

# WORLD TRADE ORGANIZATION

**G/AG/N/AUS/14**

31 October 1997

(97-4770)

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**Committee on Agriculture**

Original: English

## NOTIFICATION

The attached notification concerning domestic support commitments for the fiscal year 1996/97 (Table DS:1 and the relevant supporting tables) was received from the delegation of **Australia** on 27 October 1997.

Table DS:1

**DOMESTIC SUPPORT: Australia**  
**REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)**  
*Current Total Aggregate Measurement of Support*

Total AMS commitment level for period in question	Currency	Current Total AMS
(from Section I of Part IV of the Schedule)	(from Section I of Part IV of the Schedule)	(from attached Supporting Tables)
1	2	3
550.50	\$A million	144.19

Supporting Table DS:1

**DOMESTIC SUPPORT: Australia**  
**REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)**  
*Measures exempt from the reduction commitment - "Green Box"*

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
(a) General services					
Commonwealth Government Research					
Citrus Market Diversification	Research, promotion and improvements in practices in citrus growing			2.16	Commonwealth Department of Primary Industries and Energy (DPIE)
Cotton Research and Development	Research into improvements in cotton production.			2.44	DPIE
Dairy Research and Development	Research and development into dairy production and processing			8.51	DPIE
Drought Research Programme	Drought and climate research.			1.76	1996/97 Commonwealth Budget papers
Goat Fibre Research and Development	Goat fibre production research and fibre quality assurance.			0.01	DPIE
Grains Research and Development	Research and product development, improvement of production efficiency and optimal use of the natural resource base in the grains industry.			29.15	DPIE
Grape and Wine Research and Development	Research to improve the production efficiency, competitiveness and profitability of the grape and wine industry			2.25	DPIE
Horticultural Research and Development	Research and development to foster efficient, competitive and adaptable horticultural industries.			10.96	DPIE
Land and Water Resources Research and Development	Support and management of research and development into the sustainable use of Australia's land, water and vegetation resources.			9.59	1996/97 Commonwealth Budget Papers

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
Meat Research and Development	Research aimed at improving productivity and market performance of the meat and livestock industry and further sustainable use and management of natural resources.			21.06	DPIE
Pig Research and Development	Research and development programmes to improve production, processing, storage, transport and marketing for the pig industry.			3.59	DPIE
Rural Industries Research and Development	Provides support for management of research and development programmes for the rural sector focusing on new and emerging plant and animal industries and generic programmes such as agribusiness, extension, rural education and climate change.			2.96	DPIE
Sugar Research and Development	Research aimed at fostering an internationally competitive and sustainable sugar industry.			5.35	DPIE
Tobacco Research and Development	Research into improvements in tobacco leaf production and improving sustainability.			0.35	DPIE
Wool Research and Development	Research into on-farm productivity, quality assurance and handling. Research and development in wool processing efficiencies and woollen product development.			10.41	DPIE

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)	Data Sources
1	2	3	4
Pest and Disease			
Papaya Fruit Fly Eradication Scheme	To eradicate papaya fruit fly from far north Queensland and for related activities to control papaya fruit fly.	6.26	DPIE
Tri State Fruit Fly Strategy	Assistance to develop and maintain the Fruit Fly Exclusion Zone	0.09	DPIE
National Feral Animal Control Strategy	To reduce the damage caused to agriculture and the environment by feral animals by improving the effectiveness of techniques and strategies used in controlling feral animals; publishing best practice management guidelines for the major feral animals species; encouraging the adoption of best practice management strategies and techniques; and monitoring RCD and its impacts to encourage its effective use in integrated rabbit control programmes.	0.98	DPIE
Training Services			
Clean Food Production Programme	Programme terminated.	0	DPIE
Rural Adjustment Scheme (Skills Enhancement)	Grants or loans for the acquisition of farm management skills and professional advice, either in isolation or as part of an integrated package of measures to increase the productivity of farm enterprises.	5.15	DPIE
Extension and Advisory Services			
Rural Communities Access Programme	Provision of information to rural and remote areas and to assist in decision making of producers including business advice and information on government programmes and services.	8.63	1996/97 Commonwealth Budget Papers

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)		Data Sources
		3	4	
1	2	3	4	
<b>Marketing and Promotion</b>				
AusIndustry-Agribusiness Programme	Programme terminated.	0		DPIE
Australian Horticultural Promotion and Market Research	Marketing and promotion services for horticultural products.	1.00		DPIE
Clean Food Export Programme	Programme terminated.	0		DPIE
Innovative Agricultural Marketing Programme	Programme terminated.	0		DPIE
Wine Industry Export Development	Support for export promotion conducted by the Australian Wine and Brandy Corporation. Programme terminated 1 July 1997.	0.3		DPIE
Wine Industry Loan Conversion	Reimbursement of Australian Wine and Brandy Corporation marketing and promotion expenditure. Programme terminated 1 July 1997.	1.5		DPIE
<b>Infrastructure services</b>				
Sugar Industry Infrastructure Programme	Infrastructure development (transport, irrigation, drainage) in the sugar industry.	3.93		DPIE

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)				Data Sources
		1	2	3	4	
<i>State/Territory Governments</i>						
<b>Research and Development</b>						
New South Wales	Development of technologies and practices which increase the efficiency and sustainability of agricultural production.			61.44		NSW Agriculture
Northern Territory	Research into new technology and new products to enhance the competitiveness of agricultural production.			4.72		NT Department of Primary Industries and Fisheries
Queensland	Research and development into economically efficient and sustainable agricultural production.			113.15		Qld Department of Primary Industries, Fisheries and Forestry
South Australia	Applied research and development with commercial outcomes for agriculture.			10.76		Primary Industries SA
Tasmania	Research into development and improvement of efficient and sustainable agricultural practices.			1.91		Primary Industries and Fisheries Tasmania
Victoria	Investigation, assessment and development of best management practices, to address sustainable agriculture and development of improved agriculture practices.			1.15		Vic Department of Natural Resources and Environment
Western Australia	Research and development into production processing and marketing of agricultural production.			33.96		Agriculture Western Australia

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
Pest and disease control					
Australian Capital Territory	To eradicate noxious weeds and feral animals.			0.04	ACT Department of Urban Services
New South Wales	Provision of resources to ensure that disease and pest risks of particular relevance to agricultural production are minimised.			43.85	NSW Agriculture
Northern Territory	To control feral animals (such as pigs, donkeys and horses), eradicate noxious weeds and to eradicate diseases in cattle and buffalo herds.			5.07	NT Department of Primary Industries and Fisheries
Queensland	Pest and disease management and regulation.			21.74	Qld Department of Primary Industries, Fisheries and Forestry
South Australia	Funds to maintain control of animal pests especially dogs and dingoes.			0.29	Primary Industries SA
Tasmania	Programmes for the eradication and control of pests and diseases impacting on the agricultural sector.			3.42	Primary Industries and Fisheries Tasmania
Victoria	Pest and disease management and regulation.			10.1	Vic Department of Natural Resources and Environment
Western Australia	Industry resource protection through quarantine surveillance and early warning systems, disease and pest eradication and control.			17.37	Agriculture Western Australia

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
Training Services					
Australian Capital Territory	Training in the use of weed control equipment and chemical usage.		0.01		ACT Department of Urban Services
New South Wales	Training on productivity enhancement for agricultural producers.		4.54		NSW Agriculture, NSW Rural Assistance Authority
Western Australia	Training support for sustainable rural as well as trade and market development.		5.72		Agriculture Western Australia
Extension and Advisory Services					
Australian Capital Territory	Provision of advisory services to agricultural producers.		0.01		ACT Department of Urban Services
New South Wales	Provision of advisory and extension services to ensure that best-practice methods are adopted by the industry.		15.36		NSW Agriculture
Northern Territory	Extension and advisory services for agricultural producers.		6.46		NT Department of Primary Industries and Fisheries
Queensland	Provision of extension and advisory services on soil conservation, tree care, farm water and ground water.		36.89		Qld Department of Primary Industries, Fisheries and Forestry
South Australia	Provision of extension advice on farm management and financial planning.		0.03		Primary Industries SA

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
Tasmania	The provision of advice concerning farm management, finance and general agriculture and the dissemination of results from research programmes.			4.17	Primary Industries and Fisheries Tasmania
Victoria	Provision of extension advice regarding land conservation, pest and disease control and sustainable agricultural practices.			13.8	Vic Department of Natural Resources and Environment
Western Australia	Extension and advisory services to enhance ecologically sustainable development of rural industries.			9.36	Agriculture Western Australia
<b>Inspection Services</b>					
Tasmania	Inspection services for quarantine, export/import and pest and disease control.			4.13	Primary Industries and Fisheries Tasmania
Western Australia	Inspection services for agricultural industries.			8.53	Agriculture Western Australia

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
Marketing and Promotion					
Northern Territory	To identify and promote market opportunities for Territory products and enhance the ability of Territory producers to effectively exploit those opportunities.			0.3	NT Department of Primary Industry and Fisheries
New South Wales	To promote value-adding to agricultural products for export.			0.50	NSW Agriculture
Queensland	Generating and disseminating information on marketing systems in target countries and market opportunities for specific primary products.			0	Qld Department of Primary Industries, Fisheries and Forestry
South Australia	To encourage and develop investment and exports.			0.95	Primary Industries SA
Tasmania	Provision of marketing and promotion information and advice for the development of trade.			1.16	Primary Industries and Fisheries Tasmania
Western Australia	To develop market opportunities for a range of agricultural products.			8.5	Agriculture Western Australia
Infrastructure Services					
Northern Territory	To co-ordinate the provision of infra-structure essential for the development of Territory primary industries and to attract new investments to the Territory.			0.48	NT Department of Primary Industry and Fisheries
New South Wales	Provision of capital works such as irrigation systems, tile drainage and soil earthworks.			24.09	NSW Agriculture, Department of Land and Water Conservation
Tasmania	Assistance in the provision of rural infrastructure and associated services to ensure the continued development of efficient and sustainable agriculture.			2.77	Primary Industries and Fisheries Tasmania
Subtotal				615.11	

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)				Data Sources
		1	2	3	4	
(f) "payments for relief from natural disasters"						
Commonwealth Government						
Rural Adjustment Scheme (Exceptional Circumstances Provisions)	For farmers whose farm business incomes have been adversely affected by exceptional circumstances (such as extreme and prolonged drought).			49.58		DPIE
Coffs Harbour - Tropical Fruit Producer assistance	Grant to eligible tropical fruit producers in the Goffs Harbour region to reconstruct access roads damaged as a result of storm/flood event of 23 November 1996 to allow access to tropical fruit plantations.			0.01		DPIE
State/Territory Governments						
New South Wales	Natural disaster relief in the form of counselling, grants and interest subsidies to provide support to farm families and farm business to mitigate the effects of drought, floods, bushfires, storms and earthquakes.			6.57		NSW Agriculture, NSW Rural Assistance Authority
Northern Territory	To provide assistance in the form of interest subsidy to producers who suffer severe droughts.			0.66		NT Department of Primary Industries and Fisheries
Queensland	Interest subsidy to assist recovery from exceptional drought conditions.			5.89		Queensland Rural Adjustment Authority
South Australia	Grants and interest rate subsidies for primary producers in drought declared areas.			0.12		Primary Industries SA
Western Australia	To assist pastoralists to delay restocking after drought and prepare a recovery plan.			0		Agriculture Western Australia
Subtotal				62.82		

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)				Data Sources
		1	2	3	4	
(g) “structural adjustment assistance through producer retirement programmes”						
Commonwealth Government						
Rural Adjustment Scheme (Re-establishment Scheme)	Grants or loans to farmers, in financial difficulty and without prospects for long-term profitability, to leave the farming sector.			9.92		DPIE
State/Territory Governments						
New South Wales	Re-establishment assistance and advice to producers for adjustment out of agricultural production industries.			0.59		NSW Rural Assistance Authority
Queensland	Support to individual producers to assist with adjustment of the primary production.			1.64		Queensland Rural Adjustment Authority
South Australia	To assist primary producers with relocation costs.			0.09		Primary Industries SA
Western Australia	Assistance to farmers, whose farm businesses are not viable, to leave the industry.			0.52		Agriculture Western Australia
Subtotal				12.76		

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)	Data Sources
1	2	3	4
(i) "structural adjustment assistance through investment aids"			
Commonwealth Government			
Rural Adjustment Scheme (Productivity Improvement)	Farm business support by way of interest rate subsidies up to a maximum value of 50% of the total interest payable on new or existing loans for up to 3 years. The total amount of interest subsidy payable for all categories of RAS farm business support, including exceptional circumstances provisions, may not exceed \$100,000 per applicant in any 12 month period, or a cumulative total of support of \$300,000 over the previous 5 years.	28.53	DPIE
State/Territory Governments			
New South Wales	Interest rate subsidy for capital restructuring and farm consolidation.	8.74	NSW Rural Assistance Authority
Queensland	Concessional loans providing structural adjustment assistance to primary producers and young farmers.	12.54	Qld Department of Primary Industries, Fisheries and Forestry
South Australia	Interest rate subsidy for rural adjustment.	0.89	Primary Industries SA
Subtotal		50.70	

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)			Data Sources
		1	2	3	
(j) "environmental programmes"					
Commonwealth Government					
National Landcare	Assistance for community groups for natural resource management that provides public benefit.			86.35	1996/97 Commonwealth Budget documents
Murray-Darling Basin Initiative	To promote and coordinate effective planning and management for the equitable, efficient and sustainable use of the water, land and other environmental resources of the Murray-Darling Basin.			29.3	DPIE
State/Territory Governments					
Australian Capital Territory	On ground works to alleviate soil erosion problems.			0.05	ACT Department of Urban Services
New South Wales	Funding for programmes for preventing and mitigating degradation of land and water resources associated with agricultural production.			22.63	NSW Agriculture, NSW Rural Assistance Authority, NSW Department of Land and Water Conservation
Northern Territory	To combat soil degradation and erosion in farm lands.			8.67	NT Department of Primary Industries and Fisheries
South Australia	Aids community groups initiate revegetation projects.			0.05	Primary Industries SA
Tasmania	The provision of services to agricultural producers to limit environmental damage and to encourage sound practices to minimise soil erosion, salination and water damage.			2.60	Primary Industries and Fisheries Tasmania
Victoria	To ensure that land and water resources are managed within an ecologically sustainable framework.			51.6	Vic Department of Natural Resources and Environment
Subtotal				201.25	

Measure type	Name and description of measures with reference to criteria in Annex 2	Monetary value of measure in year in question (\$A million)	Data Sources
1	2	3	4
<b>(k) “regional assistance programmes”</b>			
<i>Commonwealth Government</i>			
Rural Adjustment Scheme (Regional)	Facilitates farm exits and/or productivity improvements in rural regions currently faced with substantial economic, social or environmental challenges.	2.19	DPIE
<i>State/Territory Governments</i>			
South Australia	Assistance to landholders of the Eyre Peninsula with property planning, land capability assessments and salinity rehabilitation.	0.12	Primary Industries SA
<b>Subtotal</b>		<b>2.31</b>	
<b>TOTAL</b>		<b>944.96</b>	

Supporting Table DS: 4

**DOMESTIC SUPPORT: Australia**  
**REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)**  
*Calculation of the Current Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below)	Product-specific equivalent measurements of support (from Supporting Tables DS:8 below)	Current Total AMS (aggregate)
1	2	3	4
	\$A million		\$A million
Milk	144.19	0	144.19
Dried Vine Fruit			0
Eggs			0
Rice			0
Sugar			0
Wheat	2.6 ( <i>de minimis</i> )		0
Non-product specific AMS			0
			<b>TOTAL: 144.19</b>

Notes: Assistance for dried vine fruit, eggs, rice, and sugar were listed in Australia's AMS during the base period. Since that time changes to Government assistance programmes has resulted in assistance no longer being provided.

Dried Vine Fruit - Statutory equalisation and underwriting removed from 1990 and 1993 respectively.

Eggs - State Government marketing and price regulation phased out since 1 July 1989.

Rice - No market price support through preferential pricing, domestic pricing is now on a commercial basis and fluctuates in line with world price.

Sugar - The applied administered price removed from 1 July 1989.

Supporting Table DS: 7

**DOMESTIC SUPPORT: Australia**

**REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)**

*Product-Specific Aggregate Measurement of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic products	Year beginning	Measure type	Other product-specific budgetary outlays	Other product specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)	Total AMS	Data sources
				\$A million	\$A million	\$A million			\$A million	
1	2	3	4	5	6	7	8	9	10	11
						(4+ 5-6)			(7+ 8+ 9)	
Milk	1 July 1996	Support delivered through increases in the price of manufactured dairy products to domestic consumers by the levy payed on milk used in the manufacture of dairy products. The increase in the price of manufactured dairy products (consumer transfer) is calculated on a per litre of manufacturing milk produced and multiplied by total milk production less the market milk levy which is payed by producers.		180.29	36.1	144.19			144.19	Source: Milk production - ABARE
				See annexed tables for basis of calculation						Levy administration data - Australian Dairy Corporation
				Table 1 - Calculation of the Support /litre Based on Increases in the Price of Dairy Products						
				Table 2 - Basis of Levy Deductions						
				Table 3 - Calculation of total support						

**Annex Table 1: Calculation of the Support /litre Based on Increases in the Price of Dairy Products**

Year 1996/97	Gross Levy Imposed (a) \$A million	Milk Levy Deductions \$A million	Net Levy Imposed \$A million	Manufacturing Milk production Million litres	Support/litre cents/litre
	(1)	(2)	(3) = (1) - (2)	(4)	(3) / (4)
	311.9	169.9	142	7,120	1.99438

(a) comprised of the manufacturing milk levy and the market milk levy

**Annex Table 2: Basis of Levy Deductions**

	\$A million
Levy Exemption on the basis of exports of manufactured dairy products (b)	167.0
Rebates for downstream Processors (b)	12.3
Administration	2.0
Contingent Liability for levy paid on stocks designated for export (c)	-11.4
Total Reduction	169.9

(b) Levy paid on milk which is subsequently exported generates a levy liability reduction to manufacturers or a rebate credit to downstream processors.

(c) In 1996/97 the negative contingent liability for levy paid on stocks designated for export emanated from higher than expected stocks at 30 June 1996 which were subsequently exported with consequential manufacturing levy liability reduction. In addition the higher protein content of milk resulted in higher domestic market support payments than expected as the payments are made on the basis of milk fat and protein. The negative contingent liability has been met through commercial borrowing. In hindsight the level of domestic support payments for 1996/97 was set at too high a level, which necessitated borrowing - for equity reasons the rate is not changed during a single year. This has been corrected for 1997/98 with a 22 per cent drop in the payment rate to generate a surplus at 30 June 1996.

**Annex Table 3: Calculation of Total Support**

Year 1996/97	Support/litre (from Table 1) cents/litre	Total Milk Production Million litres	Total Support \$A million
	(1)	(2)	(1) * (2)
	1.99438	9,040	180.29

Supporting Table DS:6

**DOMESTIC SUPPORT: Australia**

**REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)**

*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Applied administered price	External reference price (generally from AGST/...)	Eligible product ion	Total price-related direct payments	Other non-exempt direct payments	Associated fees/levies	Total direct payments	Data sources
1	2	3	4	5	6	7 ((4-5)*6)	8 \$A million	9	10 (7+ 8-9) \$A million	11
Wheat	1 July 1996	(a)					1.2			DPIE
		(b)					1.4		2.6	DPIE

(a) Direct payment to compensate for shipping costs incurred on domestic sales of wheat to Tasmania.

(b) The final payment associated with the Government's guarantee of AWB borrowing for grower payments relating to the 1986/87 wheat pool.

*De minimis* -1996/97 GVP Wheat production - \$A 4802 million (ABARE Australian Commodities, September 1997)

REPORTING PERIOD: 1996/97 fiscal year (1 July - 30 June)

Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS

Description of basic product	Calendar / marketing year beginning ...	Measure type(s)	Other product-specific budgetary outlays	Other product-specific support (include calculation details)	Associated fees/levies	Total other product-specific support	Market price support (Supporting Table DS:5)	Non-exempt direct payments (Supporting Table DS:6)	Total AMS	Data sources
1	2	3	4	5	6	7 (4+ 5-6)	8	9 \$A million	10 (7+ 8+ 9) \$A million	11
Wheat	1 July 1996							2.6	2.6	DPIE