



PRIME MINISTER

ADDRESS TO NATIONAL FARMERS' FEDERATION NATIONAL CONGRESS
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CHECK AGAINST DELIVERY

ACKNOWLEDGEMENTS OMITTED

I want to begin by saying to the men and women of Australia's farming communities: because of your hard work and that of your forebears, Australia is an agricultural powerhouse.

Our agricultural industries export over \$30 billion worth of food a year.

They provide enough food to feed our own population three times over.

And our food supply chain employs around 1.6 million Australians, or 15 per cent of the nation's workforce.

All this in a continent that poses huge challenges of climate, logistics and workforce availability.

Our success didn't happen by accident.

Australian farmers have never been better educated or better connected.

We have better science.

We have better tools and equipment.

And in the Asian Century, we have bigger markets than we've ever had before.

Australian farmers are no strangers to Asia.

Your parents and grandparents led the way in the 1950s on our breakthrough deal with Japan that paved the way into the region.

So Asia is not new – but the scale of this opportunity is.

The Asian middle class is around 500 million strong today but will grow to 3.2 billion within two decades.

By 2025, half of the world's economic growth will come from this region.

Growth equals demand.

Demand for minerals. Demand for manufactures. Demand for services.

And, of course, demand for food.

Agrifood demand is set to double between 2007 and 2050.

Not just in China but in India, the ASEAN region and South Asia as well.

So unlike the past two centuries when our markets were far away, this time we are in the box seat.

A farmer in the US Midwest is twice the distance from Beijing than a farmer in Kununurra.

So Australia has an Asia advantage.

By seizing that advantage, we'll see agriculture's share of the Australian economy rise through to 2025, reversing the fall we've seen in the past decade.

Of course, even if we doubled our production levels, we couldn't put food on every Asian table.

But we can target the region with clean, sustainable produce, renowned for its quality and consistency.

Australia's opportunity is to provide high quality product to a growing middle class in areas where we have experience and advantage, especially beef, wheat, dairy products, sheep meat and sugar.

But more than that.

I want us to sell our ideas and innovative capacity as well.

Australia should be a supplier of choice for agricultural solutions like technologies to increase yields, reduce water use and lessen environmental degradation; soil management systems; and improving feed sustainability for marine aquaculture.

We've got so much to offer to the region and the world.

Succeeding in the Asian Century will demand a lot of us too.

The strategies that have worked for the domestic market won't always work in Asia.

Success will require a whole-of-Australia effort, with farm businesses, communities and governments being partners in a profound transformation of how we think and operate.

It will mean becoming more Asia-capable, like having more business people on company boards with direct expertise in the region.

Businesses must continue to increase adaptability and resilience to changes in the environment and economy, including drought and climate change.

They must become fully part of the region, adjusting their strategies, linking with regional value chains and developing long-term relationships.

And some businesses will need to look at their size and structure, finding new ways to grow and scale-up.

Finally, engaging with our north will demand new and deeper Asia-relevant job capabilities include adaptability, flexibility, resilience, creative thinking, and the confidence and readiness to operate in Asia.

We also face significant agricultural skill shortages spanning the entire value chain, especially in agribusiness and agricultural science.

Addressing these factors will require sustained effort.

We cannot build stronger relationships or learn new skills overnight, or even over five years, especially given the diversity of the countries in our region.

But we can begin now.

At the heart of Asia-readiness is productivity.

So since 2007, we've been focused on building the long-term productivity and sustainability of our nation's agriculture, fishing and forestry industries.

Australia's producers know the value of investment in rural research and development.

That's why we've provided \$1.1 billion to rural research and development corporations over our five budgets so far.

Our rural R&D policy included a commitment to continuing matching funding and outlined improvements that will drive productivity, investment and adoption of innovative practices.

We've also invested more than \$1.6 billion in biosecurity, to minimise threats and keep Australia's primary industries strong.

Released draft legislation to replace the century-old Quarantine Act.

And announced a state-of-the-art post entry quarantine facility in Victoria.

But we don't just need to refine what we sell but how we sell it.

In an increasingly interconnected world market, a premium is being placed on joined-up supply chains and partnerships.

So stronger entrepreneurial and management skills will be necessary to be successful in an increasingly interconnected global food industry.

Investments in water and transport infrastructure help farmers better integrate into supply chains.

Governments have an important role to play in getting the settings right and enabling the sector to do what it does best.

Through APEC we are working in the region to improve cross-border supply chain performance by 10 per cent by 2015.

This includes identifying and fixing choke points that limit fast, cost-efficient movement of goods.

In the Asian Century, our production and exports will expand, but our soil and water resources remain finite.

Farmers more than anyone know how fragile our natural assets are and how preserving them must be a priority.

As Prime Minister, I recognise you as frontline caretakers of our greatest assets – our soils, our water, and our biodiversity.

Soil is the very basis of our survival.

Clean air and water; food and fibre; and our unique biodiversity all rely on protecting our soil.

This valuable asset is threatened by climate change, land degradation and competing land uses.

So I seek a deeper partnership in trying to increase our soil health, our water quality, our biodiversity and vegetative cover.

Through innovation, research and improving on-farm practices, we can reduce our impact and increase our output.

Late last year we established a Working Group on Water, Soil and Food in recognition that the condition of our soils must be a national priority.

A key step in this direction is the appointment of a person with the authority and trust of the community to raise awareness of the importance of soil – an Advocate for Soil Health.

I'm pleased to announce that this important role will be filled by an eminent Australian, the former Governor-General, Michael Jeffrey.

As Governor-General, Michael Jeffrey had a passion for regional development and the future of our rural industries, a commitment he has continued since leaving office.

This role will also involve the development of soil research priorities to complement existing efforts to develop a national soil research, development and extension strategy.

Government departments, CSIRO and our rural RDCs must continue to take an integrated approach to ensure resources are used sustainably and we target investment to the right areas.

We also need to engage better with our soil scientists to take advantage of new ideas and provide the information that farmers need to look after their soil.

The Government recently announced the new \$700 million 'sustainable agriculture' stream in the next phase of the Caring for our Country program.

Helping farmers to improve the health of their soil will be a major component of this.

Healthy soil underpins biodiversity and the provision of ecosystem services.

The Government recognises the importance of biodiversity conservation, now and for future generations.

We also know that in this dry land, we know the next drought is only a matter of time.

So we're working with industry as well as State and Territory governments to reform drought management in Australia.

In these relatively good times, it's a unique opportunity to move from crisis management to preparedness.

The work is ongoing but we look forward to delivering a new and improved system to help producers deal with the impacts of climate variability.

Most important of all our land use challenges, we need to resolve the Murray Darling Basin Plan.

It's hard to believe we've gone 111 years as a Federation without such a plan.

2012 will be the year when we get the job done.

None of this will be easy.

As you all know so well, nothing in agriculture ever is.

In a way, growing and selling goods to Asia is the simpler part.

Putting in place the policy and regulatory settings here at home is where we need to dig deeper.

There's no single 'big bang' but rather our method is to weave together complementary strategies to ensure that all the resources of government are focused on the task.

Like removing the heavy hand of centralisation and getting our wheat marketing right.

We believe that those who own the wheat should decide how they want to sell the wheat.

Taking the politics out of foreign ownership.

Foreign investment is not a new thing.

It has helped build Australian agriculture over the last two hundred years and it is important for the future as we seek to boost food production and food security.

Foreign direct investment in agriculture, forestry and fishing accounts for just 0.1 per cent of total foreign investment.

And 89 per cent of our agricultural land is entirely Australian owned, with a further 6 per cent majority-owned by Australians, roughly similar levels to what they were 30 years ago.

But we also understand the need for more information to foster an informed public debate.

That's why I am announcing that the Government will be introducing a foreign ownership register for agricultural land.

The register will provide the community with a more comprehensive picture of the specific size and locations of foreign agricultural landholdings over and above what is currently available.

We will shortly be releasing a paper to begin discussions with stakeholders, including many people in this room, plus the States and Territories, about the design and content of the register.

We're continuing the hard grind of negotiating the Free Trade Agreements that are so vital to market access.

The Government is working overtime to support Australia's industries in getting their products to the world.

That's why I spoke with Prime Minister Noda at the United Nations last month because I want to see the Japan FTA done.

Just as I want to see the China and Korea FTAs done, and the Trans Pacific Partnership as well.

We're completing Australia's first ever National Food Plan to look at our food system from paddock to plate.

This plan will help ensure we have a sustainable, globally competitive, resilient food supply that supports access to nutritious and affordable food and that our agricultural sector makes the most of the opportunities, like the growth of Asia.

And bringing it all together, we're very close now to delivering the Asian Century White Paper.

Charting our path as an export-driven economy with a smart, innovative, Asia-literate population.

We can't accomplish this work without the advice and input of the NFF and its fellow peak bodies.

The NFF's contribution to the Asian Century White Paper has been thoughtful and substantive.

I'm also proud of our work on the Coal Seam Gas National Partnership, which went from an idea Jock and Matt presented in my office to a signed-off COAG policy in record time.

But for every success and occasional controversy that gets a front page in the papers, a lot goes unsung as well.

Like the North Queensland irrigated agriculture strategy, where we're working with the State government, industry and CSIRO.

Or the Northern Australian Beef logistics initiative, again working with industry, State and Territory governments and other stakeholders to get a good result.

This policy work won't always win headlines.

But the farmers and communities involved know its value.

Work that will be earning export dollars for Australia long after we have all left the stage.

That's really what this work is all about – the future.

Like when Trade Minister John McEwen renewed our relationship with Japan 60 years ago.

He didn't know precisely what the opportunities would be.

He couldn't guess that within a few years we'd be extracting iron ore from the Pilbara, or farming fish in Tasmania.

But he helped ensure we'd be ready for whatever chances presented themselves along the way.

We don't quite know what Australia will be like in 2050.

But we do know we'll have to be living within the natural limits of our soil and water resources.

Drawing our energy from sustainable supplies.

Linking ourselves to high-speed broadband.

Better understanding Asian cultures and manners.

And putting ourselves back in the top five countries educationally.

All of these things are within our grasp right now.

Yes they are complex in execution, but they are not hard to understand in principle or design.

Most importantly, let's remember this:

Australia is up for the challenge of the Asian Century.

We are no longer the small, isolated nation of our grandparents' fears and imaginings.

We are the world's 12th biggest economy on the doorstep of a historic economic transformation.

But for all of the opportunities, the journey doesn't get any easier from here.

The low hanging fruit has been picked, so we have to reach higher up the tree.

We have to be smarter and stay smarter to not only hold our own in the international market place but grow our share of the opportunities.

That's why it's time to get the right settings in place now.

We can't afford to be arguing about stuff like the Murray-Darling in ten years' time.

The Asian Century, like the Industrial Revolution, is a rare moment in history.

You don't too many chances like this in the life of a nation.

We've got one – and we won't let it slip away.