



PRIME MINISTER

**ADDRESS BY THE PRIME MINISTER, THE HON P J KEATING MP
47TH ANNUAL CONFERENCE OF THE QUEENSLAND GRAINGROWERS
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I am very pleased to be here, and thank you for inviting me.

Some people thought it was a rather eccentric thing for a Labor Prime Minister to do - to come up to Roma and open the 47th annual conference of the Queensland Graingrowers Association.

"Not a vote among them", they said. People who mostly feel removed from the centre of things.

By which I think they meant - people who feel their voices are not being heard, who feel alienated from the political system, who feel the Government is out of touch.

But then, that is an argument for coming - not staying away.

It's nothing new for people to feel that governments are remote - I daresay it forms part of the popular definition, and it has done, I suspect, since governments were invented.

Democratic governments included - I reckon within a week of the first popularly elected person being sent off to represent his electorate, there were people saying "he's out of touch". Before he got there.

So I don't think that this is a new phenomenon. But nor do I think it is one to be ignored. It is essential that governments understand what is happening in communities. Essential that they listen to the people. Essential, above all, that having listened and having understood, they make policies in the national interest.

As I've said before: good governments listen, but so do many bad governments. The difference is in what they do.

In fact there is only one judgement to be made about all governments - and that is whether the government of the nation has acted in the interests of the nation. And, by definition, in the interests of the people.

The judgement is - when these people were in strife and when their industry was in strife, did the Government do what a national government should do? Did it do what was necessary?

Now, I think that in the case of Queensland's farmers, generally speaking, we have.

And I'm pleased to see that Ian MacFarlane said as much yesterday. Speaking of listening, I was pleased to listen to Ian when I first came up here to look at the drought areas - and in fact if you're within 50 metres of Ian you're listening to him. And I'm delighted to be up here listening to him again. He's a passionate Australian and a formidable advocate for the farming community.

I know there is much more to do. There is always more to do. Whether it is a farm, an industry, or an entire economy - there is always more to do.

I think farmers like yourselves have that at least in common with Prime Ministers and Treasurers - we are both familiar with the sensation that the job never ends, that we never get to the last chapter, the one where we are entirely out of the woods.

But if we are diligent and adaptable and hardworking we do get to better times - we do get to comfort zones, we do work our way into a position where we can begin to make the hopes realities, and a position where we can survive the hard times.

Let me tell you that is what we have been working towards these last twelve years.

It is what the whole effort has been for: to get Australia onto a pattern of sustainable growth, to make us more productive and competitive, to make our economy more diverse and durable, to get more of us working in modern jobs, more of us trained in modern skills - all of us, farmers included, able to share in the wealth of this country, and the future of this country. And all of us, farmers included - farmers *especially* - able to survive the hard times.

Now I think we've made a lot of progress in this regard. I think we've made *remarkable* progress.

But I am not in any doubt and never have been that a lot of Australians do not share this view.

I am very much aware that the broad data on which governments are obliged to make their assessments of the nation's economic health do not always tally with the problems households and communities are having.

I also know that a healthy stock market does not mean that the same confidence abounds in Australian communities.

And I know that this applies to rural and urban communities around the country.

I have to say that the broad data have a lot to recommend them - and I never heard a good reason why a government or a Prime Minister should not advertise national progress and say that in real and comparative terms Australia is making remarkable progress.

Sure as hell, the Opposition won't say it.

I think Australians should know that Australia has grown in every one of the last 16 quarters; and that with this economic growth we have had unprecedented employment growth; and that we have had this with low inflation - and we can confidently expect this low inflation growth to continue.

As the editorial in The Australian said at the weekend - "This may be the healthiest recovery the nation has had - certainly in modern times."

It is unprecedented in our modern history - we have growth which shows every sign of being sustainable.

At this point my more experienced listeners will no doubt be preparing themselves for a recitation of government achievements.

I will spare you the unabridged edition - it takes a long time: but allow me to mention a couple of important recent developments.

Among the good news the Government feels bound to advertise is the level of Australian productivity - it has grown in the last three years at least twice the rate of New Zealand's. Let me say - beware the new cultural cringe to New Zealand, and beware those who tell you that their labour market is more efficient than ours.

The second bit of news we find irresistible is savings. For a generation we have tended to substitute inflation for savings.

The double digit inflation we experienced in the 1970s and early 1980s did lasting damage to the culture of saving for the future, and it has proved very hard to re-establish.

But we are now doing that. We've got low inflation - that's fundamental. And with the reforms to superannuation we introduced in the Budget, personal savings will rise, national savings will increase substantially - and I think we will see a *savings ethic* emerge in the Australian community.

These savings directly address our current account problem.

The current account deficit won't go away immediately.

Whose mortgage ever did? Some people win the lottery, but nations don't.

The current account will turn - not by a miracle or any stroke of luck or by wishful thinking. It will turn by saving and investing wisely, by continuing to work hard, by making the most of our resources - by insisting, even if we make a fetish of it, that we stick to the path of sustainable, low inflation long-term growth.

I will stop this good news bulletin there. I want to get back to farmers and, in particular, grain growers.

And I'd like to get there by this means: I said that national governments ought to be judged by what they do for the national interest and the nation's people. I said, beware of those who only talk about listening. Beware of those who pretend they can satisfy everyone's need, who pretend they can be all things to all people.

Now I know that many Australians are not feeling the full effects of the good news I have just broadcast.

And I know that there are people preying on their disillusionment, feeding their frustration with messages of gloom and despair - and by implication suggesting that, if only the government would do a couple of simple things, there would be bounties for everyone.

The fact is that just now we are all coming to terms with a new kind of Australia. An Australia in which we have prolonged economic growth without inflation - not a boom, not another sequence of wage-price spirals, but sustainable growth.

It is the sort of growth which will enable us to plan and invest as a nation; realise more and more of our national ambitions - and survive the downturns much better.

And in the end that means personal returns - more and better jobs, more security, more prosperity, better services, better communities.

It is the sort of growth - I might also say - which has been made possible by Australians' own hard work, sacrifice and adaptability over the last decade.

Low inflation, higher productivity, saving through superannuation - these require government decisions, and often difficult decisions; but above all they have required a real effort from Australians.

The sort of effort for which Australian farmers have long been admired.

Farmers surely know better than anyone the value of things I have been talking about.

And I sincerely hope that they also know the Government knows the value of farmers.

There are two ways to measure their value.

You can do it with figures.

Rural exports contribute about \$20 billion annually to Australia's export earnings. That's about 35 per cent of the total.

Of that we estimate that the 1995 harvest of wheat and coarse grains will be worth about \$4 billion.

It means that for all the changes to the structure of the economy, and all the essential diversification, rural Australia remains a very big player. And it always will.

The other way of measuring the value of farmers is by their contribution to the spirit of the country. By the example they set.

Some of these people who are growing the \$4 billion harvest have been in the drought for as long as five years.

They have endured extreme hardship and real despair.

But they have stuck in there - and, with the rain, they have planted nearly 10 million hectares and, all being well, they will harvest about 25 million tonnes.

The toughness and spirit of Australia's farming families should be an inspiration to the rest of Australia.

And I think it is.

And that is one very good reason - as good as their productivity and efficiency, as good as the value of their harvests - why Australia's farming families must survive.

They are essential to the national psyche.

Some, I know, will not be able to stay on the land. But this Government is determined to see that the vast majority do.

It is one of the great challenges of the next decade or so: to see that the 100,000 or so farming families of Australia are not replaced by a thousand or so companies.

I read somewhere that agriculture and grazing in Australia has caused the extinction of 78 species of plants.

When you think about for it for a while, that becomes a very sad fact. Because extinction is irreversible. These are bits of our universe, pieces of the great design, gone forever.

And if you think about it a bit longer you think - we have to make sure that what has happened to these plants does not happen to our farmers.

It's a challenge for all of us - and I'm sure we won't fail it.

I think the last year or so has demonstrated that the farmers of Australia and the Government have the capacity to work effectively together.

In fact, looked at objectively, I think the last twelve years have demonstrated that. But what is so encouraging is the expansion of our collaborative effort.

And I hope that the thinking on both sides has caught up with the contemporary reality.

Canberra is indeed a long way from here. And here is not Labor's heartland.

But, whatever, rural Australia thinks of the Government, the Government thinks well of rural Australia - and when rural Australia needed help we did our very best to provide it. We still are.

That is not a plea for thanks. What we are doing is no more than a government should do. We should not just listen - we should work in partnership.

Among other reasons, I say it to make the point that the next time we hear the fashionable anti-government refrain which has swept America and is getting louder here, I hope we can agree to at least say - hang on, where else but from government will we get the help we need? I hope we can agree to eliminate the irrational and misinformed and prejudiced from our political debate.

The fact is that while governments can't do everything, there is no substitute for them when it comes to a lot of the essentials.

Here in Queensland, 5,500 farm families are receiving Government assistance at the rate of nearly \$2 million a week. Across eastern Australia we have committed nearly \$600 million.

Large areas of eastern Australia, including many parts of Queensland, have received good autumn rains.

But we recognise that some parts of central Queensland are again in desperate need. We recognise that even those farmers who have got the rain they needed, now need help to rebuild.

We are under no illusion that there is no more to be done.

There is always more to be done!

Nor do we think that helping farmers through the drought is the only job we have to do in rural Australia.

I said earlier that Australia's rural industries continue to be of primary importance to the national economy, and Australian farming families of equal significance to the national fabric.

We want to see Australian farms and Australian farming communities flourish and grow in the 21st century.

Farming families are a great national resource. It follows that the land they farm must be able to sustain their use of it.

There can scarcely be a more important issue for Australian farmers than this - and it is no less important for the Government.

I don't believe there is anyone in this room who does not believe that our agriculture should be sustainable agriculture. And if by a simple snap of their fingers they could make it sustainable, I am sure that is what everyone would do.

We need a collective national snap of the fingers. Not to do it, but to resolve to do it.

We should recognise at once that this will be a difficult process. It will be a bit like farming; there will be ups and downs, set-backs, disappointments.

But if any Australians know how to live with difficulty and endure a protracted struggle it is Australian farmers.

I think we should take to the effort for sustainable development this sort of spirit. Whenever we talk about the degradation of our land we tend to sit in judgement on earlier generations of farmers - and often the judgements are harsh.

I am inclined to think that we should take a more positive view. They had the courage, ambition and energy to take on the land, and their efforts were substantially responsible for the nation's prosperity.

Their efforts made them legendary Australians. We now need the efforts of this generation of Australian farmers to make the country not only prosperous, but sustainable - which means that there will still be farmers on the land 50 and 100 years from now.

Do this, and to those farmers of the future *you* will be legendary.

The partnership between Australian farmers and the Australian Government in the National Landcare Program has been one of the great phenomena of the recent times.

And it *has* been phenomenal. Not only because it has drawn so many farmers into the movement; and not only because this has had the effect of improving our land management practices.

The remarkable thing about Landcare is that it has tapped the passion of farming Australians for the land itself. We have seen an incredibly swift change in the culture of Australian farming - and that has created an infinitely more fertile environment for further change.

A more scientific approach to the land has implications for productivity, for the quality of our products and therefore their success in export markets, for the viability of farms and therefore of farming communities.

Of course it has also had the effect of bringing farmers into the centre of the debate about the environment - and that is where they should be, where they must be if we are to reach the right decisions about the land we live in.

In recent times, Australian farmers and the Australian Government have also worked together very effectively to put Australia's case against the market distorting subsidies of the United States.

No doubt many of you here are aware of the work being done by the Farm Bill Working Group to encourage change in US agricultural policies that significantly affect our interests. We have had considerable successes. While we should not over-estimate our influence, nor should we under-estimate our successes.

And we certainly must continue. In particular we have to press for the EEP and the Dairy Export Incentive Program to be dismantled.

Again, what matters is the collaborative environment we have established between the Government and the industry. It provides us with the necessary condition for doing so much more.

In that context, I have to say that nothing has improved the environment in which we work so much as those major early reforms of a Labor Government. I mean those perennial structural problems which faced Australian agriculture.

Progressively dismantling the tariff wall has reduced the burden that is borne by our internationally competitive industries - including agriculture.

Floating the dollar delivered the biggest increase in competitiveness ever achieved in this country - with labour changes, a 40 per cent increase since 1983.

And our greater competitiveness is not simply due to the nominal depreciation of the exchange rate.

The Accord has meant that the depreciation did not simply translate into higher wages. The Accord has meant permanent increases in our international competitiveness. It has meant much more as well - in productivity, flexibility and creativity, and industrial harmony. The last year has not only been a year of growth - it has also been a year which recorded the lowest rate of industrial disputes since World War II.

The benefits to Australia, including rural Australia, are immeasurable.

I wouldn't be doing the Government justice if I did not remind you as well of the benefits that will flow from the Uruguay Round and APEC.

For example, the Uruguay Round provides for a total reduction of 36 per cent in the quantity of subsidised grain exports and for a reduction of 21 per cent in expenditure on export subsidies.

At the same time Australia has been leading the way in the formation and development of APEC. With the Bogor Declaration we have a framework within which free trade can be developed in the most dynamic economic area in the world. The benefits to Australia, not least to Australia's grain growers, will be enormous.

Let me conclude by addressing a couple of the issues which specifically concern the grains industry. Our objectives might be summarised as - growth, competitiveness and self-reliance.

We want to see increased production and access to markets; institutional and market arrangements which maximise the competitiveness of the Australian industry; and an industry willing and able to take responsibility for its own affairs.

To these ends we have deregulated the domestic wheat market and reoriented the Australian Wheat Board away from being solely a bulk supplier and towards differentiated product. The Board now has the ability to engage in value-adding of wheat and wheat products.

Without going into details, grain growers can also expect major benefits to flow from the recent competition policy agreement between the Commonwealth and the States.

I know Bob Collins wants to hear the industry's views about new marketing arrangements before he puts considered options before the Government; and we are expecting to hear these views soon after a series of grower meetings in September.

The ultimate objective is to allow growers every chance to seek out production and market opportunities, and the point of competitiveness is to help farmers reach this objective without hindrance or unwarranted costs.

A self-reliant industry means one in which government participation is limited to ensuring that any clear public interest requirements are met .

It also means an industry which is sustainable in an agronomic, economic and environmental sense.

The drought has dramatically reduced grain production and this has led us to undertake the biggest peacetime importation of grain in Australia's history.

Some 390,000 tonnes of whole grain has arrived in Australian ports since last December and there is potential for another 100,000 tonnes under existing import permits.

I know that is not a fact calculated to please people in this room.

I know that some of you have argued that the Government should divert some of our export grains to domestic use.

But we took the view that the costs of this would be too high. It would damage our relations with established customers. It would also be a bad business decision because we can import the necessary grain for a lower price than we are receiving on the export market.

We do not believe imports constitute a long-term threat to traditional suppliers to the domestic market, if for no other reason than the much higher cost of shipping and handling imported grain.

We understand that the issue of imported grain creates imperatives for our quarantine and inspection services, we have therefore developed protocols to prevent the introduction of exotic pests, diseases and weeds.

We have also developed appropriate cartage arrangements such as secure transport systems and dust suppression measures - and these will be trialed in November.

While we are vigorously protecting our national interest in quarantine matters, we must also be mindful of our broader interests where Australia is currently challenging the legitimacy of import standards in a number of countries - and our success will rely heavily on demonstrating that similar decisions affecting our own industry have an objective scientific basis.

I will finish with these few remarks. Like other sectors of Australian industry, Australian agriculture has made extraordinary adjustments in recent years. Australian farmers have responded to the challenges of a rapidly changing Australian and international economy.

They have proved their adaptability and at the same time confirmed what we have always known about them - that they are not only highly efficient, but highly resilient and durable.

It has been one of the very beneficial by-products of the great economic changes of recent years, that the relationships between the national Government and Australian industry and the Australian workforce have been substantially redefined.

This is true of our relationship with rural industry - and nothing is more important than that we continue to develop this relationship.

The fact is that we can't succeed without each other. We do have a common interest and it is in the national interest that we recognise this.

In recent times the drought has dominated at least the public side of our partnership; but it won't end with drought; and I look forward to developing with you new strategies for the prosperity of rural Australia in the better times that surely lie ahead.

Even allowing for future droughts and all the other problems which regularly beset Australia's farmers, the potential is virtually unlimited.

The farmers in this room and their families are overdue for some rewards and I can assure you we will do every practicable thing to see that they come your way.

Thank you.