



**PORTFOLIO SUPPLEMENTARY  
ADDITIONAL ESTIMATES  
STATEMENTS  
2007-08**

**AGRICULTURE, FISHERIES AND  
FORESTRY PORTFOLIO**

**Appropriation (Drought and Equine Influenza  
Assistance) Bill (No. 1) 2007-08  
and  
Appropriation (Drought and Equine Influenza  
Assistance) Bill (No. 2) 2007-08**

EXPLANATION OF SUPPLEMENTARY ADDITIONAL ESTIMATES 2007-08

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**The Hon. Tony Burke MP**

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Minister for Agriculture, Fisheries and Forestry

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Supplementary Additional Estimates Statements in support of the 2007–08 Appropriation (Drought and Equine Influenza Assistance) Bills (No. 1) and (No. 2) for the Agriculture, Fisheries and Forestry Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink that reads 'Tony Burke'.

Tony Burke



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## USER GUIDE

The purpose of the Portfolio Supplementary Additional Estimates Statements (PSAES) is to explain Appropriation (Drought and Equine Influenza Assistance) Bills (No. 1) and (No. 2) 2007–08. This document informs senators and members of parliament of the proposed allocation of supplementary appropriations to government outcomes by agencies within the portfolio.

The PSAES are declared by the Appropriation (Drought and Equine Influenza Assistance) Bills (No. 1) and (No. 2) to be a 'relevant document' to the interpretation of the Bill according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the PSAES are focused on explaining the supplementary additional estimates appropriations, information on 2007–08 Budget resourcing issues – including special appropriations, special accounts, revenue from other sources, performance information, and a full set of agency budgeted financial statements – can be found in the 2007–08 Portfolio Additional Estimates Statements which accompanied the 2007–08 additional estimates appropriation Bills.



**AGRICULTURE, FISHERIES AND  
FORESTRY PORTFOLIO**

**SUPPLEMENTARY ADDITIONAL  
ESTIMATES STATEMENTS**



## **DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY**

### **OVERVIEW OF SUPPLEMENTARY APPROPRIATION SOUGHT**

A range of new and expanded drought and new equine influenza assistance measures for the Department of Agriculture, Fisheries and Forestry (the Department), as shown in this document, were announced by the government following the 2007-08 Budget. Details of these measures are shown in Tables 1.1 and 1.2.

Funding for these measures has not been previously provided and the Department has been meeting the payments for these additional measures from its existing appropriations.

The Appropriation (Drought and Equine Influenza Assistance) Bills (No. 1) and (No. 2) 2007-08 will provide \$1,052 million additional funding. This will help restore the Department's funding to adequate levels pending the passage of the Additional Estimates Bills. Funding being provided through the Bills is detailed in Tables 1.3 and 1.4.

Additional drought assistance funding of \$163.8 million is being provided separately to the above Bills by way of special appropriations. This funding is incorporated in the overall funding detailed in Tables 1.1 and 1.2.

The portfolio agencies are not affected by these Bills and are therefore not included in this document.

## Variations — Measures

**Table 1.1: Supplementary estimates and variations to outcome – measures**

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
<b>Outcome 1</b>				
<b>Increase in administered appropriations</b>				
Drought Assistance – Exceptional Circumstances Assistance for Farmers	253,176	260,281	-	-
Drought Assistance – Exceptional Circumstances Assistance for Small Business	95,995	67,208	-	-
Drought Package – Interim Income Support Payments for Farmers	126,112	37,966	-	-
Drought Package – Interim Income Support Payments for Small Business	19,108	5,756	-	-
Drought Package 2007 – Professional Advice	11,100	14,800	-	-
Drought Package 2007 – Re-establishment Assistance – Exit Grant, Advice & Re-Training, Relocation Grants	39,500	118,500	-	-
Drought Package 2007 – Rural Financial Counselling Service	374	2,431	2,431	-
Drought Package 2007 – Murray Darling Basin Grants to Irrigators	204,100	74,500	-	-
Drought Package 2007 – Communication Strategy	3,000	-	-	-
Drought Package 2007 – Changes to off-farm Income Test for Farmers	118,563	49,551	-	-
Additional funding – Exceptional Circumstances Interest Rate Subsidy for Primary Producers <sup>a</sup>	196,000	240,000	-	-
Equine Influenza	68,523	-	-	-
Equine Influenza – Additional 12 weeks <sup>b</sup>	106,281	-	-	-
Equine Influenza – Estimate increase <sup>c</sup>	52,000	-	-	-
Equine Influenza – Additional 5 weeks <sup>d</sup>	26,095	-	-	-
Emergency Animal Disease Response Agreement – Equine Influenza Commonwealth Share	10,800	-	-	-
Emergency Animal Disease Response Agreement – Equine Influenza Industry Share	86,400	-	-	-
<b>Increase in administered appropriations</b>	<b>1,417,127</b>	<b>870,993</b>	<b>2,431</b>	<b>-</b>

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**Table 1.1: Supplementary estimates and variations to outcome – measures (continued)**

	2007–08 (\$'000)	2008–09 (\$'000)	2009–10 (\$'000)	2010–11 (\$'000)
<b>Increase in departmental appropriations</b>				
Drought Assistance – Exceptional Circumstances Assistance for Farmers	3,359	2,870	-	-
Drought Assistance – Exceptional Circumstances Assistance for Small Business	1,537	613	-	-
Drought Package – Interim Income Support Payments for Farmers	7,597	948	-	-
Drought Package – Interim Income Support Payments for Small Business	1,071	128	-	-
Drought Package 2007 – Professional Advice	1,943	2,333	499	-
Drought Package 2007 – Re-establishment Assistance – Exit Grant, Advice & Re-Training, Relocation Grants	4,160	2,518	1,099	37
Drought Package 2007 – Murray Darling Basin Grants to Irrigators	2,683	1,892	511	-
Drought Package 2007 – Communication Strategy	308	-	-	-
Drought Package 2007 – Changes to off-farm Income Test for Farmers	3,167	787	245	-
Drought Package 2007 – Exceptional Circumstances Assistance	-	2,114	-	-
Drought Package 2007 – Small Business Assistance	-	979	-	-
Equine Influenza	2,687	-	-	-
Equine Influenza – Additional 12 weeks <sup>b</sup>	119	-	-	-
<b>Increase in departmental appropriations</b>	<b>28,631</b>	<b>15,182</b>	<b>2,354</b>	<b>37</b>
<b>Decrease in administered appropriations</b>				
Drought Assistance – Small Business Interim Income Support <sup>e</sup>	(10,072)	-	-	-
Drought Assistance – Interim Income Support for Farmers <sup>e</sup>	(52,847)	-	-	-
Interim Income Support for Farmers <sup>e</sup>	(5,000)	-	-	-
Drought Package 2007 – Re-establishment Assistance <sup>f</sup>	(26,000)	(72,800)	-	-
Drought Package 2007 – Interim Income Support Payments for Farmers <sup>e</sup>	(65,000)	-	-	-
Drought Package 2007 – Interim Income Support Payments for Small Business <sup>e</sup>	(9,000)	-	-	-
Drought Package 2007 – Professional Advice <sup>g</sup>	(10,000)	-	-	-
Exceptional Circumstances Interest Rate Subsidy for Small Business <sup>a</sup>	(52,000)	-	-	-
<b>Decrease in administered appropriations</b>	<b>(229,919)</b>	<b>(72,800)</b>	<b>-</b>	<b>-</b>

a Increase due to the extended nature of drought and the increased interest rates and increased borrowing for replanting and restocking.

b Twelve week extension to the original equine influenza (EI) package agreed to by the former Prime Minister on 17 October 2007.

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- c Additional funding to provide assistance due to the continuation of movement restrictions and limited opportunities to hold horse events.
- d Extension of assistance until provisional freedom from EI is declared.
- e Areas in receipt of interim income support have been declared for a relatively short period of time and current uptake is tracking much lower than expected.
- f Lower than expected take-up of exit grants and unsuccessful claims.
- g Lower than expected uptake due to approved applicants not utilising their vouchers and service providers not redeeming vouchers regularly.

## **MEASURES — AGENCY SUMMARY**

Table 1.2 summarises the measures being effected through the Appropriation (Drought and Equine Influenza Assistance) Bills (No. 1) and (No. 2) 2007–08 by output group and appropriation type.

**Table 1.2: Summary of drought and equine influenza assistance measures**

Measure	2007–08 (\$'000)		2008–09 (\$'000)		2009–10 (\$'000)		2010–11 (\$'000)	
	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
	Total	Total	Total	Total	Total	Total	Total	Total
<b>Expense measures</b>								
Drought Assistance – Exceptional Circumstances Assistance for Farmers	2	253,176	3,359	260,281	2,870	263,151	-	-
Drought Assistance – Exceptional Circumstances Assistance for Small Business	2	95,995	1,537	67,208	613	67,821	-	-
Drought Package 2007 – Interim Income Support Payments for Farmers	2	3,265	7,597	37,966	948	38,914	-	-
Drought Package 2007 – Interim Income Support Payments for Small Business	2	36	1,071	5,756	128	5,884	-	-
Drought Package 2007 – Professional Advice	2	1,100	1,943	14,800	2,333	17,133	499	-
Drought Package 2007 – Re-establishment Assistance – Exit Grant, Advice & Re-Training, Relocation Grants	2	13,500	4,160	45,700	2,518	48,218	1,099	37

Continued on next page

**Table 1.2: Summary of drought and equine influenza assistance measures (continued)**

Measure	Output groups affected	2007–08 (\$'000)		2008–09 (\$'000)		2009–10 (\$'000)		2010–11 (\$'000)	
		Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
Drought Package 2007 – Rural Financial Counselling Service	2	374	-	2,431	-	2,431	-	2,431	-
Drought Package 2007 – Murray Darling Basin Grants to Irrigators	2	204,100	2,683	74,500	1,892	-	511	-	-
Drought Package 2007 – Communication Strategy <sup>a</sup>	2	3,000	308	-	-	-	-	-	-
Drought Package 2007 – Changes to off-farm Income Test for Farmers	2	118,563	3,167	49,551	787	-	245	-	-
Drought Package 2007 – Exceptional Circumstances Assistance	2	-	-	-	2,114	-	-	-	-
Drought Package 2007 – Small Business Assistance	2	-	-	-	979	-	-	-	-
Additional funding – Exceptional Circumstances Interest Rate Subsidy for Primary Producers	2	196,000	-	240,000	-	-	-	-	-

**Table 1.2: Summary of drought and equine influenza assistance measures (continued)**

Measure	Output groups affected	2007–08 (\$'000)			2008–09 (\$'000)			2009–10 (\$'000)			2010–11 (\$'000)		
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Decrease – Exceptional Circumstances Interest Rate Subsidy for Small Business	2	(52,000)	-	(52,000)	-	-	-	-	-	-	-	-	
Equine Influenza	2	68,523	2,687	71,210	-	-	-	-	-	-	-	-	
Equine Influenza – Additional 12 weeks <sup>b</sup>	2	106,281	119	106,400	-	-	-	-	-	-	-	-	
Equine Influenza – Estimate increase <sup>c</sup>	2	52,000	-	52,000	-	-	-	-	-	-	-	-	
Equine Influenza – Additional 5 weeks <sup>d</sup>	2	26,095	-	26,095	-	-	-	-	-	-	-	-	
Emergency Animal Disease Response Agreement – Equine Influenza Commonwealth Share	5	10,800	-	10,800	-	-	-	-	-	-	-	-	

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**Table 1.2: Summary of drought and equine influenza assistance measures (continued)**

Measure	Output groups affected	2007–08 (\$'000)		2008–09 (\$'000)		2009–10 (\$'000)		2010–11 (\$'000)					
		Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs				
Emergency Animal Disease Response Agreement – Equine Influenza Industry Share	5	86,400	-	-	-	-	-	-	-				
<b>Total of all measures</b>		1,187,208	28,631	1,215,839	798,193	15,182	813,375	2,431	2,354	4,785	-	37	37

Note: The government is not proceeding with the Drought Package 2007 – Assistance to Rural Research and Development Corporations and Companies measure announced by the previous government in the 2007–08 Mid-Year Economic and Fiscal Outlook (MYEFO), in recognition that additional funding for Rural Research and Development Corporations and Companies will be available under the government's Climate Change and Productivity Research Program.

- a The government has varied this measure announced by the previous government in the 2007–08 MYEFO and in the 2007 PEFO.
- b Twelve week extension to the original equine influenza (EI) package agreed to by the Prime Minister on 17 October 2007.
- c Additional funding to provide assistance due to the continuation of movement restrictions and limited opportunities to hold horse events.
- d Extension of assistance until provisional freedom from EI is declared.

**BREAKDOWN OF SUPPLEMENTARY ESTIMATES, BY APPROPRIATION BILL, OF FUNDING SOUGHT**

**Table 1.3: Appropriation (Drought and Equine Influenza Assistance) Bill (No. 1) 2007–2008**

	2007–08 Budget Estimates (\$'000)	2007–08 Revised (\$'000)	2007–08 Supplementary Additional Estimates (\$'000)
<b>ADMINISTERED ITEMS</b>			
<b>Outcome 1</b>			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	392,012	870,286	478,274
<b>Measures</b>			
Drought Package 2007 – Interim Income Support Payments for Farmers	-	-	3,265
Drought Package 2007 – Interim Income Support Payments for Small Business	-	-	36
Drought Package 2007 – Professional Advice	-	-	1,100
Drought Package 2007 – Re-establishment Assistance – Exit Grant, Advice & Re-Training, Relocation Grants	-	-	13,500
Drought Package 2007 – Rural Financial Counselling Service	-	-	374
Drought Package 2007 – Murray Darling Basin Grants to Irrigators	-	-	204,100
Drought Package 2007 – Communication Strategy	-	-	3,000
Equine Influenza	-	-	68,523
Equine Influenza – Additional 12 weeks	-	-	106,281
Equine Influenza – Estimate increase	-	-	52,000
Equine Influenza – Additional 5 weeks	-	-	26,095
<b>Total</b>	<b>392,012</b>	<b>870,286</b>	<b>478,274</b>

Continued on next page.

**Table 1.3: Appropriation (Drought and Equine Influenza Assistance) Bill (No. 1) 2007–2008 (continued)**

	2007–08 Budget Estimates (\$'000)	2007–08 Revised (\$'000)	2007–08 Supplementary Additional Estimates (\$'000)
<b>DEPARTMENTAL OUTPUTS</b>			
<b>Outcome 1</b>			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	332,437	361,068	28,631
<b>Measures</b>			
Drought Assistance – Exceptional Circumstances Assistance for Farmers	-	-	3,359
Drought Assistance – Exceptional Circumstances Assistance for Small Business	-	-	389
Drought Package 2007 – Interim Income Support Payments for Farmers	-	-	7,597
Drought Package 2007 – Interim Income Support Payments for Small Business	-	-	1,071
Drought Package 2007 – Professional Advice	-	-	1,943
Drought Package 2007 – Re-establishment Assistance – Exit Grant, Advice & Re-Training, Relocation Grants	-	-	4,160
Drought Package 2007 – Murray Darling Basin Grants to Irrigators	-	-	2,683
Drought Package 2007 – Communication Strategy	-	-	308
Drought Package 2007 – Changes to off-farm Income Test for Farmers	-	-	3,167
Drought Package 2007 – Enhanced Small Business Support	-	-	1,148
Equine Influenza	-	-	2,687
Equine Influenza – Additional 12 weeks	-	-	119
<b>Total</b>	<b>332,437</b>	<b>361,068</b>	<b>28,631</b>
<b>Total administered and departmental</b>	<b>724,449</b>	<b>1,231,354</b>	<b>506,905</b>

**Table 1.4: Appropriation (Drought and Equine Influenza Assistance) Bill (No. 2) 2007–2008**

	2007–08 Budget Estimates (\$'000)	2007–08 Revised (\$'000)	2007–08 Supplementary Additional Estimates (\$'000)
<b>SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES</b>			
<b>Outcome 1</b>			
More sustainable, competitive and profitable Australian agricultural, food, fisheries and forestry industries.	1,088,972	1,634,099	545,127
<b>Measures</b>			
Drought Assistance – Exceptional Circumstances Assistance for Farmers			138,834
Drought Assistance – Exceptional Circumstances Assistance for Small Business			11,623
Drought Package 2007 – Changes to off-farm Assets Test for Farmers			105,313
Drought Package 2007 – Changes to off-farm Assets Test for Small Business			5,798
Drought Package 2007 – Enhanced Small Business Support			42,359
Additional funding – Exceptional Circumstances Interest Rate Subsidy for Primary Producers			196,000
Emergency Animal Disease Response Agreement – Equine Influenza Commonwealth Share			10,800
Emergency Animal Disease Response Agreement – Equine Influenza Industry Share			86,400
Decrease – Exceptional Circumstances Interest Rate Subsidy for Small Business			(52,000)
<b>Total</b>	<b>1,088,972</b>	<b>1,634,099</b>	<b>545,127</b>