



CHECK AGAINST DELIVERY

## **“National Farmers’ Federation Update”**

**Address by NFF CEO Ben Fargher**

**AgForce 2005 State Conference, Kingaroy Town Hall**

**18 July 2005**

### **Acknowledgements**

- Peter Kenny
- Brett de Hayr

### **Introduction**

- Thankyou for the invitation to join you at the AgForce State Conference and to address this Business Breakfast.
- NFF greatly appreciates the support and close cooperation we get from the team at AgForce, and its always a pleasure to visit you and have the chance to update you on the hard work that NFF has been doing to secure important wins for farmers in Queensland and across Australia.

### **NFF Activities in 2005**

- To date, 2005 has been an extremely busy year for Australian agriculture.

- There are an unprecedented number of farming issues on the national agenda, from drought and rural telecommunications, to native vegetation and biodiversity management. From water reform and quarantine, to industrial relations reform, labour shortages and trade agreements – the list goes on.
- I obviously can't go into detail on NFF's work across all of these issues today, but rather I would like to highlight a few key areas and I would welcome your questions at the end on any other areas which may be of interest to you.

### **Native Vegetation and Biodiversity Management**

- I will start with the latest developments in our quest for reform in relation to native vegetation and biodiversity management.
- It's a big issue in Queensland, as with a number of other States.
- But you could be forgiven for thinking if you had been reading the Queensland rural media in recent weeks that it's no longer a priority for NFF.
- This couldn't be further from the truth.
- You will be aware that farmers suffered a set-back at the most recent COAG meeting in June, when Governments failed to grasp the opportunity to positively address the problem of uncertainty in regard to native vegetation and biodiversity management.
- This was a disappointing outcome, but despite this setback our policies and our resolve remains as strong as ever to achieve an acceptable outcome for farmers on this issue.
- NFF, strongly supported by our member organisations, believes that certainty over the management of native vegetation and biodiversity is a fundamental requirement for

farmers to continue to be able to invest in sustainable agriculture.

- At the NFF Annual Conference in Canberra last month (15-16 June) – which was attended by Peter Kenny and Brett de Hayr on behalf of AgForce – Larry Acton was re-elected Chairman of NFF's Land and Native Vegetation Taskforce and we are grateful to have Larry's ongoing commitment and expertise in this area.
- The Conference reaffirmed NFF's commitment to take up the fight on behalf of farmers for governments to do the following:
- Reduce the 'red tape';
- Develop and implement a future risk assignment framework for native vegetation similar to the National Water Initiative; and
- Adopt the NFF National Environment Management Program (NEMP) to provide landholders with direct incentives to deliver environmental services including greenhouse savings demanded by the community.
- This issue will now go back to NFF's Land and Native Vegetation Taskforce to develop a new plan of attack on this issue.
- One of the avenues the Taskforce will be looking at will be opportunities to pursue some of our objectives through the two flagship Commonwealth NRM programs – the National Action Plan for Salinity and Water Quality and the Natural Heritage Trust.

## **Rural Telecommunications**

- I'd like to turn now to the issue of rural telecommunications and, hand in hand with that, the further sale of Telstra.

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- NFF is maintaining a firm position on the potential sale of Telstra.
- We will not consider any further sale until telecommunications in rural Australia are brought up to scratch and unfortunately, substantial work needs to be done to bring these services up to an acceptable standard.
- Australian farmers had expected rural telecommunications services to improve in the three years since the Rural Telecommunications (Estens) Inquiry.
- Unfortunately, when it comes to basic telephone service improvements in the bush, the Federal Government is yet to deliver.
- In fact, the Government's own figures show that telephone repair performance in rural Australia is on the decline. It has dropped by as much as 5 per cent in recent years and we are extremely concerned about that downward trend.
- You are all fully aware that farmers in the 21st Century need access to more than just a basic telephone service. They also need affordable, quality mobile and Internet services to remain competitive in the world marketplace.
- The NFF Telecommunications Taskforce reported to NFF's Annual conference that performance benchmarks we set prior to the RTI in 2002 had not been met.
- It is our strong contention that these very reasonable benchmarks, relating to basic telephone service faults and repairs, must be met before Government can say with any credibility that services in the bush have been improved.
- The Federal Government promised to deliver outcomes from the RTI by its acceptance of all 39 recommendations in June 2003.

- But we are still waiting for the legislation which guarantees ‘future proofing’ and regular telecommunications service reviews for rural Australia.
- We are still waiting for changes to network reliability standards that actually deliver improvements to rural telecommunications networks.
- It is just not equitable to expect farmers to pay twice as much for higher bandwidth services.
- We want to know when changes will be implemented to deliver equitable and affordable higher bandwidth services to rural Australia.
- NFF is working very hard in Canberra to push for the full implementation of Estens. Until that happens, we will not consider the further sale of the remaining Government share of Telstra.

## **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.

- To assist farmers' with the migration options, NFF has recently secured the placement of a Department of Immigration officer to advise on employer sponsored visa applications. The officer will be initially working out of the VFF office but will be available to provide assistance to farmers throughout the NFF network across the country, including here in Queensland.

## 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. Negotiations are currently underway 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 Queensland, 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.
- NFF has taken the view that while the 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 out of China, we must acknowledge the opportunities that an FTA with China could offer farmers in terms of full and immediate access.
- Once the Australian Government announces its intention to negotiate an FTA, NFF takes the view that while we reserve final judgement until we get to the end of the negotiation 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.
- 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 all 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 generation opportunity this year to fundamentally reform world trade in agriculture by delivering on the original mandate of the Doha Round.
- The WTO Doha Round is in trouble even after the G8 and a Ministerial meeting in China last week. Urgent strong political leadership is required from the United States, the European Union and key developing countries (India, Brazil and China) for this December's 6<sup>th</sup> WTO Ministerial Conference in Hong Kong to be successful
- The WTO Director-General said recently that it was time to move from identifying problems to solving problems, from generalities to specifics and from deciding whose fault everything is to finding solutions – I agree with this assessment.

- Frankly, the problem remains agriculture and specifically agricultural market access because the European Union, Japan, Switzerland and others lack ambition.
- The world must recognise that we are running out of time and if progress isn't made soon Australian and Cairns Group farmers will miss a once in a generation opportunity to make world trade in agriculture fairer which will help us grow our farm businesses and it is also the best thing we can do to help the developing world take people out of poverty - World Bank says 320 million people.
- In 2004 OECD country agricultural support totalled US\$279 billion accounting for up to 30% of farmers' incomes. The EU US\$133 billion, Japan spent US\$49 billion and the US spent US\$46.5 billion – this support hurts farmers all around the world and it needs to be addressed
- The Ministerial Conference of the WTO this December will be crucial 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.
- Before I leave the topic of trade I would like to say a few words about the issue of quarantine.
- There is much debate at the moment about quarantine issues – whether it be around pork, apples, beef or another commodity.
- What is not debatable, however, is that NFF stands firmly behind Australia's science-based quarantine system.
- Many of our overseas competitors believe Australia uses quarantine as a trade barrier and on the other hand some groups in Australia believe the system is not tight enough. I believe that there is a lack of awareness on both sides about how our system works – NFF has a responsibility to ensure

farmers understand the system and that people have confidence in the system.

- The bottom line is that science must determine quarantine protocols. This is what the international law says and this is what is in the interests of Australian agriculture.
- While I am on the subject of quarantine and animal health, I must point out that the activities of animal rights extremists, including groups such as the People for Ethical Treatment of Animals or PETA, have been a major issue for NFF in the past year. These groups oppose any consumption of meat, fish or eggs, and keeping animals for pets.
- NFF has worked hard with industry to combat the misleading anti-mulesing and anti-live exports campaign which has been promoted by PETA in a bid to shut down our sheep and wool industry. The bottom line is that Australian farmers are committed to the welfare of their animals.
- Animal rights extremists, environmental extremists and labour shortages – all exacerbated by the growing city-country divide - are among a range of growing pressures confronting Australian farmers.
- NFF recognises this growing issue and as we have done in the past, we are working hard to combat these external pressures and promote the positive story of Australian agriculture's contribution to our economy, environment and way of life.

## **Drought**

- Before I finish, I would like to touch on the ongoing drought.
- There have been some welcome recent rains which have boosted confidence and enabled farmers in some areas to plant winter crops.

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- However, one fall of rain does not break a drought and for livestock producers, there is another winter of hand-feeding ahead.
- The Federal Government recognised the severity of the ongoing drought with its announcement of a drought assistance package on 30 May.
- The Government responded to farmers' calls by introducing more flexible eligibility criteria for Exceptional Circumstances (EC) assistance programs and more generous business support for farmers experiencing prolonged drought, and has committed to reviewing those EC regions previously rejected for EC roll-overs.
- Importantly, the off-farm income limit was increased by \$10,000 and the Government responded to NFF's calls by doubling the current off-farm assets limit to \$435,000 for EC business assistance.
- With the passage of the enabling legislation for this package through the Federal Parliament on 1 July, it is important that farmers are encouraged to take advantage of the new more flexible eligibility criteria. I cannot stress enough that farmers should not self-assess, but should seek further information about what assistance measures they may be eligible for.
- It was disappointing that the Government has not offered farmers the opportunity to access business support in the form of a grant, which NFF believes would deliver more flexible and equitable assistance.
- NFF will continue to push for fundamental reforms to Australia's drought policy, in particular for the Federal Government to take full control of the Exceptional Circumstances program.

- There has been quite a bit of misinformation in the media about the drought package – and quite a bit of negativity from some commentators labelling the assistance an unjustified subsidy.
- This is unfortunate.
- NFF has always maintained a risk management ethos. We believe farmers should manage their risk like other small businesses and we do not reconcile from that.
- But we do believe there are circumstances – exceptional climatic events outside normal risk management frameworks, where the Government has a responsibility to intervene or risk losing the productive capacity of entire regions.
- EC support is not about propping up unviable farmers. It is about assisting good farmers through exceptional climatic events outside normal risk management plans. That's a fundamental difference.

## **Conclusion**

- As I said earlier, NFF is pursuing policies with the Federal Government across a wide range of fronts, but hopefully I have been able to update you on some of the key areas.
- Thanks again for the opportunity to join you here today.
- NFF looks forward to continuing to work with AgForce, and your new leadership team, to progress policies of importance to Queensland farmers at the federal level.
- I would now welcome your questions.

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