



New Leadership.



Labor's Plan for Primary Industries

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Overview

Labor has a proud history of introducing positive reforms to agriculture policy.

Under the Hawke and Keating Labor Governments, significant agriculture policy reforms included:

- The introduction of 'Exceptional Circumstances' policy for drought relief for farmers.
- The forerunner to the Farm Management Deposit Scheme to help farmers to manage their uneven incomes between good and bad years.
- Deregulation of the domestic wheat market to introduce competition and allow growers more choice in the domestic market.
- The establishment of Rural Research and Development Corporations.
- The creation of Landcare – an internationally acclaimed partnership between farmers and the environmental movement.

Each of these reforms has survived 11 years of the Howard Government because of the great benefits they continue to deliver to rural communities and industries.

Labor recognises, however, that there is now more work to do.

After 11 years of Howard Government inaction, there is a need for new leadership in primary industries.

A Rudd Labor Government will introduce a number of new reforms to Australia's \$38 billion agriculture sector, including:

- Helping our primary industries prepare for climate change.

- Fixing our quarantine system to prevent the introduction of exotic disease.
- Fixing our wheat export marketing system to provide more choice for growers in the export market.
- Strengthening the role of farmers in the delivery of environmental services.
- Getting the economic policy settings right to improve the profitability and productivity of our agriculture, fisheries and forestry sectors.
- Improving farm productivity through continued investment in research, development and extension.
- Fixing the regulatory framework to reduce red tape, reduce costs and improve profitability.

A Rudd Labor Government will invest in the ongoing development and growth of Australia's primary industry sector.

Future challenges for primary industries

'Exceptional Circumstances' have become the norm

Labor has long recognised that despite the best efforts of farmers to prepare for periods of low rainfall, severe droughts have a serious impact on the livelihood of rural Australia – which not even the most cautious farmer could be reasonably expected to prepare for.

It was the Hawke Labor Government that established Australia's first comprehensive drought assistance package and drought policy reform, including:

- Exceptional Circumstances (EC) declared areas to define those areas in need.
- EC business assistance grants and interest rate subsidies to help farmers sustain their livelihoods in times of drought.
- New investment in business management and financial planning programs for farmers and rural communities.
- Drought relief payments to help families struggling due to drought.
- The introduction of the Income Equalisation Deposit Scheme (a precursor to the Farm Management Deposit Scheme) to help the benefits of the good years stretch into drought years.

Labor has given bipartisan support to proposed changes to drought assistance that were recently announced by the Howard Government.

The current drought is significantly worse than when EC was originally conceived in 1992. The policy was initially based on a model of a one-in-25 year drought. It was never envisaged that a situation would arise when irrigators were unable to access water, as is currently the case.

More recently, CSIRO and the Australian Bureau of Meteorology have explicitly recognised the link between the current drought and human induced climate change.

With some parts of Australia currently in their seventh consecutive year of drought, Labor believes that it is time for Australia's farming community and rural policy makers to reconsider the meaning of EC for the future.

By undertaking reform to EC policy now, we can help farmers to adapt and respond to climate change, as well as develop closer links between the objectives of drought policy and natural resource management policy.

Climate change: a threat and an opportunity

Labor believes that climate change is the greatest challenge confronting Australia's farming sector. However, while climate change is a threat to the future of our agriculture sector, it also presents an opportunity.

Due to the Howard Government's 11 year failure to help the agriculture sector to adapt and respond to the challenge of climate change, there is now an urgent need to start planning for a future likely to be characterised by:

- Reduced water availability.
- Increased frequency of extreme weather events such as flooding and drought.
- Increased frequency and intensity of fire.
- Altered distribution and survival of pests and weeds.
- Increased risk of heat stress for intensively housed animals.

These impacts are likely to be accompanied by demographic changes in the sector, with some choosing to leave the land as it becomes more marginal. Others may stay and change the focus of their business to delivering environmental services.

There is a need for policy makers to consider the links between climate change preparedness, drought relief, primary industry policy and natural resource management.

Our quarantine system is failing

Until recently, Australia was free of equine influenza (EI), but we are now suffering the social and economic impact of widespread 'horse flu'.

The former Minister for Agriculture, Fisheries and Forestry, Warren Truss, ignored written warnings from the Australian Racing Board not to downgrade post-arrival equine quarantine inspection in 2004. As a result, the Australian equine industry is now suffering the devastating impact of EI – at a cost of hundreds of millions of dollars.

Other recent examples of breaches in our quarantine system include:

- Reports of white spot disease in prawns in Darwin in 2000.
- Black sigatoka in bananas in 2001.
- Fire ants in 2001.
- Small hive beetle affecting bees in 2002.
- Citrus canker disease in 2004.
- Sugar cane smut in 2006.

The last major review of our quarantine system was initiated by the Keating Labor Government in 1995, and was undertaken by an independent committee chaired by Professor Malcolm Nairn.

Since that time, however, there have been significant changes in the international quarantine environment with the emergence of diseases such as bovine spongiform encephalopathy ('mad cow' disease) and Avian Influenza ('bird flu') and the re-emergence of foot and mouth disease in the United Kingdom.

Increasing international trade and travel have also increased the opportunity for exotic pests and diseases to be introduced into Australia. These diseases and pests represent a threat to our health, our ecology, our agriculture industries, our jobs, our economy and our way of life.

There is now a need for a comprehensive, independent review of our quarantine system to ensure that it can continue to protect Australia from exotic pests and diseases.

Wheat export policy in disarray

Australia's \$5 billion wheat industry is bitterly divided over the future of wheat export marketing policy as a result of an appalling lack of leadership by the Howard Government.

This division is a consequence of the fallout from the 'Wheat for Weapons' scandal and the inability of the Liberal-National coalition to resolve policy differences over the reform of wheat export policy.

A fatally flawed corporate governance structure for AWB Limited, combined with an inadequate regulatory regime, allowed the creation of a corporate culture which ultimately led to the 'Wheat for Weapons' scandal.

The Howard Government ignored repeated warnings that AWB International was breaching the terms of the United Nations Oil-for-Food Programme in Iraq.

Over a period of seven years – 1998 to 2005 – dozens of warnings were received at the highest levels of the Australian Government from official agencies including the Australian UN Mission in New York, the Canadian Government, the United Nations, Australia's US Trade Commissioner, the Department of Foreign Affairs and Trade and the Iraqi Provisional Coalition Authority.

The Howard Government failed to act on these warnings preferring instead to accept the advice of AWB officials that allegations of corruption were 'unfounded'.

This is both a national disgrace and a failure to uphold moral standards in Government.

There is now an urgent need for reform of wheat export marketing.

Landcare: a Labor success story

The National Landcare Program was a major breakthrough in the history of Australian land management policy.

The National Landcare Program was established by Labor in 1992 with a primary focus on sustainable agriculture and improving management of soils, water and vegetation at farm level.

The Landcare movement now includes 4500 groups across the country. It is these groups that have been responsible for leading major change in management of the rural landscape.

The National Landcare movement has been responsible for:

- Preservation of native vegetation and streams.
- Protection of land from erosion.
- Protection of the rural landscape and farm business from feral pests, weeds and animals.
- Maintenance of green corridors for wildlife conservation.

By engaging with farmers and landholders to improve practices at farm level, the Landcare movement has ensured that the Australian community has achieved significant public benefits including more economical use of available resources, improved water quality and natural resource condition, a sound resource base for future economic growth, and wealthy and more resilient rural communities.

A series of Australian Bureau of Agricultural and Resource Economics studies has found:

- Landcare groups have been highly effective in building awareness and skills, transferring knowledge and stimulating adoption of better farming practices.
- 75 per cent of broad acre and dairy farmers and 50 per cent of all farmers use Landcare groups as a source of information on farm management.
- 91 per cent of farmers who have some involvement with Landcare report they made changes to their land management practices as a result of the National Landcare Program.
- Landcare participants out-rate non-participants in adopting a wide range of sustainable production and improved natural resource management practices, such as adopting minimum tillage, fencing off degraded lands, monitoring vegetation, and controlling pests and non-crop weeds.
- 95 per cent of Landcare members and 71 per cent of non-member participants report that their participation in Landcare activities has benefited their properties.
- Two-thirds of farmers involved in Landcare indicate sustainable farming practices have improved farm productivity and profitability.

The National Landcare Program continues to enjoy very high public recognition and support. Labor remains strongly committed to the National Landcare Program.

Farmer's need help to protect the Great Barrier Reef

The Great Barrier Reef makes a significant contribution to the Australian economy, generating more than \$6 billion in GDP each year and employing more than 63,000 people in tourism, fishing, cultural and recreational industries.

The Howard Government's *'Climate Change in Australia'* report identified the Great Barrier Reef as one of six key Australian natural icons at risk from climate change, reinforcing the views of the United Nations' Intergovernmental Panel on Climate Change.

Excessive nutrients, pesticides and sediments from run-off from land based activities are degrading inshore reefs and making the entire system more vulnerable to the impact of climate change.

The threat from coral bleaching caused by climate change and declining water quality combine to create a twin threat to the long-term health of the Great Barrier Reef.

The Howard Government has ignored these warnings.

In 2002, the Prime Minister and Queensland Premier announced a joint approach to the issue of land-based pollution affecting reef water quality, signing the 10-year Great Barrier Reef Water Quality Protection Plan.

In 2003, the Howard Government said it would "be making a major contribution to the plan".

Four years on, the Government has failed to commit any funding to implement the Plan.

Yet there is widespread community and stakeholder agreement on the need to substantially increase investment to protect the Great Barrier Reef from declining water quality and climate change.

While there have been significant local efforts to promote the use of leading edge farming practices, new investment is needed to ensure they are adopted on the scale needed to protect the Reef.

The next Federal Government must take practical, comprehensive and decisive action to expand these activities if we are to secure the long term future of the Great Barrier Reef.

Getting the economic data right

Measuring, monitoring and understanding productivity in agriculture is very important to the long term profitability and competitiveness of Australia's primary industries.

The Productivity Commission currently reports a simple trend using unpublished aggregated Australian Bureau of Statistics data, but this information is not specific enough to use when considering individual sectors within the agriculture industry.¹

The Australian Bureau of Agricultural and Resource Economics (ABARE) conducts an annual farm survey, but the data is not published and not comprehensive. Occasionally ABARE will also undertake a productivity study for a specific sector, as they have done recently for dairy and grains.

The Howard Government does not produce a reliable productivity report card for the various sectors of the Australian agriculture industry.

Labor believes this is a major failure of the Howard Government's agricultural economic policy. The lack of reliable productivity data makes it difficult for sectors to effectively assess their productivity performance against their international competitors, and against other sectors of the Australian economy.

It also impedes the ability of primary industry sectors to set their strategic research and development directions, and to respond to emerging economic challenges.

Rural research and development

According to current measures, farm productivity growth has exceeded most other key sectors of the economy. This has been achieved during a period of significant uncertainty, brought about by climate change and long periods of drought.

This performance is largely due to the innovation and adaptability of Australia's farm sector, which has adopted better management practices and new technologies in response to the challenge of drought and climate change. It is also a result of investment in research and development and a greater understanding of scale economies.

The performance of different primary industry sectors, however, has been mixed, with ABARE studies showing that farm productivity performance in the broadacre and cropping sectors outstripping livestock enterprises in the past 25 years.

There is also a considerable difference in investment returns according to the scale of farm enterprises. Large scale farm enterprises compare favourably with other sectors of the economy, whereas this is not true for many small farm enterprises.²

The challenge is to ensure success across the whole sector. This will require continued investment in research and development, and improved uptake of new technology and application of new knowledge.

This will demand increased investment in partnerships between industry, government and research providers.

Weeds and productivity

Invasive plants cost Australia's economy \$4 billion annually, of which \$2.8 billion is in the livestock industry.³ Over 70 per cent of agricultural establishments are affected by weeds – on average, farmers lose 10 per cent of their production and millions of litres of water to weeds each year.

Climate change will increase the danger that invasive plants pose to established native vegetation, pastures and crops, especially if accompanied by an increase in drought conditions as predicted by recent CSIRO and Australian Bureau of Meteorology studies.⁴

Very little research has been undertaken to understand the impact of weeds on forestry in Australia.

The Howard Government recently announced that the highly successful National Weeds Cooperative Research Centre will be abolished, effective from June 2008. Research agencies, rural and non-government stakeholders have reacted angrily to the decision. As a result, Australia is left without an effective dedicated national research program for weeds.

Fireweed can dominate pastures and is a major threat to livestock industry productivity in affected areas. It is responsible for illness, slow growth and poor conditioning of cattle and can result in death. It is spreading in the coastal and sub-coastal areas of New South Wales and in southern Queensland.

A previous cross jurisdictional government process determined that there is a need for more testing of potential biological control agents of fireweed. Other control agents have been identified, but rigorous testing is needed to ensure that they do not feed on closely related Australian native plants.

Food industry growth

Key drivers for change in the food industry over the past decade have been consumer expectations for food safety, nutrition, variety and quality. Emerging challenges include:

- Declining margins through import competition in some sectors.
- Demand for new technologies and methods to improve productivity and profitability.
- Rising community expectations about responsible environmental and animal welfare management.
- Increased consumer demand for certified organic produce and 'clean food'.

A significant opportunity exists to encourage the growth of regional food industries to respond to these emerging issues and continue development of export markets.

There is also a need to assist smaller sectors of the Australian food industry to organise collective effort to respond to the challenge of increasing food imports. This is particularly the case for fruit and vegetable producers, pork producers and the seafood industry.

The emergence of organic foods

Organic products are the fastest growing food sector in the world.

Sales of organic food in Australia are estimated at about \$500 million a year, and are growing by up to 50 per cent a year. It is projected that the Australian organic food industry will grow by between 20 and 30 per cent per annum for the next decade.⁵ Forty per cent of Australia's organic food production is destined for the export market.

Organic products generally command a premium in the marketplace. Consumers paying a premium price expect a quality product that looks well packaged and presented. However, there is no agreed labelling or certification system for organic produce.

Currently, there is no government certification system for the labelling of organic food products in the Australian domestic market. Although a number of Australian organisations provide certification services – such as Australian Certified Organic, a subsidiary of Biological Farmers Australia – there is no national standard for organic produce.

Consumer confidence in the integrity of organic labelling and certification processes can be improved through the development of an agreed labelling and certification system for Australian organic produce.

Food labelling is confusing

Food labelling is regulated by the Trade Practices Act, which sets out requirements for use of 'Made in' or 'Product of' labels for both food and non-food products.

Research has found that for packaged foods, consumers are often confused and do not understand what is meant by 'Made in' and 'Product of' labels. For example, fruit juice sold as 'Made in Australia' can contain 100 per cent imported juice.

In relation to unpackaged foods, retailers can avoid the need to specify a 'Country of Origin' with the use of a generic 'Mix of Imported' label.

Producer groups have been calling for changes to labelling laws to provide for a 'Grown in Australia' label for packaged foods where the product contains a majority of Australian grown produce.

The recent rapid rise in food imports has increased competition and pricing pressure. Australian producers argue that a lack of clarity in labelling laws erodes the 'Australian' premium and undermines investment confidence in marketing and promotion in the domestic market.

Consumer groups argue the need for specific 'country of origin' labelling to allow consumers to clearly and easily distinguish between food products by origin. Food manufacturers require flexible labelling laws to minimise production costs and allow them to respond to rapid movements in global food commodity markets.

A recent Howard Government review of food labelling failed to resolve the confusion.

Genetically modified crops

The existing national framework for management and regulation of gene technology came into effect in 2001 and includes the:

- Gene Technology Agreement which was signed by the Commonwealth and all State and Territory Governments in 2001.
- Gene Technology Act.
- Gene Technology Ministerial Council.
- Office of the Gene Technology Regulator and its current powers.

This framework regulates the use of gene technology by identifying risks posed by or as a result of gene technology, and by managing those risks through regulating the use of gene technology.

Labor believes the current regulatory framework needs to provide adequate safeguards to assess and consider environmental and food safety risks.

Horticulture code of conduct

Around 90 per cent of produce provided to the major supermarket chains is based on a direct contractual relationship between individual growers and the supermarkets.

The purpose of the Horticulture Code of Conduct is to regulate trade between growers and wholesalers in the fruit and vegetable industries, and provide for a dispute resolution procedure.

Although the Code was legislated in May, there have been ongoing difficulties with its implementation and grower organisations are not satisfied that it is being effectively enforced. There is also ongoing uncertainty about the role of the Code in regulating trade between growers, grower cooperatives and wholesalers.

Non-forestry managed investment schemes

There is a need to encourage and attract long term, sustainable investment in rural and regional Australia.

In recent years, there has been significant debate about the use of managed investment schemes (MIS) as a tool for attracting investment to rural and regional Australia.

The Howard Government has announced that non-forestry MIS will end with effect from 1 July 2008. As a result, thousands of jobs and hundreds of millions of dollars in investment in rural and regional Australia are at risk.

This decision was taken without consultation with the MIS sector. The Howard Government failed to undertake any research or analysis into the costs and benefits of MIS, the development of alternative models, or the social and economic consequences of its decision.

Strengthening the role of rural women

Since the mid 1990s, activity at all levels of government and by industry has sought to increase women's representation on regional and rural bodies of influence. However, there is still a need to strengthen the voice of rural women in rural and regional policy.

Labor notes the findings of the 2006 Inquiry into Women's Representation on Regional and Rural Bodies of Influence. The evidence suggests that women's level of representation has only marginally changed over the past decade.⁶ Numbers are low across all bodies. The Inquiry found there is a need for government to consider a broad range of strategies to increase the participation of women on regional and rural bodies.

In addition to determining appropriate policy settings, governments must invest in capacity building and human capital development. Whilst Australia currently has many rural and regional women's organisations, there is a need to strengthen the collective voice of rural women at the national level.

Labor's Plan for Primary Industries

Labor has already announced three major new policy initiatives for the agriculture sector:

- *Australia's Farming Future*, a \$130 million plan aimed directly at preparing our primary industries for a different future due to the impact of climate change.
- *New Directions for Wheat Marketing*, a plan to retain single desk export regulation, but also increase choice for growers by allowing a number of selling options through the introduction of an export accreditation scheme.
- *Reef Rescue Plan*, a \$200 million strategy to tackle climate change and improve water quality on the Great Barrier Reef by assisting farmers to improve farm productivity by adopting practical, on-farm measures to retain nutrients and sediments on-farm.

Australia's Farming Future – Labor's plan for climate change and farming

A Rudd Labor Government will invest \$130 million over four years in an **Australia's Farming Future** initiative to assist Australian primary industry sectors to adapt and respond to climate change. This initiative includes:

- \$60 million over four years for a **Climate Change Adaptation Partnerships Program**.
- \$15 million over four years for a **Climate Change and Productivity Research Program**.
- \$55 million over four years in a **Climate Change Adjustment Program**, including a \$10 million funding boost for the Rural Financial Counselling Service.

The *Climate Change Adaptation Partnerships Program* will assist our primary producers to capitalise on the opportunities arising from tackling climate change by investing in climate change partnerships with national, state and commodity farming organisations to:

- Improve awareness and understanding of the impact of climate change on agriculture.
- Develop better climate modelling at a local and regional level, and increase farmers' use of climate data.
- Link existing policy programs with climate change objectives.
- Build the capacity of primary producers to adapt to climate change, through climate change workshops and training programs.
- Improve delivery of on-farm climate change adaptation strategies, through increased investment in property planning tools such as property management plans, best management practices and environmental management systems.

The *Climate Change and Productivity Research Program* will assist farmers to respond to climate change. Funds under this program will be allocated to existing primary industry research and development corporations (RDCs) to facilitate the development and implementation of a *Climate Change and Productivity Research Program* for each major agricultural sector. Unlike other RDC funding, these funds will not require matching contributions from industry.

The *Climate Change Adjustment Program* will assist primary producers by providing financial assistance to obtain professional advice, training and re-establishment grants, and will include a \$10 million funding boost for the Rural Financial Counselling Service.

National Agriculture and Climate Change Adaptation Action Plan

A Rudd Labor Government will fast track the development of a **National Agriculture and Climate Change Adaptation Action Plan**. This plan will include:

- Supporting climate change research to better understand the implications for agriculture.
- Integrating adaptation responses into agricultural policies and natural resource management programs to respond to climate risks and pressures – for example to understand the impacts of temperature changes on plant and animal health.
- Building resilience into existing agricultural management systems to better identify and manage the impacts of climate change.
- Managing the impact of climate change on native and invasive species and disease incursions in agricultural and natural resource systems.
- Taking advantage of market opportunities that may arise from climate change – including developing new tools, products and services for the domestic market and for export into growing international markets.

Garnaut climate change review

Labor has already announced the appointment of Professor Ross Garnaut, to conduct a major review of the costs of climate change.

The Garnaut Climate Change Review – covering similar ground to the United Kingdom's Stern Review, but with a focus on Australia – will examine the impact of climate change on Australian jobs and the economy, and recommend medium to long term policies to achieve sustainable prosperity in the context of climate change.

In August 2007, Professor Garnaut hosted the first of a series of public forums. The inaugural forum was dedicated to examining how different agriculture sectors will be affected by climate change, including:

- How management of soil, fertilisers or livestock can help to tackle climate change.
- Whether agriculture and forestry can be part of a national emissions trading scheme.

Many of Australia's primary industry leaders participated in the forum and will continue to contribute to the work of the review.

Professor Garnaut's draft report is due to be distributed for comment by 30 June 2008, with a final report to be published by 30 September 2008.

Supporting the evolution of Exceptional Circumstances

Labor remains strongly committed to the objective of Exceptional Circumstances (EC) to prevent undesirable levels of industry exit from a region or industry by viable producers during rare and prolonged events that fall outside normal risk management.

However, Labor believes that EC arrangements should not be used to artificially support producers who are not viable over the longer term, and that EC policy should not reduce the need for responsible risk management by agriculture producers.

Labor believes it is important for governments to increase the number of drought ready farming businesses so that farms are more prepared for years with reduced rainfall in the context of climate change.

A Rudd Labor Government will continue the evolution of EC policy, and will work with the farm sector including the National Farmers Federation to examine the links between the objectives of drought support and natural resource management policy more broadly.

Strengthening our quarantine system

A Rudd Labor Government will undertake a major, independent review of the current quarantine arrangements.

The review will cover the functions of both Biosecurity Australia and the Australian Quarantine and Inspection Service (AQIS).

The review panel will be asked to provide advice on the:

- Scope and adequacy of the current animal and plant policy framework.
- Capacity of existing quarantine programs to deliver an appropriate level of protection.
- Effectiveness of border control arrangements, including both import and export inspection and certification systems.
- Adequacy of consultative and review processes within Biosecurity Australia and AQIS.
- Effectiveness of the Import Risk Analysis process and capacity of Biosecurity Australia to deliver assessments in a timely and professional manner consistent with international obligations for risk assessment and management.
- Effectiveness of Australia's quarantine research and preparedness capability.

If presented with evidence showing an unacceptable risk of establishment of exotic disease, a Rudd Labor Government will not approve any partially complete Import Risk Analyses.

A Rudd Labor Government will also invest \$5.4 million to work with the horticulture sector to develop and implement a National Fruit Fly Strategy, increase diagnostic capability and commence planning to increase capacity for on-farm biosecurity plans.

Federal Labor will:

- Maintain current national emergency animal disease preparedness and surveillance activities to enhance Australia's preparedness for exotic animal diseases.
- Continue support for Australian Animal Health Laboratory.
- Continue support for the eradication of citrus canker and red imported fire ant.

Labor's New Direction for Wheat Export Marketing

A Rudd Labor Government will introduce major new reforms to wheat export marketing.

Labor proposes a new model for exporting wheat which retains a single desk for the control of wheat exports and at the same time increases choice for growers by allowing a number of selling options.

Rather than forcing growers to sell their export wheat through a monopoly exporter as is currently the case, under Labor's plan there will be a single desk with multiple accredited exporters.

Labor's plan will improve returns to growers by introducing contestability to export marketing services and allowing competitive pressures to apply in the export supply chain for the first time in Australian history.

The single desk will be managed by a new export regulator *Wheat Exports Australia*, replacing the Export Wheat Commission and providing it with additional powers to ensure sound governance of accredited exporters of Australian wheat.

Under Labor's plan:

- *Wheat Exports Australia* will manage the single desk for bulk wheat exports;
- A new export accreditation scheme will be developed and administered by *Wheat Exports Australia*;
- *Wheat Exports Australia* will control bulk wheat exports by accrediting exporters;
- Growers will be able to directly participate in bulk exports through accredited Grower Cooperatives and/or Alliances;
- AWB International's veto power will not be reinstated;
- The 'general exemption' from control of the Export Wheat Commission currently held by AWB International will also be removed;
- The implementation of the new wheat export marketing system and the transition of industry development functions will be informed by expert industry advice provided directly to the Minister; and
- These arrangements will be independently evaluated by 2010.

Labor's wheat export marketing policy reform is based on sound economic principles, not political compromise.

The major benefits of Labor's new direction include:

- greater contestability;
- greater selling options;
- reduced risk compared with a single buyer (eg. AWB's loss of the Iraq market);
- additional transparency of price and cost information for growers;
- more cost-efficient marketing services;
- long-term transition of industry development functions to industry control; and
- opening up of new markets for the sale of Australian wheat.

Grain Transport Infrastructure

Federal Labor will invest \$3 million each in New South Wales and in Western Australia to set up a high-powered taskforce of growers, handlers, the National Farmers Federation, the Australian Rail Track Corporation (ARTC) and the WestNet Rail and the State Governments to get grain exports back on track in those states.

The taskforces will develop a solution involving public and private sector investment and open and fair access arrangements.

Labor will then invest in the solutions developed by the taskforce as part of the AusLink 2 national transport funding package from 2009 to 2014.

Labor's taskforce would look particularly at the Eyre Peninsula model, which has been successfully funded by the South Australian government, private owners and a grower levy.

Federal Labor is also committed to the \$15 million Inland Rail Study and completing the upgrade of the north-south rail link between Melbourne, Sydney and Brisbane – Australia's first ever national rail highway.

In West Australia, a Rudd Labor government will also partner with the private sector and the West Australian State government to deliver a \$180 million upgrade to road and rail networks in Esperance and improve access to the port for crucial export industries.

Labor will invest in the solutions developed by the taskforce as part of the AusLink 2 national transport funding package from 2009 to 2014.

Helping farmers to protect the Great Barrier Reef

A Rudd Labor Government will invest \$200 million from the Natural Heritage Trust to assist farmers to implement new leading edge farming practices which boost productivity and reduce input costs whilst improving water quality flowing into the Great Barrier Reef.

Federal Labor's *Great Barrier Reef Rescue Plan* covers the whole reef catchment area and will be the largest ever single financial contribution to help secure the long term future of the Great Barrier Reef.

Federal Labor's \$200 million *Great Barrier Reef Rescue Plan* is fully funded and includes:

- \$146 million for a 'Great Barrier Reef Water Quality Grants Program' which will provide matching grants to landowners and managers in reef catchments for land management practices which improve farm productivity and reduce loss of nutrients and sediments. The grants program will be delivered in partnership with peak industry groups and existing regional Natural Resource Management groups.
- \$12 million for a 'Healthy Reef Partnerships Program' to boost partnerships between a Rudd Labor Government and the state agencies, peak industry organisations and non-government organisations which support landowners with increased local expertise and extension staff. The partnerships program will build on existing programs in rural industry bodies and Non Government Organisations.
- \$10 million for a 'Great Barrier Reef Water Quality Research and Development Program' - a competitive research funding program aimed at improving understanding of the link between land management practices and environmental impacts and will lead to the

development and application of new water-quality monitoring techniques for nutrient, chemical and sediments.

- \$22 million for a 'Water Quality Monitoring & Reporting Program' to expand existing monitoring and reporting of water quality in the Great Barrier Reef and provide additional funding for further development and implementation of a coordinated catchment-wide water quality monitoring program. This will include monitoring and reporting of land use, land condition and uptake of best management practices, and the publication of a Great Barrier Reef Water Quality & Land Condition Report Card.
- \$10 million for 'Land and Sea Country Indigenous Partnerships Program' including at least \$5 million for the employment of Sea Country Officers in indigenous communities and provides additional funding for the Great Barrier Reef Marine Park Authority (GBRMPA) to strengthen partnerships with indigenous communities.

Strengthening rural economic policy settings

A Rudd Labor Government will place greater emphasis on building the economic policy capacity of the agriculture, fisheries and forestry portfolio.

Labor will ensure greater consideration is given to the strategic economic challenges facing primary industries to better prepare our fishing, forestry and farming sectors for medium and long term threats to business profitability. Such threats may include climate change, invasive species, pest and disease incursion or international competition.

A Rudd Labor Government will ensure that research and development programs and industry development grant programs are required to report against specific economic policy milestones, including how any public investment has improved productivity and profitability of the relevant sector.

Labor will also increase ABARE's capacity to provide routine monitoring and reporting of productivity performance in primary industries for each sector and for each major region.

Strengthening rural research and development

Labor supports the current funding formula that provides for industry levies and matching funding by the Federal Government for investment in rural research.

However, in recognition of declining revenues as a result of drought, a Rudd Labor Government will invest an extra \$15 million in rural RDCs through *Australia's Farming Future*. Priority areas for the additional investment will include:

- Improving productivity in response to climate change.
- New technologies and methods for adapting to climate change – with an emphasis on practical measures such as water use efficiency, tilling practices, deep rooted plant species, diversification of crop varieties and shifting planting seasons.
- Understanding and applying use of predictive climate modelling, improving seasonal forecasting and adopting climate risk management.
- Understanding the impact of agriculture on climate change and the impact of climate change on agriculture.

- Understanding of options for climate change mitigation, such as offsets.

A Rudd Labor Government will also ensure more effective multi-sector facilitation and prioritisation of investment in research and development through a coordinating **Rural Research and Development Council**.

The Council will develop a **National Strategic Rural Research and Development Investment Plan**. In developing the Plan, the Council will establish a national reporting framework requiring detailed performance measurement against an agreed list of national priorities, including how the programs have addressed:

- Productivity.
- Climate change.
- Energy and/or water efficiency.
- Regional employment.
- Family issues and cost of living.
- Industry consultation and uptake of technology.
- Effectiveness and timeliness of commercialisation of research outcomes.

The Council will work closely with the rural RDCs, and rural research and industry sectors.

National Weeds and Productivity Research Program

A Rudd Labor Government will invest \$15 million in a **National Weeds and Productivity Research Program** to reduce the impact of weeds on farm and forestry productivity, as well as biodiversity.

The *National Weeds and Productivity Research Program* will:

- Establish a comprehensive national applied research program to investigate and solve the most serious invasive plant problems across the most populated parts of Australia.
- Bring together national experts, land managers and relevant stakeholders to develop improved understanding about the information required to effectively manage the risks associated with invasive plants in forests, pastures and native vegetation.
- Ensure better coordination and information exchange between researchers, land managers and regulatory agencies for management of invasive species.

Labor's *National Weeds and Productivity Research Program* will reduce the presence and impact of invasive plants on Australian agriculture, forestry and native vegetation, and ensure greater integration of practical weed solutions within farming and forestry systems.

In addition to this program, a Rudd Labor Government will tackle fireweed – an introduced, short lived, perennial weed, found in both arable country and rangelands, which competes with pasture species and is toxic to livestock.

Labor will invest an additional \$300,000 from unallocated funds from the Defeating the Weed Menace program in a comprehensive fireweed research project to:

- Conduct a risk analysis and further testing of biological control agents for management of fireweed to help reduce its impact on grazing industries and biodiversity.
- Work with industry and community groups to raise awareness about best practice management of fireweed.
- Undertake further assessment of fireweed for consideration for inclusion on the list of 'Weeds of National Significance'.

Supporting Australian food producers

A Rudd Labor Government will invest \$35 million over five years in a **Regional Food Producers' Innovation and Productivity Program** to improve productivity, innovation and profitability of Australia's regional food producers.

The *Regional Food Producers Innovation and Productivity Program* will fund projects which encourage innovation in production, processing and value adding in the regional food industry. The program will be administered by the Department of Agriculture, Fisheries and Forestry and require matching contributions from industry. \$10 million from the program will be dedicated to the seafood industry.

Successful projects will need to demonstrate a high likelihood of improved productivity and profitability in Australia's regional food industry.

Preference will be given to grants which develop new technologies, processing or production methods at business level, rather than industry wide consultancies or studies.

Labor will continue to support the existing National Food Industry Strategy to improve international marketing, export market development and market access.

Promoting Australian Produce

A Rudd Labor Government will invest \$5 million to create a **Promoting Australian Produce** initiative to assist Australian producers develop and implement initiatives that raise awareness of the premium quality of Australian produce, including home grown fruit and vegetables, pork and seafood products.

Promoting Australian Produce will be directed at sectors which are prepared to invest in industry wide programs to assist producers in differentiating their produce through improved promotions and marketing.

The *Promoting Australian Produce* initiative will require matching funds from industry and the support of relevant peak bodies.

Organic foods

A Rudd Labor Government will work closely with the organic food sector to develop a **National Standard for Organic Produce**, including an agreed labelling and certification system for Australian organic produce.

Food labelling

A Rudd Labor Government will simplify and strengthen food labelling laws. This will include:

- A new 'Grown in Australia' label under the Trade Practices Act for products that are not only made in Australia, but also grown in Australia.

- Working with the organic food sector to develop a *National Standard for Organic Produce* with an agreed labeling and certification system for Australian produce.
- Consideration of amendments to the Food Standards Code to clarify country of origin labelling requirements.
- Strengthening compliance arrangements.

Genetically modified crops

Federal Labor recognises ongoing community concern about genetically modified crops being grown in Australia. We believe that genetically modified (GM) crops should not be approved for commercial release unless they are safe to health and the environment, and beneficial to the economy. Federal Labor supports the existing national framework for management and regulation of gene technology.

A Rudd Labor Government will ensure that the assessment process for GM licence applications is based on rigorous science, and that any evidence presented to support claims is subject to peer review and thorough public consultation.

Labor will also ensure that the process for assessment of GM crops includes careful consideration of health and environmental risks.

Safe and beneficial standards must be established beyond reasonable doubt and standards must be met to the satisfaction of the government, the scientific community, the consumer community and the farming community.

Fair prices for farmers

Labor will act to protect the interests of farmers by ensuring they get a fair deal from major buyers, including the supermarket chains.

A Rudd Labor Government will:

- Strengthen the role of the Australian Competition and Consumer Commission (ACCC) to monitor supermarket prices to make sure that families are getting a fair deal.
- Direct the ACCC to conduct a national grocery pricing inquiry to report within six months, taking submissions from individuals, consumer groups, our retailers, businesses along the supply chain, and other interested parties.

Labor will also task the ACCC to evaluate the effectiveness of the Horticulture Code of Conduct as part of Labor's national grocery pricing inquiry.

Non-forestry managed investment schemes

Labor is committed to an informed debate about how to bring long term investment into rural and regional Australia.

A Rudd Labor Government will consult widely with the investment and rural community to:

- Undertake a comprehensive review of the costs and benefits of MIS.
- Develop an options paper for attracting long term sustainable investment in rural and regional Australia.

National Rural Women's Network

A Rudd Labor Government will to strengthen the voice of rural women in shaping rural and regional policy.

Labor will convene a National Rural Women's Summit to identify and discuss the scope of issues, and determine processes for addressing them.

Following the Summit, Labor will strengthen the capacity of rural women to participate in policy debate affecting rural and regional communities by establishing a **National Rural Women's Network** to work in partnership with existing allied rural women's networks.

The *National Rural Women's Network* will be a joint initiative between the Departments of Primary Industries, Regional Development, and Youth and Women. The network will provide high level advice to the Ministers of these portfolios on a range of issues affecting rural and regional communities.

Financial implications

Labor's Plan for Primary Industries is fully costed and funded.

FINANCIAL IMPLICATIONS – IMPACT ON UNDERLYING CASH BALANCE (\$M)

	2007-08	2008-09	2009-10	2010-11	Total
Climate Change Adaptation Partnerships Program	0.0	15.0	15.0	15.0	45.0
Climate Change and Productivity Research Program	0.0	6.0	5.0	4.0	15.0
Climate Change Adjustment Program	0.0	15.0	15.0	15.0	45.0
Quarantine	2.0	1.8	1.0	0.7	5.3
National Weeds and Productivity Research Program	3.0	4.0	4.0	4.0	15.0
Regional Food Producers Innovation and Productivity Program	1.2	6.0	7.0	8.0	22.2
Promoting Australian Produce	0.0	2.0	2.0	1.0	5.0
Gross Total	6.2	49.8	48.9	47.7	152.5
Advancing Australia – Farmbis	0.0	-8.0	-8.0	-8.1	-24.0
Advancing Australia – Farmhelp	-4.0	-20.8	-19.5	-17.9	-62.2
Advancing Australia – Advancing Australia Industries	0.0	-8.6	-8.8	-8.8	-26.2
National Food Industry Strategy – Food Innovation Grants	-2.2	-12.4	-12.6	-12.9	-40.1
Total Offsets	-6.2	-49.8	-48.9	-47.7	-152.5
Net impact	0.0	0.0	0.0	0.0	0.0

* Note: some figures may not add due to rounding

Endnotes

- ¹ Australian Farm Institute Research Report (2007), Productivity Growth in Australian Agriculture: Trends, Sources, Performance, March 2007.
- ² Proceedings of the Australian Farm Institute Strategic Roundtable Conference on Future Agriculture 2-3 November 2006, Sydney.
- ³ Sinden, J., Jones, R., Hester, S., Odom, D., Kalisch, C., and Cacho, O. (2004), The Economic Impact of Weeds in Australia, Technical Series No.8, CRC for Australian Weed Management, Adelaide.
- ⁴ Climate Change in Australia – Observed Changes and Projections, Projections developed by CSIRO and the Australian Bureau of Meteorology for the Australian Climate Change Science Program, September 2007.
- ⁵ Department of Agriculture, Fisheries and Forestry (2004), The Australian Organic Industry – A Summary, Canberra.
- ⁶ Department of Transport and Regional Services (2006), Getting the best people and making the right decisions for regional and rural Australia, Report of the Inquiry into Women's Representation on Regional and Rural Bodies of Influence, Canberra.