



CHECK AGAINST DELIVERY

**'Farmers – A Vital Part of Australia's Future'**

**Address by NFF President, Mr Peter Corish**

**Rural Press Club of Victoria**

**26 May 2005**

**Acknowledgements**

- Peter Flaherty, President, Rural Press Club of Victoria (RPCV) and Editor of The Weekly Times
- Susan McNair, Vice President of RPCV and Editor of Stock and Land
- Distinguished guests, members of the media.

**Introduction**

- It's great to be here today and to be given this opportunity to address the Rural Press Club of Victoria on behalf of the National Farmers' Federation.
- And I would like to give a warm hello to all of you who have been able to join us throughout rural Victoria via video link.
- It's always a pleasure to address a group such as this – all of you deeply interested in, and informed about, the issues facing rural Australia and agriculture.
- Unfortunately, a growing number of Australians are not like you.

- While in the past couple of weeks we have seen images of the ongoing drought beamed into urban lounge rooms thanks to renewed metropolitan media interest in the issue, there remains a growing disconnect between metropolitan and rural Australia. It's not a new problem, but it certainly remains one of our big challenges.
- Today, I would like to discuss the urban-rural divide and how we can address the issue, and in the course of doing so, underscore for you the basic principle that farmers are vital for Australia to live and prosper.
- But first I would like to touch on the role of NFF, our current priorities and the changing dynamics in federal politics this year.

### **NFF's Role in the Federal Political Arena**

- As the peak national body for Australian farmers, NFF works mostly within the federal political arena to achieve outcomes for farmers on national and international issues.
- NFF represents producers of all major agricultural commodities.
- We work regularly with the Federal Government, Federal Opposition, parliamentary and other committees of inquiry, the Commonwealth Public Service, non-government organisations and other business and interest groups. NFF has close working links with all of these groups and we are non-party political.
- Our policy work focuses on three core areas:
  - Reducing the costs and increasing the viability of farmers;
  - Increasing the size of markets; and
  - Improving the sustainability of agriculture.
- Let me outline for you now, some of NFF's key policy priorities, before I go back to the urban-rural divide and how that impacts on the policy debate and ultimately, on Australian farmers.

## RESOURCE SECURITY

- NFF's number one policy priority is resource security for farmers in relation to both water and native vegetation and biodiversity. In other words providing greater certainty for investment and the environment.
- Last year we had a breakthrough on water with the Council of Australian Governments' agreement to the National Water Initiative.
- We are now seeking a similar Intergovernmental Agreement (IGA) to provide farmers, rural communities and the environment greater certainty over native vegetation and biodiversity management.
- NFF is taking a very positive attitude to what it wants the IGA to deliver.
- We want governments to concentrate on providing greater certainty by winding back the multitudes of 'red tape' that currently overwhelm farmers and put in place arrangements to deal with future change in a responsible, fair and equitable way.
- Native vegetation and biodiversity management, like water, is a national issue that requires national action.
- That is why we are urging Australia's political leaders to work together on this important national issue at the upcoming meeting of the Council of Australian Governments in Canberra on 3 June 2005.

## TRADE

- Trade remains a key priority of NFF and in recent times we have seen a plethora of Free Trade Agreement (FTA) negotiations being announced by the Australian Government, including proposed FTAs with China, the United Arab Emirates, Malaysia and ASEAN / New Zealand.
- In relation to the China FTA, NFF recognises that there are sensitivities for Australian horticulture, including growers here in Victoria, and the emergence of China as a competitor in global processed, and increasingly fresh food markets is a reality that Australian farmers must confront, independent of whether we ultimately sign an FTA with China, or not.

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- NFF has taken the view that while that openness of the Australian economy will mean that import competition from China is a reality, given there are existing barriers that keep Australian farm produce, including horticultural produce out of China, we must acknowledge the opportunities that an FTA with China could offer farmers in terms of full and immediate access.
- We have specifically sought to ensure that the views of horticulture are represented by including representatives of Horticulture Australia Limited on our China FTA Working Group. This Working Group will help decide NFF's response to the specific details of any China FTA.
- Once the Australian Government announces its intention to negotiate an FTA, NFF takes the view that we should play an active role in the negotiations to secure the best possible deal for Australian farmers.
- NFF will work with ALL agricultural sectors and lobby government hard to ensure that any concluded agreement is in the best interests of all Australian farmers and reserves the right to oppose the final agreement if we believe it is not in the interests of Australian farmers.
- However, NFF believes that high quality comprehensive FTA's with China, Malaysia, the UAE and ASEAN all have the potential to provide significant benefits to Australian farmers in the form of improved market access and a more transparent and predictable Chinese import system.
- Having said this about FTA's our number one trade priority remains the WTO Doha Round.
- Because without doubt the greatest opportunity for Australian farmers to realise improved returns in international markets lies with multilateral reform under the World Trade Organisation (WTO) umbrella, and the obligations its member countries have to deliver on their commitments under the Doha mandate.
- We believe that WTO Ministers have a once in a lifetime opportunity this year to fundamentally reform world trade in agriculture by delivering on the original mandate of the Doha Round.

- On behalf of Cairns Group Farm Leaders, I launched a campaign this year designed to inject new momentum into the Doha agricultural talks – and this campaign is working - the US, EU and others are well aware of this campaign and we will keep the pressure on in the lead up to Hong Kong.
- This full Ministerial Conference of the WTO this December will be crucial because the time is right to conclude this Round and the time is right to deliver Australian farmers the new market access they need to grow their businesses for the next decade.

## DROUGHT

- I touched on the media coverage of the drought earlier and I know that all of you will be fully aware of just how crucial it is that we get some breaking rains soon.
- The whole of eastern Australia and the pastoral zones of the Northern Territory and Western Australia are on a knife's-edge.
- While the failings of current National Drought policy have been all over the recent headlines, the issue of National Drought Policy Reform has been an important priority for NFF for the last 5 years.
- NFF has been calling on governments to deliver additional support to farmers in preparing for drought, but also important changes to the Exceptional Circumstances (EC) system to aid farmers in surviving severe and prolonged drought events beyond the scope of which they could be expected to manage.
- The reason NFF has placed such a high priority on securing National Drought Policy reform, and devoted considerable effort over the last five years on the issue, is because the current Exceptional Circumstance (EC) system continues to fail many of our members.
- NFF is tired of seeing farmers who having done everything possible to prepare for, and manage their business through drought, fall through the gaps of the current EC system.
- As a consequence of inflexible asset and income tests, problems with the declaration system and the inequitable interest rate subsidy arrangements, too many farmers facing exceptional drought conditions, are missing out on any form of support.

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- Let just hope that after five years of discussions, the Prime Minister, following his drought tour last week, shows the national leadership required and takes full control of the EC system, paving the way for the long overdue reforms required to establish a fair and equitable EC system in this country

## LABOUR SHORTAGES

- Some 70,000 jobs have been lost in rural Australia as a result of the current drought and that brings me to another key area that NFF is currently addressing – the chronic labour shortages in rural Australia.
- These labour shortages include unfulfilled demand for skilled, semi-skilled and unskilled workers.
- NFF is in the final stages of developing a labour shortages action plan to tackle a broad range of interrelated factors which contribute to this complex issue.
- We regard migration solutions as one part of a comprehensive strategy which must also include measures to create greater demand for rural jobs by Australian workers and to ensure that Government programs are effectively connecting available domestic labour with job vacancies.

## OTHER KEY ISSUES

- The return of the Coalition Government for a fourth term, with an increased majority and control over the Senate about to take place, the Federal Government will be in a position to pass much-needed industrial relations reforms through the Senate.
- Farmers, who have a lot to gain from decentralisation of the current system, will welcome these reforms. They will not only be good for farm businesses, they will also be good for overall employment and social conditions in rural Australia.
- Also high on the Government's agenda is the sale of the remaining Government shareholding in Telstra.
- The NFF position on Telstra is clear. Levels of telecommunication service in rural and regional areas are to be equivalent to those in urban Australia before NFF will consider any further sale of Telstra, and the Federal Government must provide

appropriate mechanisms to guarantee ongoing provision of equitable telecommunication services and service quality for all Australians.

- Currently, about half the Rural Telecommunications (Estens) Inquiry recommendations are still to be implemented, including these vital 'future proofing' measures.
- It is not just equitable telecommunications services that is paramount to rural Australia, it's also the need for Government to develop an appropriate regulatory framework that allows a national competitive telecommunications marketplace to flourish.
- What challenges and opportunities does the changing Senate provide for NFF? While the role of the minor parties will be significantly diminished, the role of Government backbenchers will be magnified. It is up to lobby organisations such as NFF to seize the opportunity that this presents to continue to ensure that all Members of Parliament are well-briefed on the concerns and needs of rural Australia.
- Farming continues to face significant challenges. As well as many farmers still in the grips of one of the worst droughts ever, there are increasing signs of an economic slowdown, interest rates are rising, fuel prices are at near record highs, the exchange rate is unsustainably high not to mention the ongoing challenges of ever more competitive and integrated international markets and increasing community expectations on farmers to provide environmental and other public good outcomes.
- NFF continues to advocate policies to address these challenges across a broad range of policy areas, some of which I have already spoken about in detail, but which also include transport infrastructure, chemical and fertiliser regulations and market power issues.
- So those are some of NFF's policy priorities, and against that backdrop, what is the significance of the growing urban-rural divide?

## **The Country-City Divide**

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- You've all heard of the country-city divide – and some commentators argue that at present, this divide is wider than ever.
- No longer do the majority of city folk have a country cousin.
- But one of the greatest ironies about the urban-rural divide is that rural Australia also provides a major input into metropolitan jobs.
- Research released by the Australian Farm Institute this year shows that Australian agriculture supports about 1.6 million jobs. In other words, more than 17 per cent of all jobs in Australia are supported in some way by Australian agriculture. More than half of those jobs created by agriculture are actually located in Australia's six State capital cities.
- So while the city folk may not have a country cousin, chances are, they have a city relative or friend whose job is supported by Australian agriculture, or their own job may rely on agriculture.
- Urban dwellers also rely just as heavily on rural enterprise today for their food, clothing and perhaps even their job, but the reality is that they are far less likely to understand what was required to produce it – or the farming families who helped produce it.
- And that's a significant issue for farmers.
- It means that on issues which are really biting us in the bush, like the current debate over land and native vegetation management, urban populations are not likely to understand what farmers need – or indeed why they need it, in order to continue producing the quality food and fibre the population demands.
- Mention the issue of native vegetation and the urban population is just as likely to picture a bulldozer and chains.
- Yet mention native vegetation to a farmer and they will have a vastly different mental picture – a picture of themselves and their families tied up in a forest of government red tape. In many cases, this red tape actual prevents farmers from effectively managing the native vegetation and biodiversity on their properties.

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And let's not forget that native vegetation is more than just big trees – it also includes other vegetation types such as shrubs and grasses.

- As I said earlier, governments need to provide greater certainty to farmers over their native vegetation and biodiversity on their properties by winding back the mass of red tape.
- This certainty will also deliver better outcomes for the environment, as well as for sustainable production.
- It's important to remember that more than 60 per cent of Australia's landscape is managed by farmers.
- Farmers are the nation's frontline environmental managers.
- The natural environment is their home, their livelihood and the legacy they will pass on to the next generation.
- And that's supported by ABARE statistics which show that 99 per cent of Australian farms are family owned and operated – they are being passed to the next generation, with all the responsibilities that entails.
- But it's not just environmental issues that expose the rural-urban divide.
- The current debate on animal welfare is another perfect example where extremist views can influence metropolitan audiences who do not understand the facts.
- Read the letters pages of any rural newspaper and you will know how divisive this issue has been.
- Farmers and farming families find elements of this debate deeply offensive.
- The suggestion that they are cruel to their animals goes against everything that farmers stand for.
- Healthy, well fed and well cared for animals produce better quality food and fibre.
- The bottom line is that farmers care a great deal for their animals.

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- In order to secure the future, the NFF must confront the city-country divide and work hard to:
  - improve the perceptions of agriculture and regional Australia;
  - raise awareness and understanding of food and fibre production systems; and
  - promote the unique business and social opportunities offered by rural and regional living;
- In this regard we need Government policies that recognise the urban-regional divide and provide incentives to promote the flow of investment, business and population into regional Australia.
- NFF accepts that we have a leadership responsibility, and over our 25-year history NFF has devoted significant resources to projects to keep city people connected with the bush.
- In fact, NFF conducted community research ahead of our major 'Our Country' campaign, which was launched in 1986. This research identified a lack of awareness regarding Australian agriculture.
- These findings were echoed in 2003 when a report by Crosby | Textor for NFF found similar concerns. What was encouraging, however, was the Crosby | Textor research found that rural and country Australia was regarded as the 'backbone of Australia' and that farmers are regarded as tough, hardworking, honest and down-to-earth people who are often confronted with challenges such as drought and isolation.
- What this tells us is that the underlying community attitude toward farmers and agriculture is quite positive, which gives us a firm base on which to build better understanding.
- As well as fostering greater understanding, we need to ensure that we continue to promote positive images and messages about rural Australia.
- And there are plenty of positive things to say – about the rural way of life, agricultural innovation, the resilience of farmers in the face of adversity, our strong

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emphasis on sustainable production, our commitment to the highest standards of animal welfare, our vital contribution to the nation's economy, just to name a few.

- These positive messages will not only help us fight off threats from groups like animal extremists and environmental extremists, but it will also help us to keep rural Australia strong. Promoting rural Australia is an important part of any strategy to attract and retain workers and families on farms and in our rural communities.
- There are a number of other positive developments which reinforce our confidence in the future of Australian agriculture:
- As people become more discerning about what they eat and wear and how it is produced, Australian farmers can be confident and proud that our produce stacks up against anything in the world. Australian farmers produce the clean, green and safe food and fibre which is demanded by the metropolitan population.
- Rural industries have been brought together by the current attack by animal rights extremist group People for Ethical Treatment of Animals (PETA). A diverse range of rural organisations, both from inside and outside the NFF umbrella, are working closely together like at no other time in the past to ensure that we can effectively counter this misleading campaign by PETA. I am confident that this strong industry cooperation can be harnessed and built upon for other challenges and opportunities.
- Federal Agriculture Minister Warren Truss in March embraced NFF's call in August last year for the development of a blueprint for Australian agriculture. We regard this as vital to ensure that agriculture is in the best position to meet the challenges it faces and seize opportunities for growth. A taskforce has been established, of which I am the chair, and we will report back to Government by Christmas.

## **Conclusion**

- I would like to finish with some comments about the role that you, as rural journalists, have to play in relation to the promotion of rural Australia.

- While the metropolitan media can influence the hearts and minds of urban Australia, there is also an important role for rural media in keeping our farmers and our rural communities strong.
- It is vital that you keep space among the inevitable bad news stories to reflect back to our rural people their triumphs, their innovation and the beauty of their way of life.
- And I know you are already doing that, so we congratulate you and encourage you to keep up the good work.
- So finally, to sum up:
  - Farmers produce the food that people eat.
  - Farmers produce the fibre that makes the clothes that people wear.
  - Farmers manage more than 60 per cent of the Australian landscape.
  - Farmers make a significant contribution to the Australian economy.
  - Farming supports 1.6 million Australian jobs.
- **Farmers – a vital part of Australia’s future.**
- Thankyou.

Ends

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