



PRIME MINISTER

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP

FOOD EXPORTS TO ASIA

I am pleased to announce that we will establish six Regional Export Freight Councils throughout Australia to co-ordinate strategies aimed at our greatly expanding exports of perishable goods to the rapidly growing Asian markets.

In addition, we will fund a special study to provide a commercial and independent assessment of the potential of inland New South Wales to be a major source of food for Asia. This study will evaluate the potential demand for air freight and the need to improve aviation infrastructure in the region.

Background

When I visited Orange in September last year, I was pleased to be able to discuss with industry leaders and the local community the enormous potential the APEC markets provide for our food exports. To date our efforts have been rather uncoordinated - for every success there has been another story of frustration.

But those successes highlight just how rich the rewards could be with a smarter and more focussed effort. It was with this in mind that I established a Working Group to review impediments to the export of perishable produce. The Working Group reported to Government at the end of last year. Their advice proved to be an important input into the food export strategy that my colleagues, Senators Collins, Cook and McMullan, announced at the end of January.

The essence of the Working Group's recommendations was that the overriding need was to improve the communication and focus of all links in the export freight chain. That is, we have to get the software of the system right and have all players focussed on a common objective.

The Report considered in detail a number of proposals that have aimed to encourage the development of air freight hubs throughout the country. There is little doubt that the demand for dedicated air freight will increase considerably over the coming few years and that we must ensure that we have suitable policies and infrastructure to support it.

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We already have first-class aviation facilities in most of our major cities that could support 747 freighters. Adelaide will join this list following the extension of its runway. This is not the case, however, for much of inland Australia. The Working Group's Report accordingly provides some preliminary assessment of proposals for aviation infrastructure to support international freight from the region. The Inland Marketing Corporation's proposal to have the Parkes Airport developed into an international transport hub warranted particular attention because it had been advanced more than any others.

The Working Group's Report concluded, however, that on present trends the proposal may not be a commercial proposition for some time.

But, of course, we should not be relying solely on present trends. Rather we need to take a strategic view of how to greatly expand our exports of food products tailored to the new markets in Asia. We need to look beyond current practice and analyse the commercial potential of focussing producers throughout the region on these opportunities.

It is against this background that we have decided to provide \$2.7 million over 3 years to set up six Regional Export Freight Councils that will co-ordinate action throughout the country. These Councils will operate under the umbrella of the Agri-Food Council which now has transport as a high priority.

It is also clear that current proposals, including the Inland Marketing Corporation's proposal, are not sufficiently advanced for the Government to commit infrastructure funds unconditionally. We have thus decided to provide \$300,000 for a special comprehensive study into the potential of inland New South Wales as a source of food for Asia. The study will provide a commercial and independent assessment of the opportunities as well as particular investment and infrastructure needs.

Much of the investment can be expected to be funded by the private sector. However, based on this study, the Government will look favourably on supporting any strategic infrastructure funding, including the possible development of an inland international airport.

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