

MINISTER FOR AGRICULTURE AND FISHERIES

OVERVIEW

<i>Agency</i>	<i>Budget 2002-03 \$m</i>	<i>Budget 2003-04 \$m</i>	<i>Variation %</i>
Department of Agriculture			
Total Expenses	240.5	275.3	14.5
Asset Acquisitions	12.8	11.8	-7.4
Rural Assistance Authority			
Total Expenses	32.0	36.1	12.8
Asset Acquisitions	0.1	0.1	...
New South Wales Fisheries			
Total Expenses	58.1	60.2	3.5
Asset Acquisitions	2.6	1.8	-32.2
Safe Food Production NSW			
Total Expenses	13.1	17.7	35.1
Asset Acquisitions	6.0	1.1	-81.3
Total, Minister for Agriculture and Fisheries			
Total Expenses	343.7	389.3	13.3
Asset Acquisitions	21.5	14.8	-31.1

DEPARTMENT OF AGRICULTURE

The Department of Agriculture's key role is to assist the New South Wales food and fibre industries to be economically viable and environmentally sustainable.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Projected expenditure in 2002-03 is \$276.4 million. Some notable enhancements to the Department's expenditure and budget in recent years include assisting noxious weed control and providing science based solutions to problems with salinity, acid soils, water use efficiency and on-farm risk management. To support these initiatives, while improving productivity and efficiency, the Department has continued modernising and rationalising its internal corporate support services.

Due to the prolonged and widespread nature of the drought in 2002-03, initiatives to support affected farmers and rural communities have been extended into 2003-04. Projected drought expenditure in 2002-03 is \$28.5 million. Primary producers and rural communities are faced with another winter of supplementary feeding stock. Continuing assistance measures into 2003-04 will help farmers to manage this.

STRATEGIC DIRECTIONS

The Department's primary mission is to assist the State's \$8 billion per annum agriculture industries. The New South Wales economy, farmers, rural and regional communities are the main beneficiaries of the Department's research, advisory, education and regulatory services.

The key thrust of the Department's 2001-04 Corporate Plan is to provide practical, economically viable solutions to current agricultural and environmental problems. These initiatives assist the profitable production, processing and marketing of high quality residue food and fibre products for increasingly discerning domestic and overseas markets, in synergy with the Government and the community's commitment to the long term care of the State's environmental assets.

The Department's key strategies to achieve these goals are to:

- ◆ provide innovative and internationally competitive production, marketing and management technologies to industry by strengthening research, extension, education and regulatory capabilities;
- ◆ develop environmentally and economically acceptable practices for industry;
- ◆ minimise the risk of plant and animal diseases to agriculture, the environment and the community through integrated regulatory, diagnostic, surveillance, research, advisory and education services; and
- ◆ provide policy advice, information and regulatory responses to natural disasters, animal welfare and national competition policy.

2003-04 BUDGET

Total Expenses

Components of the Department's \$275.3 million total expenses for 2003-04 are:

- ◆ \$80.3 million for innovative and internationally competitive agricultural industries programs aimed at delivering credible science based research into productivity, efficiency and marketing, delivering accredited training and maintaining certification systems to ensure market access;
- ◆ \$99.5 million for sustainable natural resource management programs aimed at providing solutions for sustainable farm management practices through adult learning techniques and peer group support with farmer groups;
- ◆ \$31.9 million for animal and plant protection programs to deliver credible information on pest and disease control, chemical residues, disease surveillance and chemical contamination from agricultural practices; and
- ◆ \$63.6 million for serving the broader community programs to deliver and manage the State's animal welfare legislation, respond to natural emergencies, support regional and rural development and provide advice to the Government.

Major allocations in the 2003-04 Budget include:

- ◆ \$22 million as one part of the Government's response to the drought, which includes the transport of stock to sale or slaughter, to and from agistment, transport of domestic water, fodder, and honey bee nectar. Assistance will also be provided for a feral pig and fox eradication program, the employment of Drought Support Workers, special grants to Rural Financial Counselling Services and farm family gatherings;
- ◆ \$7.2 million to improve the delivery of noxious weed control programs across New South Wales through local government authorities;
- ◆ \$7 million for the Red Imported Fire Ant eradication campaign being undertaken by the Queensland Department of Primary Industries;
- ◆ \$4.5 million towards the establishment of Safe Food Production NSW to oversee and co-ordinate food safety regulations across all New South Wales' food industries;
- ◆ \$2.6 million to introduce a Mandatory Livestock Identification Scheme, \$5.4 million to be provided over four years;

- ◆ \$2.5 million under the Government's five-year water reform program as embodied in the *Water Management Act 2000*;
- ◆ \$2.2 million towards biotechnology projects, including the establishment of an agricultural genomics centre at Wagga Wagga and preservation of biological assets;
- ◆ \$1 million to assist the sheep industry combat Ovine Johne's disease;
- ◆ \$0.9 million to fund actions under the Government's four-year \$52 million salinity strategy. Approximately \$13 million is being spent on salinity in 2003-04 across several agencies; and
- ◆ \$0.8 million to facilitate start up of the NSW Game Council. Total funding of \$1.3 million will be allocated to the Council over two years, from 2002-03.

Asset Acquisitions

In 2001, NSW Agriculture produced its first strategic asset plan to facilitate asset management planning within the Department.

A key component of the Department's capital strategy is delivering multiple services from the Department's centres of excellence. The program focuses on linking the Department's asset requirements to service delivery needs.

Major items of NSW Agriculture's \$11.8 million asset acquisition program for 2003-04 include:

- ◆ \$2.5 million to enhance and upgrade information technology infrastructure;
- ◆ \$0.7 million to construct a vocational education centre at Orange;
- ◆ \$0.7 million to correct occupational health and safety and environmentally related issues at various locations;
- ◆ \$0.5 million for construction of organic waste recycling facilities at Menangle; and
- ◆ \$0.5 million for a genetic plant research laboratory at Wagga Wagga.

RURAL ASSISTANCE AUTHORITY

The Authority administers assistance schemes, loans and financial support including:

- ◆ assistance to primary producers under the Commonwealth's Advancing Australian Agriculture package;
- ◆ the Special Conservation Scheme, which provides concessional loans to assist farmers to implement improved land management practices;
- ◆ the Natural Disaster Relief Scheme, which provides assistance to both producers and small businesses suffering from the effects of natural disasters;
- ◆ financial support for water use efficiency schemes under the water reform structural adjustment program, farmers' attendance at training programs under FarmBis, properties infected with Ovine Johne's Disease, and the future management of groundwater in the Namoi Valley;
- ◆ the *Farm Debt Mediation Act 1994*, which requires financiers to offer farmers mediation prior to commencing legal recovery action on secured debts; and
- ◆ other initiatives such as the Murrumbidgee Rural Partnership Program and West 2000 Plus program.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Projected expenditure in 2002-03 is \$56.8 million. Drought assistance under Exceptional Circumstances is expected to total \$16.5 million in 2002-03. Drought related initiatives will increase Special Conservation Scheme expenditure by \$4.5 million to \$12.3 million in 2002-03.

The FarmBis - Skilling Farmers for the Future Program, commenced on 1 July 2001. The program is an assistance scheme for farmers to undertake farm business management training. The New South Wales and Commonwealth Governments are providing joint funding of \$26.8 million over three years.

The Authority also manages the Water Use Efficiency Scheme, as part of the Water Reform Structural Adjustment Program. A total of \$25 million was allocated to the program over a five-year period. The scheme is designed to encourage irrigators to make optimal use of irrigation water by providing financial assistance to irrigators with the capacity to undertake capital improvements to increase on-farm water use efficiency and the adoption of water use monitoring technologies.

The West 2000 Plus program commenced in 2001-02. The scheme will allow farmers in the Western Division to improve their economic performance, business management skills and develop alternative industries. The region's natural resource base will also be better managed.

The Authority commenced administering Ovine Johne's Disease grant assistance in 2002-03. Grants are allocated from industry funds to owners of infected flocks, to manage and control the disease. The State and Commonwealth Governments are providing joint funding of \$11.8 million over three years.

In 2002-03 the Authority commenced administering structural adjustment for Namoi Groundwater users, by providing assistance to irrigators. Funding for the program is provided to the Authority by the Department of Infrastructure, Planning and Natural Resources.

STRATEGIC DIRECTIONS

The Authority will continue to emphasise measures which improve performance in the areas of productivity, profitability, sustainability and farm financial management skills.

2003-04 BUDGET

Total Expenses

In 2003-04, total expenses of the Authority are budgeted at \$36.1 million. Increased expenditure is mainly due to drought related initiatives.

Key areas of expenditure include:

- ◆ \$14.8 million for the Advancing Australian Agriculture program, which includes FarmBis and Exceptional Circumstances provisions;
- ◆ \$5.4 million for the Water Use Efficiency scheme; and
- ◆ \$1.3 million in Commonwealth funding for the West 2000 and West 2000 Plus schemes.

Special Conservation and Natural Disaster Schemes

The Authority manages the Special Conservation Scheme which provides concessional interest loans for works such as soil conservation, irrigation and water supply. Loans are provided on the basis that the proposed works would have a beneficial impact on the land, the community and the environment. The scheme has been extended to include drought related initiatives such as stock and domestic water and dam desilting. An amount of \$7 million has been provided for the scheme in 2003-04.

The Authority also manages the Natural Disaster Relief Scheme on behalf of the State. Under this scheme, concessional interest rate loans are made available to assist eligible primary producers and small businesses recover from the effects of natural disasters, such as storms, floods or bushfires. In 2003-04, \$2 million has been notionally provided for this scheme.

Asset Acquisitions

The Authority receives a minor allocation of \$50,000 for the replacement and upgrade of computer facilities. An additional \$90,000 has been provided in 2003-04 to purchase replacement storage facilities.

NEW SOUTH WALES FISHERIES

New South Wales Fisheries is the State's aquatic resource management agency. It conserves, develops and shares the fisheries resources of the State for the benefit of present and future generations. Its role involves developing strategies for the conservation and sustainable use of fisheries resources, undertaking research to underpin those strategies, and carrying out compliance activities.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

During 2002-03, New South Wales Fisheries has achieved significant milestones in conserving the State's fisheries and fostering growth in the emerging aquaculture industry. Projected expenditure is \$59.1 million and key initiatives over the past year have included:

- ◆ completing the final year of the Government's three year \$3 million Aquaculture Initiative – which featured a series of business investment forums, the development of sustainable aquaculture strategies for regional areas, and key research initiatives;
- ◆ finalising environmental impact statements for three commercial fisheries – the estuary general fishery, the ocean hauling fishery and the estuary prawn trawl fishery;

- ◆ buying out 251 fishing businesses as a result of the establishment of 29 new recreational fishing havens in estuaries along the New South Wales coast, funded by a \$20 million loan to be repaid from recreational fishing fees;
- ◆ finalising recovery plan for the grey nurse shark and implementing a range of initiatives to protect the endangered Murray ecological community;
- ◆ implementing a control program for the pest weed *Caulerpa taxifolia* in affected estuaries;
- ◆ finalising an indigenous strategy; and
- ◆ finalising the zone plan for the Jervis Bay Marine Park and buying out 30 fishing businesses in the Solitary Islands Marine Park and 17 in the Jervis Bay Marine Park to ensure no transfer of fishing effort as a result of establishing sanctuary zones.

STRATEGIC DIRECTIONS

New South Wales Fisheries' strategic direction includes:

- ◆ progressing the development of fishery management strategies and environmental impact statements for each of the State's significant commercial fisheries, recreational fishing and fish stocking;
- ◆ developing regional sustainable aquaculture strategies;
- ◆ providing certainty in the commercial fishing sector by progressing the issue of shares in the share management fisheries;
- ◆ working with local communities to expand the marine parks network;
- ◆ finalising zone and operational plans for the Lord Howe Island Marine Park; and
- ◆ developing recovery plans for listed threatened species, populations and ecological communities.

2003-04 BUDGET

Total Expenses

Total expenses in 2003-04 will be \$60.2 million. This is an increase of over \$2 million on 2002-03 budget and includes:

- ◆ an additional \$0.8 million for the Indigenous Fishing Strategy – the second stage of a two year \$1.6 million funding package;
- ◆ an additional \$0.2 million to assist in the conservation of marine biodiversity at the Cape Byron Marine Park; and
- ◆ an additional \$4.4 million for the buy-out of commercial fishers from the Cape Byron Marine park.

Asset Acquisitions

The Asset Acquisitions program for 2003-04 totals \$1.8 million. This includes:

- ◆ \$0.6 million to continue the upgrade the department's corporate information network and ongoing computer replacement, to allow more effective service delivery;
- ◆ \$0.5 million to maintain and replace essential operational and administrative equipment;
- ◆ an additional \$0.4 million for marine parks;
- ◆ \$0.2 million for an ongoing boat replacement program; and
- ◆ \$0.2 million for outboards and small marine craft in accordance with New South Wales Fisheries' replacement program.

SAFE FOOD PRODUCTION NSW

Safe Food Production NSW (Safe Food) was established in December 1998 as a first step towards a single government agency responsible for food safety. Safe Food's coverage, which is being implemented in stages, extends from production, harvest or catch to the "back door of retail". Safe Food also covers retail butcher shops and supermarket meat departments.

Safe Food develops and manages food safety schemes. Each scheme is tailored to specific industries or sectors and is introduced by regulation. Dairy and meat food safety schemes have been implemented. A seafood safety scheme regulation was introduced in December 2001 and Safe Food is currently implementing a food safety program. Schemes are also being developed for plant products and goat and sheep milk. Regulations for these programs will shortly be introduced. Safe Food has commenced work with the egg industry to achieve regulation in late 2004.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

In December 2000, the Hon. John Kerin was appointed to review these arrangements and related issues. The Government has since accepted all recommendations in the final report of the Kerin funding review. Under this framework, it was agreed that the funding of Safe Food would be shared by government and industry.

Safe Food was reviewed during 2002 under Section 73 of its legislation. The review recommended that Safe Food be merged with the food regulatory staff and resources of NSW Health to establish a single agency responsible for food safety and other food regulatory matters. The Government has accepted this recommendation. Safe Food and NSW Health are working on transitional arrangements with a view to launching the new agency by December 2003.

STRATEGIC DIRECTIONS

Safe Food's mission is to protect consumers by developing scientifically robust food safety systems and ensuring their effective adoption by the New South Wales food industry.

Safe Food's key strategies are:

- ◆ ensuring that food safety scheme requirements are based on sound science, are proportionate to food safety risks, and are regularly reviewed;
- ◆ involving stakeholders, including industry and consumers in scheme development and review processes to ensure that food safety requirements are practical, effective and understood by industry;
- ◆ establishing robust mechanisms for consultation on the continuing operation of food safety schemes; and
- ◆ maintaining strong awareness of emerging food safety issues and regulatory developments.

2003-04 BUDGET

Total Expenses

Total expenditure in 2003-04 is estimated at \$17.7 million. This mainly relates to the provision of food safety audit, enforcement, scheme development, implementation and licensing services.

Increased expenditure in 2003-04 is due to the establishment of a single agency responsible for food safety and other food regulatory matters.

Asset Acquisitions

Total asset acquisitions in 2003-04 are estimated at \$1.1 million. This includes \$0.9 million towards the purchase of an office building to provide for Safe Food's future accommodation requirements at a total cost of \$7 million.