



12

**PRIME MINISTER**

14 September 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
ADDRESS AT THE LAUNCH OF THE  
INTEGRATED RURAL POLICY  
HOSKINSTOWN, NEW SOUTH WALES**

**E&OE** .....

Thank you very much Gary Nairn. To my Parliamentary colleagues, John Anderson and David Brownhill; to Greg and Mary Walsh who have kindly made their property available; to the Mayor and other guests, ladies and gentlemen.

I am personally delighted to be here to assist John Anderson in the launch of a very important policy which will make a major, indeed historic, contribution to the positive restructuring of the rural industries of Australia.

This policy has been built, indeed it has been put together painstakingly, over a period of months on two absolutely essential foundations.

The first of those is the unshakeable belief on my part and on the part of Tim Fischer and all the others members of the Coalition Government that the rural sector is indispensable to the future of this country. It is indispensable to the future of this country not only in an economic sense, the rural industries still provide 28 percent of Australia's export income and we would be a poorer, more deprived nation without that massive injection of economic wealth.

But it is also indispensable in a cultural and human sense. I can't envisage the Australia that I grew up in and the Australia that I love so much and so many millions of other Australians love so much, without a strong and viable rural sector.

So the first and most important thing about this rural policy is that it is an unambiguous expression of faith and belief in the importance of the rural community to the future of Australia.

And the second foundation on which the policy has been built is our understanding of the difficulties through which many areas of rural Australia have passed and are continuing to pass.

Not only are they difficulties of drought and the ravages that drought over the last 15 years, particularly in the early 1980s and also recently and indeed, currently in some areas of Australia, have created.

But also, the difficulties that so many of you have suffered as a result of the corruption of world agricultural markets. And it still remains one of the standing deficiencies of world trade that a double standard can be applied in relation to agriculture and manufactured products, so far as the rules of the World Trading Organisation are concerned.

Although it is fair to say that as a result of the efforts of countries such as Australia, some progress has been made on that front in recent years, and progress I hope, will continue to be made. But it still remains the case that efficient farming nations such as Australia are severely discriminated against by the rules of international trade.

So, the policy is built on those two very important foundations. And the policy is launched as an act of faith as a commitment to an integrated vision for the future of agriculture in Australia.

The plan that John and I announce today complements many initiatives that my Government has already taken which have been of benefit to farmers. Particularly, I think of the five reductions in interest rates. For every one percent drop in interest rates there's a boost to average farm cash income of \$2,450, and \$170 million extra income for the farm sector as a whole.

In the light of the difficulties faced in the drought, in relation to drought, we doubled the drought recovery period. And we've recognised through the last Budget the particular difficulties faced by families living in isolated rural areas and for those families we are providing an extra \$6.18 million over four years in education assistance. And in the last Budget we increased funds for the National Rural and Remote Health Support Programme by providing an extra \$16 million over four years.

The regional telecommunications infrastructure programme being funded out of the proceeds of the sale of Telstra will provide \$250 million over the next five years to improve the quality and reduce the cost of telecommunications services and infrastructure for rural and regional and remote communities in Australia.

And, of course, the Natural Heritage Trust is providing an injection of \$1.25 billion into the regeneration of Australia's natural environment. And particularly the expenditure on things like the regeneration of the Murray-Darling Basin, which is so critical to the future of agriculture in Australia in a long-term sense. They will be particular beneficiaries of that programme.

And then, of course, is the emphasis that we are placing on building the export component, particularly into the Asia-Pacific region of the farm sector through our

Supermarket to Asia initiatives and also the extra commitments in the area of quarantine of \$75 million.

So, it is against the background of those measures that we have already implemented and others which time prevents me mentioning, that I launch this integrated restructuring plan for the future of agriculture in Australia.

The elements of the package add up to assistance of \$517 million over the next four years.

The elements of the package that we announce today will improve the tools needed by farmers to manage their finances, to seek new opportunities and new markets. And it will provide the rural community with the new start, the fresh and positive start that so many are looking for.

Our package is appropriately entitled, *Agriculture - Advancing Australia*. It brings together in a very constructive and integrated way, which has been long wanted by the rural community of Australia, the key elements of welfare support, adjustment, risk management and enhanced training and rural capacity building.

It honours the commitment made in our election policy, *Reviving the Heartland*. It is another instance in which we have kept faith very directly and very fully with the commitments we made in the campaign.

There are specific elements of the package. Importantly, there will be a new, commercially based, risk-management scheme that provides the right incentives to promote self-reliance.

This scheme will be more generous than those which preceded it, and there will be a simplified, single farm management deposit scheme to replace the previous dual arrangements.

The new farm business programme, *FarmBis*, with funding of \$50 million will give a significant boost to farm business training. It will boost the skills farmers need to manage their resources and properties as we continue to increase our trade with the world.

There will be a farm family restart programme providing one year of support and access to financial advice to those most in need as they face difficult adjustment decisions. This will involve a generous re-establishment grant for those who decide to leave farming to provide them with a basis for the move.

Very importantly, from midnight tonight, and I emphasise the commencement date, there will be a three-year window of opportunity on gifting to allow pensioner-aged farmers to divest up to \$500,000 of their assets to the next generation without having to wait 5 years before getting the aged pension.

This particular measure, will go a long way towards speeding the intergenerational adjustment and recognises the particular difficulties that many families face in relation to the capacity of farms to support 2 or 3 generations.

It has been wanted for a long time. And it is a recommendation of our Rural Taskforce that we have been very, very happy to embrace.

The relief payment available for farm families facing difficulties in exceptional drought will now be extended to cover other rare and severe events. This is on top of the extra \$80 million we announced through the doubling of the drought recovery period from 6 to 12 months. We will make the move to self-reliance more manageable by a very gradual phase-down of business assistance in exceptional circumstances. Starting in 1999 and phasing down interest rate subsidies from 100 percent to 50 percent over a 5 year period.

The package also includes a redeveloped rural communities programme to assist rural communities develop their own support mechanisms and to manage change.

Ladies and gentlemen, before inviting John Anderson to say a few words, I would like to pay a tribute to the work undertaken by John, by my colleague, the Deputy Prime Minister and Leader of the National Party, Tim Fischer and also by their joint Parliamentary Secretary, David Brownhill. I can't think of three people who have worked more tirelessly for the interests of the rural community of Australia during a difficult period, not only a difficult period for them but also a period in which we have sought to take the time to put together a package that says something about the future and also provides people with the capacity to adjust.

Easily thrown together packages are a dime a dozen. A package that is integrated in the sense that it provides help for people who can no longer sustain their farming properties but equally provides hope and encouragement to the more efficient and successful, and also provides an incentive for self-reliance and builds upon the commitment we have to the future of agriculture as an irreplaceable component of Australian society in the Australian economy, takes a little longer.

And I am very proud of the package that I've outlined today. It represents the culmination of the hard work of many people, particularly the three colleagues that I've mentioned.

I'd also like to thank the National Farmers' Federation, New South Wales Farmers' Association and all the other rural organisations that we've consulted and talked to and also the many hundreds and thousands of individual people on the land in Australia who played a part in putting the package together.

It is, as I said at the beginning, based on those two foundations. First of all, our unshakeable faith in the importance of the rural community to the very essence and the very future of Australia. And also, our very sensitive understanding of the difficulties through which so many of you have passed and the difficulties that so many of you are still experiencing. And I believe that it is in a total sense, a proper response to those two very important considerations and I'd be absolutely delighted to invite

John Anderson to say a little bit more about the detail of the scheme and to flesh out the broad elements that I've outlined.

Thank you very much.

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