenhouse gas emissions trading scheme. The emissions trading scheme is the centre-piece of the Government's effort to reduce emissions and will be introduced in 2010.

WATER FOR THE FUTURE

The Government will bring forward \$400 million in funding to take urgent action in the Murray-Darling Basin through water efficiency measures in irrigation systems and increasing funds available to purchase water for environmental flows. Water for the Future also includes the National Urban Water and Desalination Plan, the National Water Security Plan for Cities and Towns and the National Rainwater and Greywater Initiative.

CARING FOR OUR COUNTRY

The Government has committed \$2.25 billion to the Caring for our Country program, which provides funding to regions and local communities through an integrated approach to natural resource management in Australia.

FOREST INDUSTRIES

The Government will provide \$20 million over four years to prepare Australia's forest industries for the future. The Preparing Australia's Forestry Industry for the Future program supports an important contributor to our regional economy, providing jobs for Australians in many regional areas and in the vibrant processing sector.

WEEDS

The Government is committed to protecting our environment from invasive plants, and will invest \$15 million over four years to reduce the impact of weeds on farm and forestry productivity and biodiversity, and \$0.3 million over two years for a comprehensive fireweed research project.

TRANSITIONAL INCOME SUPPORT

The Government has committed to providing Transitional Income Support, which will commence on 16 June 2008 and continue until 30 June 2009, at an estimated cost of

\$14.5 million. The measure will provide income support at the Newstart rate, to farm families in financial difficulty.

CLEAN ENERGY INDUSTRIES

The Government is providing more than \$1 billion to develop Australia's capacity in clean energy technology development through the \$500 million Renewable Energy Fund, the \$150 million Clean Energy Fund and the \$500 million National Clean Coal Fund. These technologies will enable energy users in the future to access cleaner, less emission intensive electricity. Many clean energy generation facilities are and will be located in regional and rural areas to capitalise on the availability of natural resources such as solar, coal, gas, wind, geothermal and wave energy.

SERVICES AND FACILITIES IN THE NORTHERN TERRITORY

The 2008-09 Budget includes funding for the construction and operation of three new boarding facilities in the Northern Territory (\$28.9 million over four years) which will enable 152 remote Indigenous students in Years 8 to 12 to access secondary school education. The Government will also commit \$2.3 million to fund 10 crèches; \$19.1 million to continue accelerated literacy and numeracy programs, quality teaching, professional development of the Indigenous teaching workforce and to build new classrooms in the Northern Territory; and \$7.4 million to continue the School Nutrition program. These measures for 2008-09 build on previous education measures and on the \$98.8 million in funding to provide 200 new teachers in the Northern Territory.

2. THE CHALLENGE FOR REGIONAL AUSTRALIA

Australia's regions play a vital role in the economic development of the nation – generating 65 per cent of Australia's export income and employing over a third of Australia's workforce.

Rural and regional Australia faces a number of significant challenges—and the Government will work in partnership with our regional communities to deal with these pressing challenges.

SKILL SHORTAGES

There are major skill shortages evident across regional Australia. Whether it is doctors, tradespeople, nurses, teachers or engineers, access to skilled professionals is more difficult than for metropolitan businesses.

Regional businesses that want to acquire skills have diminished access to education and training. For example, the existing training system is not flexible enough to address the problems of a business owner having to spend three, or more, days away to attend a half-day course in the city, or to lose a valued employee for up to four weeks while they undertake block training for their apprenticeship.

INFRASTRUCTURE

Infrastructure provides the platform for future business. Our infrastructure is under pressure with growing levels of demand. Better planning and coordination are vital to ensure that infrastructure investment is efficient and appropriately targeted.

For regional Australia, access to good infrastructure is a critical priority. Freight must be able to move seamlessly from farm gates to kitchen tables and from mines to ports. Better regulation and the use of new technology, particularly in the areas of transport, communication, energy and water, will make our existing infrastructure more efficient and productive.

COMMUNICATIONS

To succeed and grow in today's global market, regional economies and their businesses must be able to connect with the rest of the country and the world. Over the past decade, communication technologies such as mobile phones, the internet and email are now an essential part of life. Service levels in rural and remote areas are widely regarded as lagging behind those in urban areas. The high capital costs of upgrading telecommunications services in rural and remote Australia, and the

relatively poor returns that are likely from such investments, have generally deterred spending on such infrastructure.

CLIMATE CHANGE AND ENVIRONMENTAL PRESSURES

Climate change represents a significant challenge for rural and regional Australia, with many communities having endured one of the worst droughts on record over the past six years. Ongoing and increasing climate variability will require rural and regional communities to adapt to maintain social and economic prosperity.

There is an urgent need to start planning for a future that is likely to mean reduced water availability for towns, farms and industries; increased frequency of extreme weather events such as drought and flooding; and changed crop yields and quality.

As well as a changing climate, there are a broad range of other environmental pressures facing regional Australia that need ongoing action. These include salinity, weeds, loss of biodiversity, water management, soil erosion, feral pests and degradation of river systems.

Costs of inaction are high, and if not addressed would be borne by future generations. Land and water degradation and weeds are already estimated to cost up to \$7.5 billion a year. Most environmental issues require a long-term commitment to address degradation and embed a more sustainable approach to their use.

BIOSECURITY

As a nation that exports around two-thirds of its total agricultural production, the success of Australia's primary industries has been built on access to international markets.

Increased movements across borders also mean that the risk of exotic pests and diseases is far greater than ever before. The Government is working to deliver a robust biosecurity and quarantine system in Australia to protect our favourable pest and disease status. In addition to the recently completed inquiry into the outbreak of equine influenza in Australia, a review of quarantine and biosecurity arrangements now underway, headed by Roger Beale AO, is expected to report by 30 September 2008.

3. PRIORITIES AND NEW INITIATIVES

In the 2008-09 Budget, the Rudd Labor Government has identified a number of priorities and new initiatives that will significantly affect regional communities and rural industries.

AGRICULTURE, FISHERIES AND FORESTRY

Australia's Farming Future

Australia's Farming Future is the flagship initiative for the Agriculture, Fisheries and Forestry portfolio. It will:

- undertake research and develop commercially viable on-farm tools and techniques for primary producers to increase productivity, manage emissions and adapt to climate change
- provide support for focused and targeted training to improve the adoption of business management skills, new techniques and best practice management
- provide grants to eligible producers of up to \$5,500 to access professional advice and training to support them in managing for the challenges of climate change
- provide support of up to \$150,000 to eligible producers who may choose to leave the property as their enterprise becomes more marginal, and
- raise awareness of the impact that climate change will have on future production and to encourage producers to seek information and training on climate change and promote changes to behaviour and management practices.

Australia's Farming Future is worth \$130 million over four years and contains three main climate change programs.

Climate Change and Productivity Research program

\$15 million over four years will be provided to undertake research on managing emissions and adaptation.

Climate Change Adaptation Partnerships program

The Government is committing \$60 million over four years to develop climate change partnerships to improve understanding and awareness of climate change, promote education and improve climate change planning.

Climate Change Adjustment program

Funding of \$55 million will provide primary producers with professional advice, training and re-establishment grants.

New short-term income support for farming families under financial strain

Transitional Income Support will commence on 16 June 2008 and continue until 30 June 2009, at an estimated cost of \$14.5 million over three years. The measure will provide:

- income support for up to 12 months at the Newstart rate, to farm families who are in financial difficulty and need further assistance while considering their future in agriculture, and
- strengthened eligibility criteria, mutual obligation and case management compared to the current Exceptional Circumstances Relief Payments (ECRP).

The support will help farm families while they examine the likely impact of climate change on their farm business and take action to address these challenges.

Exceptional Circumstances payments will continue to support eligible farmers, small business and rural communities as the drought continues in some areas across Australia. Almost \$761 million has been committed for EC assistance for the 2008-09 financial year.

Australia's Forest Industry—Preparing for the Future

The Government is committing \$20 million over four years to assist Australia's Forest industries by focussing on climate change adaptation, boosting exports and addressing industry-specific issues such as skills shortages.

This program implements the Government's election commitment to work with Australian forest industries to develop a practical, scientifically based approach to the challenges of the future.

The 2008-09 Budget provides for the Government's plans including:

- declaring ForestWorks as the new Forest and Forest Products Industry Skills Council, and providing \$1 million for its implementation
- \$1 million to update and expand the Forest and Wood Products Industry Workforce and Industry Data collection project, and develop world's best practice benchmarks for the forest and forest products sectors

Strengthening rural and regional Australia

- \$1 million to restrict the importation of illegally logged timber including through building capacity in regional governments, developing certification schemes for timber sold in Australia, point of sale disclosure mechanisms, identifying illegally logged timber and restricting its import
- \$8 million to address major knowledge gaps , working with industry and other stakeholders to assess the capacity of forest systems to sequester carbon and develop more sophisticated accounting methodologies as well as developing a new Climate Change and Forestry Adaptation Action Plan to prepare forest industries for the impacts of climate change, and
- \$9 million to a Forest Industries Development Fund to boost exports by encouraging ongoing investment in value adding initiatives. Funding commitments from relevant state and territory governments and applicants will also be sought.

Regional Food Producers Innovation and Productivity program

A significant opportunity exists to encourage the growth of regional food businesses to respond to emerging market challenges. Food producers in regional Australia will benefit from a new \$35 million over four years Regional Food Producers' Innovation and Productivity program, of which \$10 million will be set aside for the seafood industry. The program will boost productivity along the agri-food chain by supporting innovative new technologies and processes that will give the industry a competitive edge.

Promoting Quality Australian Produce

The Promoting Australian Produce initiative will see \$5 million allocated over three years to assist agricultural and seafood industries develop their capacity to better promote and market the benefits of their produce to consumers.

The Government will invite proposals from rural and seafood industries seeking to undertake projects that will:

- enhance industry marketing and promotional capabilities
- develop new strategies for industry marketing, and
- tap consumer insights and strengthen links with domestic and international markets.

Further investment in animal welfare overseas

The Government is committed to world's best practice in animal welfare to support a strong, vibrant and growing livestock export sector in Australia.

The Government has approved a \$7.6 million extension to the Live Animal Trade program to improve animal welfare outcomes and progress Australian exports, particularly to the Middle East region. The program, which commenced in 2004, funds technical cooperation activities that support Australia's efforts to work in partnership with commercial interests and importing country governments to improve post-arrival conditions for Australian livestock.

The Live Animal Trade program consists of funding for Australia's agriculture counsellor position in the Middle East and technical cooperation activities. The technical cooperation component is aimed at improving animal welfare conditions in countries importing Australian animals through education, training and improvements to livestock facilities.

The Middle East is a major destination for Australia's agricultural exports, delivering \$2.6 billion in 2006-07. Continuation of funding for Australia's agricultural counsellor position in the Middle East advances the full range of Australian agricultural trade issues with over 20 countries in the Middle East and North Africa regions.

Weeds

The Government is committed to protecting our environment from invasive plants and will invest \$15 million over four years to reduce the impact of weeds on farm and forestry productivity and biodiversity, and \$0.3 million for a comprehensive fireweed research project.

The National Weeds and Productivity Research program will allow for comprehensive national applied research which will investigate and implement strategies for the most serious invasive plant problems across Australia. National experts, land managers and relevant stakeholders will come together to develop improved understanding about the information required to effectively manage the risks associated with invasive plants.

The Government's priorities for weeds research will be clearly articulated with a focus on building productive capacity for sectors dealing with farming, forestry and biodiversity.

Recreational Fishing Industry Development

The Government has committed \$2 million over three years to the development and implementation of a Recreational Fishing Industry Development Strategy.

The strategy, which fulfils an election commitment, to develop a new policy for recreational fishing by funding an advisory committee to review the 1994 National Recreational Fishing Policy. It will also implement initiatives to encourage the promotion of sustainable fishing, education and awareness and best practice environmental standards for recreational fishing.

Managing Commonwealth fisheries

The Government will provide an additional \$4.4 million over the next three years for the Fisheries Research program, with \$1.9 million invested in 2008-09.

This initiative fulfils the election commitment to increase investment in fisheries research to underpin fisheries policy development and management. It will improve and expand the assessment of the status of Commonwealth fisheries.

The increased investment is critical to a scientific, evidence-based approach to fisheries management and policy development.

Helping the horticulture industry fight fruit fly

The Government will implement the National Fruit Fly Strategy to deliver an integrated approach to the management of fruit fly, which is the most significant pest affecting the sector in terms of costs to production and impediments to market access.

Our approach will develop diagnostic skills in individuals and groups of diagnosticians in regional laboratories through training and scholarships, increasing expertise for important plant pests using the full range of diagnostic tools and technologies available in Australia.

Regional and on-farm biosecurity plans will help to mitigate impacts of plant pest threats through on-ground activities and application of on-farm biosecurity measures that reduce farm exposure to biosecurity threats through greater partnership with regional and local communities.

The National Fruit Fly Strategy has been finalised for endorsement by Primary Industries Ministerial Council and relevant industries.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Australian Broadband Guarantee

The Australian Government has committed \$270.7 million under the Australian Broadband Guarantee to ensure all Australians, particularly people living in regional Australia have access to metro-comparable broadband services.

The Australian Broadband Guarantee is primarily targeted to benefit rural and remote Australians. The Guarantee provides rural Australians with equitable access to broadband services that are on a par with those offered in metropolitan cities. As the program is driven by consumer demand, subsidised broadband services will be made available wherever they are needed throughout the country.

The program also provides funding for many rural Internet companies to build infrastructure and provide services to areas that would not otherwise be commercially sustainable.

CLIMATE CHANGE AND WATER

Emissions Trading Scheme

In the first stage of the scheme's establishment, funding of around \$31 million over four years was provided to undertake a comprehensive analysis of the impacts of greenhouse gas emission reduction goals and other key design features and to design the scheme in a way that maximises the benefit of this reform for Australia. This new funding was allocated in the 2007-08 Additional Estimates to the Department of Climate Change, the Treasury, the Australian Bureau of Statistics and the Department of Prime Minister and Cabinet. In this Budget, around \$38 million in additional funding over four years will be provided to the Department of Climate Change to continue this work.

Murray-Darling Basin—Taking Early Action

This initiative will bring forward \$400 million in funding to address the urgent need to tackle the water crisis. It will deliver water efficiency measures and reprioritise funding to increase water purchasing for the environment. Taking Early Action implements the Government's commitment to reduce evaporation and improve water efficiency in the Murray-Darling Basin. The initiative funds hotspots assessments to identify and address leaky main-line distribution channels and will improve delivery systems by lining and piping irrigation channels.

National Water Security Plan for Towns and Cities

The National Water Security Plan increases the security of urban water supplies in Australia, invests in more efficient water infrastructure, and refurbishes older pipes and water systems. It provides \$250 million over four years to invest in stormwater capture projects, recycled water and water treatment plants, and build pipelines to deliver recycled water to major sporting fields and community recreation areas. Under the Plan partnerships will be built with local water authorities to minimise loss of our valuable water resources, and funding provided for practical projects to save water.

Sunshine Coast Growth Corridor – Coolum Ridges water recycling demonstration project – contribution

The Australian Government is providing a \$4.6 million contribution to support the development of a water recycling demonstration project at Coolum Ridges. The project will demonstrate a roof water harvesting scheme that treats roofwater and returns it to the town supply system.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

The Australian Government is committed to ensuring that through the Education Revolution there is an investment in the education of all Australian school students regardless of where they live or the circumstances of their community. There is currently a major gap in outcomes for students in rural and regional schools compared to those in metropolitan areas in important measures like literacy and numeracy attainment and Year 12 retention.

Implementing the Education Revolution in Regional Australia

The Education Revolution is a long-term commitment by the Australian Government to transform education in Australia through Australian Government investment and by forging new partnerships between the Commonwealth and the state and territory and non-government education authorities. It is characterised by greater collaboration, increased national consistency in key areas such as curriculum and assessment and reforms to Commonwealth, state and territory financial arrangements.

The Council of Australian Governments (COAG) has agreed to lift Year 12 or equivalent attainment to 90 per cent by 2020 and halve the gap for Indigenous attainment in the same period.

Assistance to boost literacy and numeracy skills

The Australian Government is committed to improving the literacy and numeracy performance of all students.

Funding of \$577.4 million over four years for a National Action Plan on Literacy and Numeracy will ensure that additional support for literacy and numeracy can be provided to the most disadvantaged schools.

Education Tax Refund

Regional families who are eligible for Family Tax Benefit A or whose school children receive Youth Allowance or another relevant payment will benefit from the Government's introduction of the new Education Tax Refund, at a cost of over \$1 billion a year. Eligible families will be able to claim a 50 per cent refundable tax offset each year for certain education expenses for their school children. The maximum refund for each primary school student will be \$375 a year and the maximum refund for each secondary school student will be \$750 a year. The refund will apply to expenses incurred from 1 July 2008 and will be claimed upon lodgement of a 2008-09 income tax return or, for those who are not required to lodge a tax return, by claiming a refund through the Australian Taxation Office.

Trade Training Centres in Schools

The Trade Training Centres in Schools program initiative was launched on 7 March 2008. The Trade Training Centres in Schools program will provide students in all secondary schools with access to broader educational opportunities through new and upgraded trade training facilities. Each school will be eligible for between \$500,000 and \$1.5 million of the \$2.5 billion that will be available over the next 10 years. The program aims to increase the proportion of students achieving Year 12 or an equivalent qualification. \$100 million was available for the first round of applications, which closed on 9 May 2008. The second round of applications, for up to \$300 million, will open in June 2008.

School Grants for On-the-Job Training

The Government has committed around \$98 million over four years to ensure that students in Years 9 to 12 can access one day a week of on-the-job training for 20 weeks per year, or the equivalent. This initiative is designed to complement the Trade Training Centres in Schools program. These programs will ensure that many students in regional and remote areas will benefit from on-the-job training opportunities that would not have been available to them previously.

Bringing the Digital Education Revolution to regional schools

The Digital Education Revolution is a core part of the Australian Government's broader Education Revolution and will enable students, including in regional Australia, to gain skills to equip them for life and work in a digital world. The funding commitment is now \$1.2 billion over five years to 2011-2012 with a further \$200 million provided in the 2008-09 Budget to support the National Secondary Schools Computer Fund beyond the initial four year funding period to 2011-2012. The roll out of the Fund has commenced with the neediest schools in Australia to receive a share of the first \$100 million available to schools in June 2008. This first round of the Fund will benefit schools in regional areas and improve their access to information and online curriculum resources.

The Digital Education Revolution includes \$32.5 million over two years to supply students and teachers with the right systems, tools and resources to support online education.

The Australian Government has also announced, as part of its Digital Education Revolution, that it will contribute \$100 million to support the deployment of fibre connections to Australian schools delivering broadband speeds of up to 100 megabits per second.

The Australian Government's vision is that students and teachers will communicate freely across Australia and internationally, and that students, including those in regional Australia, will have access to specialist teachers in subjects that their own schools cannot support.

Capital infrastructure

In addition to commitments for Trade Training Centres and the Digital Education Revolution, the Government is providing a minimum of \$457 million in the 2008 calendar year to Australian schools for capital infrastructure. A further \$62.5 million over four years will be allocated through the Local Schools Working Together pilot program. The Local Schools Working Together initiative will assist school communities that are currently struggling to provide facilities to support and improve the educational outcomes of their students.

Support for Regional Youth

The Government is committed to ensuring that all young Australians have the opportunity to raise issues of concern with the Government and to be more directly involved in government decision-making.

Building on the success of the Australia 2020 Youth Summit, the Rudd Government will establish the Australian Youth Forum and the Office for Youth. These two initiatives will enable young Australians to participate in, and influence, Government policy and decision making.

Office for Youth

The Office for Youth will focus on better coordination, integration and monitoring of policies and programs and their impact on the youth sector, including young people in regional Australia.

Australian Youth Forum

The 2008-09 Budget provides \$8 million over four years to establish the Australian Youth Forum. The Australian Youth Forum will provide a formalised and expanded youth consultation mechanism, including enhanced opportunities for young people from regional and remote areas, to provide input direct to the Australian Government on the particular issues facing youth.

Skilling Australia for the Future

Australian Government policy is focused on economic and social reform to drive productivity, workforce participation and social inclusion in order to reduce skills shortages and deliver economic and social benefits to all Australians, including those in regional and remote areas.

This Budget supports the Government's Skilling Australia for the Future policy which will deliver more opportunities for Australians to participate in a more flexible and responsive training system through:

- 630,000 additional training places over five years (including 85,000 apprenticeship places) with an emphasis on Certificate III and higher qualifications in areas of current, emerging and future skills needs of industry
- Establishing Skills Australia, a high-level statutory body which will advise Government on current and future demand for skills and training and inform Australia's workforce development needs by bringing together a range of data from diverse sources including, for example, commissioned research and industry stakeholders, and
- Strengthening and expanding the role of Industry Skills Councils to work with:
 - employers to diagnose their skills needs and identify and link them with suitable training providers, and
 - Employment Service Providers to enable job seekers to have access to training that matches industry needs.

Small Business Work and Family Grants program

The Small Business Work and Family Grants program provides \$12 million over three years to assist small businesses to implement work and family initiatives. Under the program, small businesses in regional Australia will be a target group in promoting eligibility for grants. This initiative will assist regional Australian small businesses to better attract and retain employees.

A better future for Australians

The Australian Government has announced that a new employment services model will be introduced when current contracts expire. It will provide for a single contract that will allow for a simpler, more targeted service so that providers can develop individualised and tailored interventions to meet the needs of job seekers. The level of assistance will match a job seeker's level of assessed disadvantage, which will benefit job seekers, including Indigenous job seekers, in regional and remote areas who face particular disadvantages finding employment.

A new remote employment services model will also respond to the relative disadvantage of many remote job seekers and the higher costs and other barriers to service delivery in remote locations. The model ensures that providers have the flexibility and resources to provide high-quality, tailored and effective services to remote job seekers.

A discussion paper, outlining the model, is to be released in May 2008. This will be followed by consultations with interested stakeholders in regional and remote centres as well as capital cities. Comments will also be invited on the model which will inform the development of the Request for Tender document. It is expected the tender will be

conducted in September 2008, followed by a rigorous procurement process, ahead of the new contract commencing in July 2009.

Northern Territory Emergency Response Welfare Reform

Under the Northern Territory Emergency Response, the Government will enhance employment opportunities and continue funding employment services. The employment programs include pre-employment programs and literacy and numeracy training for Indigenous working age adults in the Northern Territory to increase access to skills development and jobs.

In addition, remote NT communities will benefit by Quality Teaching and Accelerated Literacy packages and additional classrooms to assist in easing infrastructure burdens resulting from expected increases in enrolments and attendance.

Disability Employment Network

Disability Employment Network (DEN) members assist job seekers with a disability who have ongoing support needs by providing a range of assistance including training, job placement and on-the-job support. Under Welfare to Work, a new uncapped stream of the Disability Employment Network was introduced from 1 July 2006. This stream provides guaranteed assistance to people with a disability who have a partial work capacity and an obligation to seek employment.

Across Australia, 224 organisations provide Disability Employment Network services from around 740 sites.

Funding of \$332 million is available in 2008-09 to provide DEN services and Employer Incentives. It is expected that more than 60,000 job seekers will be assisted through DEN in 2008-09.

Vocational Rehabilitation Services

Vocational Rehabilitation Services (VRS) provides specialist employment assistance, combined with vocational rehabilitation, to help people with a disability, injury or health condition find and retain safe and sustainable employment in the open labour market. VRS assists job seekers to understand, compensate for and manage their injury or disability by building work capacity and/or developing new work strategies to avoid re-injury.

VRS is delivered nationally in over 400 sites through a network of 19 organisations. VRS is currently assisting over 42,000 people and in 2008-09 will commence in excess of 35,000 new commencements into the program. Expenditure in 2008-09 is expected to be around \$263 million.

Indigenous Employment Policy

The Indigenous Employment Policy (IEP) recognises the particular disadvantage of Indigenous Australians in the labour market and aims to generate more employment opportunities for Australia's Indigenous people. In 2008–09, it is anticipated that around 15,000 Indigenous Australians will be assisted through the IEP.

The major components of the IEP include the Structured Training and Employment Projects, the Corporate Leaders for Indigenous Employment Project, Wage Assistance, the National Cadetship Project and the Indigenous Small Business Fund.

Emerging Indigenous Entrepreneurs Strategy

In regional areas where employment opportunities are limited, the Emerging Indigenous Entrepreneurs Strategy encourages and empowers potential Indigenous entrepreneurs toward self employment and small business opportunities. The Emerging Indigenous Entrepreneurs Strategy will link emerging Indigenous entrepreneurs with private sector intermediaries who have financial expertise and provide financial literacy training to community members seeking to start a business.

Indigenous boarding facilities

The 2008-09 Budget includes funding for the construction and operation of three new boarding facilities in the Northern Territory (\$28.9 million over four years) which will enable 152 remote Indigenous students in Years 8 to 12 to access secondary school education. This addresses the difficulties faced by remote Indigenous students in the Northern Territory in accessing secondary schooling.

200 extra teachers

In February 2008, the Government provided funding for 200 extra teachers for remote community schools in the Northern Territory. The teachers will assist in the education of around 2,000 young people of compulsory school age who are currently not enrolled in school in communities involved in the NTER.

Ten crèches in the Northern Territory

Operational funding will be provided for ten crèches in the Northern Territory as part of the Northern Territory Emergency Response (NTER). This will enable Indigenous children living in remote and regional areas to benefit from crèche services.

Accelerated literacy and numeracy, quality teaching and six new classrooms

This measure will provide for the continuation of professional development support to teachers in the Northern Territory as part of the NTER and for the promotion of the use of accelerated literacy and numeracy programs. It also aims to develop and sustain

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a workforce of high performing school leaders and quality teachers in the 73 communities involved in the NTER and to develop the local Indigenous education workforce.

Construction of six new classrooms will accommodate increased attendance by school-age children who are currently either not enrolled or not attending school regularly.

The measure aims to improve educational outcomes for Indigenous students in remote and regional areas.

School Nutrition program

The School Nutrition program, which provides breakfast and lunch to school-age children in the Northern Territory, will be continued as part of the NTER in order to ensure kids get fed. The program contributes to local Indigenous employment through its delivery and supports the involvement of Indigenous parents in schools.

The measure will assist in improving school attendance and health and educational outcomes for Indigenous students in remote and regional areas.

Early childhood education and care

The Government will provide \$533.5 million over five years to fund 15 hours per week, for 40 weeks per year, of play-based learning and development programs for all children in the year before formal schooling.

As part of the Australian Government's commitment to establish up to 260 new child care centres, around \$115 million will be provided over four years from 2008-09 to build new centres in 38 priority locations across Australia including six Autism-specific centres. This initiative will provide families in some regional areas with greater access to child care and early learning programs for preschool age children.

The remaining 222 centres will form part of a National Partnership agreement with the States and Territories, to be negotiated by COAG. Australian Government funding for these centres will be included in the 2009-10 Budget.

Greater access to child care will enable families to have greater choice about their participation in the workforce of the region. The initiative will also contribute to creating additional employment opportunities for local people during the establishment of the centres, and then longer term through the operation of the centres. Providing more options for quality early childhood education services will also help families in regional areas ensure their children receive early learning programs that prepare them for later education and life.

ENVIRONMENT, HERITAGE AND THE ARTS

Caring for our Country

Caring for our Country is a new five-year, \$2.25 billion commitment that will restore the health of Australia's environment and build on improved land-management practices. Caring for our Country reforms the way in which the Australian Government invests in the protection of Australia's unique environment and pursues sustainable management of our natural resources by taking a business approach to investment.

From 1 July 2008, the Australian Government will take an integrated approach to environment protection and natural resource management. For the first time it will work towards one clear goal with clearly defined outcomes and investment priorities.

Caring for our Country invests in six national priority areas to deliver its aims:

- National Reserve System;
- biodiversity and natural icons;
- coastal environments and critical aquatic habitats;
- sustainable farm practices;
- natural resource management in remote and northern Australia; and
- community skills, knowledge and engagement.

The Government will help regions adjust to the new Caring for our Country priorities. In addition to secure base-level funding, regional natural resource management organisations will, for the first time, be able to bid for the additional money available under the Caring for our Country program. This means that regional organisations will potentially have access to a larger pool of funds than was available under the previous natural resource management programs.

Caring for our Country will operate a more streamlined, integrated network of facilitators. Australian Government Facilitators and Indigenous Land Management Facilitators will continue to be based in each state and territory to help implement the new program. Their roles will be more clearly defined than under the previous programs and they will work more closely within state-based teams.

From 30 June 2008, the Government will not be renewing contracts for facilitators and coordinators hosted in regional bodies and Local Government agencies (affecting Community Landcare Coordinators, Strategic Regional Facilitators and Local

Government Facilitators). The Government considers these activities are better managed through local agency ownership and reporting arrangements.

Reef Rescue

Australia's Great Barrier Reef is one of the natural wonders of the world. The Reef is the world's most extensive coral reef system and contains habitats that are significant and critically important for the conservation of biological diversity. The reef continues to face the twin threats of coral bleaching, caused by climate change, and declining water quality.

Reef Rescue is a comprehensive \$200 million five-year plan to tackle climate change and improve water quality in the Great Barrier Reef. It represents the largest single commitment ever made to address the threats of climate change and declining water quality to the Great Barrier Reef and is a key component of the Caring for our Country initiative.

Unless we take decisive action to tackle climate change and cut greenhouse gas emissions now, the future health of the Great Barrier Reef will be at serious risk.

The Government will work with farmers, Indigenous communities, conservation groups, tourism operators and the fishing industry to dramatically improve water quality and keep the reef healthy in the face of climate change.

Reef Rescue has five elements:

Great Barrier Reef Water Quality Grants (\$146 million)

The majority of these funds will be provided in the form of matching grants (with matching funding) to landowners and managers who commit to implementing proven practices that reduce loss of nutrients and sediments, while improving farm productivity. This will be delivered in partnership with peak industry groups and existing regional Natural Resource Management groups.

Healthy Reef Partnerships program (\$12 million)

A program to build partnerships between peak industry organisations and non-government organisations that support landowners with increased local expertise and extension staff. It will build on existing programs in rural industry bodies and regional NRM groups.

Great Barrier Reef Water Quality Research and Development program (\$10 million)

To improve our understanding of the link between land management practices and environmental impacts. Research priorities will be determined in consultation with the Queensland Government, universities and research organisations, and other stakeholders.

Water Quality Monitoring and Reporting program (\$22 million)

This funding will allow further development and implementation of a coordinated catchment-wide water quality monitoring and measurement program with established criteria and targets. The funding will also provide for the annual publication of a Great Barrier Reef Water Quality Report Card.

Land and Sea Country Indigenous Partnerships program (\$10 million)

This program will build the capacity of traditional owner groups in sea country management. The funds will be used to strengthen communications between local communities, managers and reef stakeholders and build a better understanding of Traditional Owner issues about the management of the Great Barrier Reef Marine Park. Funding will also be available for the Great Barrier Reef Marine Park Authority (GBRMPA) to allow for the expansion of the Traditional Use of Marine Resources Agreements across the Great Barrier Reef catchment.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

Making Ends Meet — Broadband for Seniors

The Government has committed \$15 million to establish free internet kiosks in approximately 2,000 community locations such as senior citizens centres and neighbourhood houses. Through the Broadband for Seniors measure, the Government will provide up to \$10,000 per organisation for the provision of desktop computers, a three year broadband internet connection and regular internet workshops.

Broadband for Seniors is part of the wider Government initiative 'Making Ends Meet'. The program will provide assistance to around three million eligible Australians, including pensioners and self-funded retirees. Broadband for Seniors has been created to address the issue of older Australians feeling isolated and 'left behind' from the broader community as technology becomes more advanced and more widely used as a form of communication. At present only one in five Australians over the age of 65 years use the internet.

Funding of the Business Services Wage Assessment Tool

The Government will indefinitely extend access to wage assessment tools for businesses staffed by supported employees with disabilities.

This will allow around 90 small businesses, which lack the infrastructure to administer internal wage assessments, to continue to rely on the Government-funded Business Services Wage Assessment Tool (BSWAT). Businesses need this tool to calculate pro-rata wages for its supported employees.

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These small businesses collectively employ around 9,000 supported employees with disabilities. They require ongoing support to continue employing people with disability who have an enormous amount to contribute to the economic growth of the nation.

Smaller services in regional Australia will benefit via continued access to BSWAT services.

National framework for protecting Australia's children

The Government is developing, and will take the lead in implementing a national framework for child protection. In the 2008-09 Budget, \$2.6 million has been allocated to this initiative, recognising that the safety and wellbeing of Australia's children is critical.

The Government is leading a consultation process towards a practical, action-focused framework that makes a real difference in the lives of children. Consultation is occurring with appropriate stakeholders including state and territory governments, peak organisations working with children, families, out-of-home care systems and foster carers. The National Child Protection Framework will be developed by July 2008. Over the following 18 months, action agreed in the Framework will be progressed by both levels of government and the community sector. Implementation of the framework is expected to be completed by the end of 2009.

A national consultation and communication process will involve key stakeholders from around Australia, and would specifically focus on ensuring participation from people from regional and remote areas.

National Rental Affordability Scheme

The Government will provide funding to increase the supply of affordable rental properties, reduce rental costs for low to moderate income households, and encourage large-scale investment and innovative delivery of affordable housing. This scheme will help create up to 50,000 new, affordable rental properties across Australia, over its first four years at a cost of \$623 million. The scheme will offer institutional investors and other eligible bodies annual tax incentives and/or financial support every year for a period of 10 years, through:

- an annual \$6,000 Australian Government incentive per property to construct new affordable rental properties and rent them at 80 per cent of prevailing market rents; and
- state and territory Governments will contribute at least \$2,000 per year for each property.

The Government will be working with state and territory governments, large-scale investors and not-for-profit housing providers to implement the scheme.

Housing Affordability Fund

The Housing Affordability Fund is being established to provide assistance over five years to local governments to lower the burden of infrastructure and regulatory costs built into the purchase price of a new home.

The Fund will address two significant 'supply-side' barriers to housing development: infrastructure costs (such as water, sewerage, transport, and open space) and 'holding costs' associated with the time taken by planning and approval processes. Grants will target greenfield and infill areas where high dwelling demand currently exists and is forecast in the next five years, as well as those demonstrating a lack of infrastructure. Criteria for assessing applications will be agreed between the Commonwealth, states, territories and local government.

Through the Fund, the Government will invest up to \$30 million to rollout nationally electronic development assessments of development applications and reduce processing times and holding costs associated with new developments.

Volunteer Grants program — helping volunteers with petrol costs

The Government will provide an additional \$15 million over three years under the Volunteers Grants program to assist volunteers to undertake community activities.

For the first time, community organisations will be able to reimburse fuel costs incurred by their volunteers. This measure will assist volunteers in their important work, including those who use their cars to transport others to activities, deliver food and assist others in need.

This measure will assist around 6,000 community organisations and their volunteers whose work contributes to supporting families and communities in Australia.

HEALTH AND AGEING

Health Workforce

John Flynn Placement program (JFPP) Expansion (Support for Rural Health)

This is a national initiative that provides JFPP placements to rural and remote communities with a Rural, Remote and Metropolitan Area classification of four and above (rural and remote areas with fewer than 25,000 people).

The program brings medical students from the city to live and work in rural communities during their vacation periods. Students complete two week annual

placements at the same location over a four year period. The scheme provides for travel costs, accommodation fees and general living expenses (paid directly to each student) and also reimburses mentoring doctors and community hosts for their time supporting each student.

Support for Rural Health — Specialist Obstetrician Locum Scheme (SOLS)

The Specialist Obstetrician Locum Scheme (SOLS) is a national initiative targeted at rural and remote areas of Australia (Rural, Remote and Metropolitan Areas classification of 3-7). Specific regions that will be affected by the SOLS are not known in advance of applications being received and approved for funding. Applications will be prioritised based on the number of obstetricians practising at the site, the local support available from other professionals including general practitioners and midwives, and the remoteness of the location.

The SOLS will reduce the financial and administrative difficulties experienced by regional and rural communities in need of locum support. The SOLS also ensures that disruption of obstetric services is reduced and that women do not need to be transferred, or travel to, larger centres. This has the potential to improve health outcomes for women and reduce their financial and social costs.

Support for Allied Health in Rural Areas

This is a national initiative that will assist allied health students in meeting reasonable travel and accommodation costs they incur when undertaking a rural clinical placement.

This measure commits \$2.5 million over three years to provide funding for a scholarship program for allied health students from metropolitan, rural and remote backgrounds to undertake clinical placements in rural and/or remote communities. Scholarships are for allied health disciplines (such as psychology, occupational therapy, physiotherapy and podiatry) and are proposed to commence in the 2009 academic year.

This measure will impact on the long term rural workforce by increasing the capacity of the allied health workforce. By increasing the number of qualified allied health professionals working in rural areas it will also contribute to improving the quality of the primary and allied health service provision.

Indigenous Health

New Directions: An Equal Start in Life for Indigenous Children — child and maternal health

Aboriginal and Torres Strait Islander mothers and their children, specifically those children aged 0-8 years, will have better access to child and maternal health services, including home visiting, to meet the Australian Government's commitment to halve

the gap in infant mortality rates between Aboriginal and Torres Strait Islander children and non-Indigenous children within a decade.

Additional child and maternal health services will be established in targeted areas, including regional centres.

Council of Australian Governments — Reducing Alcohol and Substance Abuse and its Impact on Families, Safety and Community Wellbeing in Remote Indigenous Communities

This measure will establish new residential treatment and rehabilitation services for people from remote Indigenous communities, fund minor upgrades of facilities or housing to accommodate additional staff, and create new positions for drug and alcohol workers. The measure includes new drug and alcohol services to support Welfare Reform initiatives in remote Cape York communities.

Through this initiative, Aboriginal and Torres Strait Islander people, particularly in remote Australia, will have better access to drug and alcohol treatment and rehabilitation services.

Link Up and Bringing Them Home

This commitment aims to reunite Aboriginal and Torres Strait Islander Stolen Generations members with their families and communities. It will also support the wellbeing of individuals, families and communities through the provision of 20 additional Bringing Them Home counsellor positions nationally.

The measure will provide improved Link Up and Bringing Them Home services for Aboriginal and Torres Strait Islander people, including those in regional areas.

Better Outcomes for Hospitals and Community Health – \$21 million boost to health services in the Northern Territory

Better Outcomes for Hospital and Community Health aims to improve patient treatment and/or outcomes care through both hospital and community care initiatives.

The \$21 million boost to health services in the Northern Territory will provide funding for new and upgraded health infrastructure to improve health service capacity, particularly in remote areas; provide mobile sexual assault counselling services for Indigenous children and families in targeted regional areas; and bring renal dialysis services closer to Aboriginal people in remote areas, making it easier for them to access much needed health treatment.

Northern Territory Emergency Response — Expanding health service delivery in the Northern Territory

This initiative will enable Aboriginal people in remote communities and regional areas in the Northern Territory to have their health checked regularly and receive follow-up care through better co-ordinated regional primary health care services. It will establish

a remote area health corps agency to bring more health professionals to the Northern Territory, and will also deliver more regionally based, comprehensive primary health care services to meet the complex health needs of Aboriginal people.

Northern Territory Emergency Response — follow up care for the Northern Territory

This measure will provide funding to complete follow up ear nose and throat (ENT) treatment, hearing assessments and dental services for Aboriginal children who have had a child health check under the 2007-08 Northern Territory Emergency Response. The measure will focus on remote communities and town camps in the Northern Territory.

Aboriginal people in the Northern Territory will also have access to expanded drug and alcohol services in 2008-09, including outreach services in remote communities. In addition, Aboriginal communities, particularly children and families, will benefit from services to address the trauma caused by child abuse and neglect and to improve community understanding and response to these issues.

Primary and ambulatory Care

GP Super Clinics

The establishment of GP Super Clinics in 31 localities across Australia is a key element in building a stronger primary care system. They will bring together general practitioners (GPs), nurses, allied health professionals, some specialists and other health professionals to deliver a range of health services tailored to meet local needs and priorities.

People living in GP Super Clinic locations (in a diverse range of areas, from what might be considered traditionally 'remote' in Mt Isa, to areas with expanding populations such as Palmerston in the Northern Territory, to other regional centres and rural locations including Geelong, the Riverina and Ipswich) will benefit from improved access to integrated primary health care services, which will complement and enhance existing health services available in these communities. Clinical training facilities within GP Super Clinics will help provide education and training opportunities for GPs and health professionals in a multidisciplinary environment.

Medical Specialist Outreach Assistance program (MSOAP)

The MSOAP has been a highly effective program in increasing access to medical specialist services for people living in rural and remote locations throughout Australia, which is why the Government has decided to increase funding to this important program by \$3 million per year over the next three years, to around \$19 million per year.

This increase in funding will provide opportunities for new and/or expanded MSOAP services, and assist in addressing the comparatively higher burden of disease for

people in rural and remote communities. Enhancements to the program will lead to reductions in the length of waiting lists for patients in rural and remote locations to receive treatment, and there will be less need for patients in these areas to travel to bigger cities to access necessary specialist services.

The Rural Medical Infrastructure Fund (RMIF)

The Government is making some changes to the way the RMIF program operates, so that it can better reach its full potential in contributing to the cost of infrastructure for health and medical facilities in regional communities. The Government is committed to ensuring that this program achieves real and sustainable improvements to health outcomes in rural and remote communities, where lack of infrastructure has been a barrier to effective health service delivery.

Some of the reforms the Government has highlighted already include broadening the eligibility criteria to include larger rural communities, increasing the maximum level of funding per application, and providing funding for projects related to training facilities for medical students. The Government expects that by reforming this program and fully expending its \$7.4 million budget in 2008-09, significant benefits will be realised across many more rural and remote communities than before, and that the health and medical infrastructure across Australia will be improved.

HUMAN SERVICES

New Medicare presence in Emerald/Queensland

The Australian Government will honour an election commitment to provide \$1.6 million over four years to open a new Medicare Australia presence in Emerald, Queensland. The new office is expected to be opened in December 2008 and will be co-located with the existing Centrelink Customer Service Centre in Emerald. These new arrangements will provide greater convenience and flexibility for Australians accessing these services, as well as representing a more cost-effective approach to service delivery. The proposal will result in improved access to face-to-face Medicare Australia services for residents in this area.

Centrelink Call Centre supplementation — continuation

Centrelink Call Centres play an important role in the delivery of Australian Government services with many Australians preferring this convenient method of contact. The Australian Government is committing \$58.1 million in 2008-09 to ensure that Centrelink can maintain its existing high level of call centre customer service across Australia, including shorter customer response times, reduced unmet call centre demand and reduced customer complaints.

Increased take-up of Medicare Easyclaim

This measure aims to increase the take-up of electronic claiming of Medicare rebates. The Government will provide \$8.6 million over four years for Medicare to converge Medicare Online and EFTPOS systems, which will then be rolled out to medical practices, enabling patients to access streamlined electronic processing of rebates without the need to also visit a Medicare office. This will improve customer convenience as they will be able to claim on the spot when they visit their doctor. Medicare Australia will also eliminate the need for medical practices to collect or input patient bank account information at point-of-service when they use Medicare Online.

IMMIGRATION AND CITIZENSHIP

Humanitarian Program 2008–09

The Humanitarian program will continue to contribute to rural and regional Australian skill shortages by giving more humanitarian entrants opportunities to settle in regional areas.

Settlement of humanitarian entrants in rural and regional areas takes into account employment opportunities, infrastructure and support services, as well as community support. This requires a coordinated approach involving local employers, industry groups, training organisations and Commonwealth and State Government agencies.

Humanitarian entrants have settled in 15 regional areas across Australia.

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Nation-building Road and Rail Initiatives

Funding of \$3.2 billion will be provided in 2008-09 for road and rail initiatives across Australia to boost economic growth including in regional areas and increase national prosperity.

Road and rail funding will be directed across the interstate transport network as well as to connect freight corridors in regional areas to local roads. Funding will also be provided to a range of early-start projects across the interstate transport network as well as to eliminate road crash black spots.

The investment is designed to improve safety and efficiency, increase connectivity and reduce congestion bottlenecks that impact on motorists and freight movements. Freight efficiencies will be improved for industry and travel time savings and safety benefits will be achieved for private motorists.

Better Regions program to Boost Infrastructure in Regional Australia

A range of community infrastructure projects in regional Australia are being supported by the Australian Government's new Better Regions program.

This \$176 million program over four years will deliver the Government's election commitments to local communities for community infrastructure initiatives which have been identified as priority investments for their regions.

The projects address the economic and social needs of communities by providing important community infrastructure built through partnerships between the community and all levels of government.

The Government will follow this initiative in the 2009-10 Budget with the new Regional and Local Community Infrastructure program.

\$20 million Boost for Infrastructure Reform

The Government has allocated \$20 million over the next four years to Infrastructure Australia which will work to ensure infrastructure development is nationally coordinated, barriers to investing in nationally significant infrastructure are removed, and the efficiency of existing infrastructure is improved.

Infrastructure Australia will be assisted by the Office of Infrastructure Coordination headed up by the Infrastructure Coordinator.

For the first time, Australia will have an active and focused organisation that will advise governments, investors, owners and users of infrastructure on infrastructure matters critical to our economic, environmental, and social prosperity.

Infrastructure Australia's immediate task will be to undertake a National Infrastructure Audit to determine the capacity and condition of nationally significant infrastructure in areas including water, energy, transport and communications. The Audit will also identify gaps, deficiencies and impediments across these important sectors of the national economy.

Regional Development Australia

The Government has established Regional Development Australia in order to engage with regional Australia to listen to communities' priorities for economic and social prosperity.

This new body will transition from the network of Area Consultative Committees and will take on a broader role to develop strategic input into national programs to improve the coordination of regional development initiatives.

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Regional Development Australia will also link closely to local government and other state and federal regional organisations in order to give the Government high-level advice.

Improving cooperation and planning in Northern Australia

The Australian Government will provide \$8 million over four years from 2008-09 for the recently established Office of Northern Australia to be located in Darwin and Townsville. The initiative will encourage development and provide high-level policy advice on a range of, economic, social and environmental issues.

Its role will be to ensure that the sustainable development of northern Australia's significant resources and industries is supported by the necessary human and physical infrastructure. It will also improve coordination between government, business and communities in relation to major projects.

Taskforce for grain transport

The Government has committed \$3 million to establish a Taskforce to examine grain transport issues in NSW. The Taskforce will focus on the development of integrated and sustainable transport solutions that optimise the use of rail to facilitate a more efficient grain transport system.

The Taskforce will provide expert advice on the condition and future viability of the grain track network in NSW and any necessary supply chain reforms to facilitate better transport movement of grain from farm to silo to domestic or export markets including collection, storage and handling practices.

***keys2drive* – Helping learner drivers and their parents**

The Australian Government will provide funding of \$17 million to an innovative road safety program which over the next five years will deliver more than 200,000 free driving lessons to learner drivers and their parents.

Boost for Bass Strait Passenger Vehicle Equalisation Scheme

The Government will increase the Bass Strait Passenger Vehicle Equalisation Scheme subsidy for standard passenger vehicles to \$180 to help growth and development in Tasmania.

Assistance for other eligible vehicles, including motor homes, buses, motor cycles, vehicles towing caravans and bicycles, will also be increased by 20 per cent, and the subsidies will be indexed to inflation.

This \$34.4 million initiative will provide a significant stimulus to the Tasmania tourism industry by creating more affordable links to the Australian mainland.

Helping Tasmania's regional communities

The Tasmanian Freight Equalisation Scheme is being extended with a \$2.8 million commitment over four years to include intrastate sea freight shipped between King Island and Flinders Island and the main island of Tasmania.

The extension is in addition to the assistance the Government currently provides to the communities of King Island and Flinders Island under the existing Tasmanian Freight Equalisation Scheme, which covers eligible sea freight shipped to and from the mainland of Australia.

The initiative will redress the sea freight cost disadvantage incurred by people living on King and Flinders islands compared to other Tasmania communities who benefit from the existing freight scheme.

Local Councils share in nearly \$1.9 billion in grants

Local councils will receive \$1,859.5 million in Australian Government financial assistance grants in 2008-09 to spend on priorities determined by their local communities such as improving local roads, environment protection and community facilities such as swimming pools and health centres.

The funding is an increase of 4.5 per cent over 2007-08 and consists of nearly \$1.3 billion in general purpose grants and \$571 million for local roads. It is in addition to the funding local councils receive under the Roads to Recovery program.

South Australian councils will also receive an extra \$14.2 million in 2008-09 as part of a four-year package to address the disadvantage of South Australian councils under the local roads funding formula.

New Council of Australian Local Governments

The Australian Government will engage directly with local governments and local communities on issues of national significance through a new Council of Australian Local Governments.

The initiative will ensure the Australian Government receives timely and appropriate information and advice on regional issues at the local government level, including consideration of constitutional recognition for local government.

Securing Our regional airports

The Australian Government is providing up to \$12.6 million over four years, from 2007-08, to assist 29 regional airports with security screening of checked baggage. This will assist airports to meet the regulatory requirement to commence 100 per cent checked baggage screening by the deadline of 1 December

The \$29.5 million Regional Airport Funding program assists up to 150 regional airports to implement basic security measures required under the Aviation Transport Security

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regulatory regime. In 2008-09 work will continue to deliver upgrades to physical security at regional airports such as fencing, lighting and security alarm systems. It is anticipated that most projects will be completed during the financial year.

Better air services for regional Australians

The Australian Government is providing \$44.7 million over four years from 2008-09 to 2011-12 under the Remote Air Services Subsidy (RASS) Scheme to subsidise weekly flights to some 239 remote communities in the Northern Territory, Western Australia, Queensland, South Australia and Cape Barren Island in the Bass Strait. The flights deliver a weekly passenger and freight service (conveying, for example, essential medical supplies, food and education materials) to remote indigenous communities and stations that do not otherwise have access to a regular air service. The flights are provided by commercial air operators selected through open public tender.

Australian Government Regional Information Service

Australian Government Regional Information Service (AGRIS) brings together a number of practical ways for Australians, especially those in regional, rural and remote Australia, to obtain information.

AGRIS provides people with information on relevant services and programs along with contact details for responsible agencies. AGRIS consists of:

- a free call telephone information service – 1800 026 222 – available Australia wide Monday to Friday, 9am to 6pm AEST;
- a website (www.regionalaustralia.gov.au) providing information on and links to Australian Government services and programs; and
- a printed directory—the Australian Government Regional Information Directory-based on the website content. The directory is currently being updated and the 2008 edition will be launched in the last quarter of the 2008 calendar year.

RESOURCES, ENERGY AND TOURISM

Energy Innovation Fund

Through the Energy Innovation Fund, the Government will invest \$150 million to focus on developing clean energy research and development capabilities in Australia. Of this, \$100 million will be allocated for solar thermal and photovoltaic research and development, including the establishment of an Australian Solar Institute, and \$50 million will be committed for research into clean energy technologies in areas such as energy efficiency, energy storage and hydrogen transport fuels.

New energy technology developed in Australia are likely to have a higher applicability for the needs of remote and rural communities.

Renewable Energy Fund

In addition, the Government's Renewable Energy Fund provides \$500 million over seven years to specifically expand and accelerate the development, commercialisation and deployment of a range of renewable technologies in Australia. Demonstration projects will take technology from the laboratory to the ground, helping to prove a project's viability on a technical and economic basis, attracting further investment to support renewable energy technology.

Large-scale renewable energy projects are likely to be sited outside the major metropolitan centres, and will therefore have direct impact for employment and economic activity in rural and regional areas of Australia.

One key element of the Renewable Energy Fund is the \$50 million Geothermal Drilling program, which will provide a kick-start for eligible companies that are planning to drill for heat to produce electricity. Often, geothermal resources are located in regional and rural areas, providing significant opportunities for surrounding communities in terms of employment and industry growth in the future.

The Renewable Energy Fund will also assist the Second Generation (Gen 2) Biofuels program. Gen 2 is designed to support research and development of non-food feedstocks such as cellulose and algae for the biofuels sector. Research and development of second generation biofuel technologies is likely to have significant implications for employment and economic activities in rural and regional areas of Australia such as agriculture and forestry industries.

National Clean Coal Fund

The Government is investing \$500 million over seven years in a National Clean Coal Initiative to establish and support a coordinated national strategy aimed at bringing forward the commercial availability and deployment of technologies that will achieve large scale reductions in greenhouse gas emissions from future coal power generation in Australia. The Fund will support the research programs, demonstration projects, and the provision of infrastructure and carbon dioxide storage sites that Australia will need to accelerate the development and deployment of these technologies.

As with the Energy Innovation Fund and the Renewable Energy Fund, many projects are likely to affect remote and rural communities.

Tourism Initiatives

The Government has committed funding to implement a number of tourism related initiatives. These initiatives are designed to contribute to the long-term employment

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and economic growth in regional areas by improving the quality of tourism products and services and increasing visits to these regions.