



# PRIME MINISTER

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**TRANSCRIPT BY THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
SUPERMARKET TO ASIA AGRI-FOOD STATEMENT  
HOBART, TASMANIA**

**\* VIA VIDEO LINK TO SUPERMARKET TO ASIA COUNCIL  
CONFERENCE, SYDNEY \***

E&OE.....

Good morning and thank you very much Paul Bourke for those words of introduction and I am particularly delighted to address this first ever conference of the Supermarket to Asia. And I want for a few moments this morning to reinforce the goals of the Supermarket to Asia Council, to put into context those goals and also to announce a number of initiatives. The establishment of the Supermarket to Asia Council to which I and many of my senior Ministers are very strongly committed on a personal basis recognises a reality and is designed to grasp the great opportunity for Australia's future.

The Agri-food industry in Australia is the largest in Australia. It has a turnover of in excess of \$60 billion measured in 1995-96 terms. It employs more than half a million people. And total food and beverage exports are worth in excess of \$19 billion every year. The largest and most rapidly expanding market for food out of Australia is of course the Asia-Pacific region. And it is estimated that the total Asian food market will grow from about \$750 billion a year in 1990 to more than \$1,000 billion in the year 2000. And it's apparent from those figures and from the rapidly expanding character of the market that the opportunities for Australia are enormous.

Given our vast expanse and our differing climates we are able to supply many different food types, from ostrich to wheat to seafood. At present we contribute about 6 per cent of the imported food into Asia so there is plenty of scope for growth and expansion. And the challenge together for the government and the industry is not only to maintain but to increase this share and to increase the returns on our food exports.

The Supermarket to Asia Council has set an ambitious, but I believe quite achievable, target to accelerate current food export growth to about \$16 billion a year and if this can be achieved we will create an addition 10,000 jobs in Australia. We expect that the activities of the Council will encourage an extra 2,000 small and medium sized enterprises to commit to exporting. And the Council is a great example of the Government and industry working together to achieve a common goal of growth, jobs and exports.

The Council is taking action to create an export culture. To create an environment that supports business and together to expand our markets in Asia. And this is part of a broader government agenda that has already been delivered and that involves the delivery of a stable macroeconomic environment, with low inflation, falling interest rates and growing opportunities for business investors. We've already delivered significant industrial relations reforms and further reforms, particularly in the area of the waterfront which is so important to Australia's exports, are on the agenda.

Significant transport reforms have also been delivered. For example, we have negotiated, and this is of direct relevance to activities of the Council, we have negotiated a further 13 bilateral air service agreements from the five already in operation. And this is equivalent to an additional 50 Boeing 747 freighters a week flying our food produce to the markets that need them. It's imperative of course that we also have efficient domestic transport arrangements. There's no point in our farmers being the most efficient in the world if factors beyond their control erode their naturally competitive edge.

Our rail industry reforms, which have been very extensive, will simplify interstate trade arrangements. Private sector ownership and competition is expected to lower the cost of transport to industry and better meet the needs of customers. Many marginal businesses, as a consequence, will become viable as a result of cheaper transport. The shipping reform group is considering ways of opening up coastal trade routes to international operators and other significant reforms. And it will provide greater scope for rail and shipping to compete over long distances in Australia with the beneficiaries being transport users.

In the area of telecommunications the Government has launched a \$250 million regional telecommunications infrastructure fund and amongst other things it will provide access to the Internet for Australian farmers. The Internet and electronic commerce represent exciting new opportunities for all regional and rural producers in Australia. They are the new low cost way of dealing with business partners and finding new ones and the committing of \$250 million for a five-year regional telecommunications infrastructure programme will guarantee that people who live in rural and regional Australia will have precisely the same access to electronic commerce and the telecommunications revolution as to fellow Australians in the urban areas of our country.

The national electricity market is also going to lower business input costs and this will lead to more processors opening up as their cost base is driven down. All of you are of course aware of the benefits that will flow to rural Australia from the Natural

**Heritage Trust through which we are investing \$1.25 billion in the largest-ever capital investment in the environmental regeneration of our nation.**

**All of these things bring the activities of Government and industry together to produce a more sustainable and growing agricultural sector. The Government has already announced a number of initiatives designed to help the Agri-food sector specifically. We've announced a food regulation review to reduce the burdens on business, a national food safety system streamlining the management of Government and industry food safety and quality activities.**

**The investment of \$76 million for enhancing quarantine operations to protect our clean, green image, and \$45 million to reform the Australian Quarantine Inspection Service which will result in lower inspection fees for industry and will boost competitiveness.**

**Perhaps the most exciting initiative of all of direct relevance to the industry was the rural package announced by John Anderson and myself only two or three weeks ago. This is a \$517 million package designed to improve the competitiveness of Australian farmers, provide them with the risk management tools they need to manage the fluctuations they face and to allow those farmers who want to leave the land the opportunity of doing so with dignity.**

**I recognise of course, as was alluded to in Paul Bourke's introductory remarks, that taxation reform, which is a solid commitment of my Government over the next 18 months and beyond, is essential to the future viability, not only of your industries but also of Australian business generally.**

**In making this address I must emphasise the benefits of trade liberalisation. Indeed, they cannot be overemphasised. We are working particularly with the interests of your industries in mind to remove market access barriers and to exploit the benefits of growth in world agricultural trade. We export about five times as much food as we import and over 300 000 Australian jobs are linked to our trade with Japan alone. The full benefits of the implementation of the 1994 Uruguay Round agreement on agriculture could increase the value of Australia's exports by as much as \$1 billion a year.**

**However these opportunities also mean that Australia must play by the same rules we fought so hard to get on issues such as quarantine. The big losers from any weakening in resolve on trade liberalisation will be Australian producers and processors. We are making progress on lowering barriers to trade and this is bringing us jobs we didn't have a few years ago and we'll continue to push very hard on the international arena for access to other markets and we will continue to build on the successes we have achieved to date.**

**Since its establishment a year ago, Supermarket to Asia Council has had inputs from over 100 industry experts and they have represented all aspects of the Agri-food industry - producers, processors, packers and transporters. In the first instance, it was necessary to identify the problems to lay a sound base for the solutions and we have now started to deliver those solutions with a number of excellent initiatives.**

Under the Delicatessen Programme, producers will be helped to establish and market new, high-value, niche food products tailored specifically to meet Asian market requirements and this will be an exciting project to cash in on the diverse range of foods Australia is capable of providing. Today I am delighted to announce one of the pilot projects which will be supported under the Delicatessen Programme. Ocean Gold Investments, an aquacultural venture based in South Australia, will be assisted to develop the market for two new value-added blue swimmer crab products. We will be working with the company on the complete supply side chain, from product development, to market penetration, to transport logistics.

Other ground-breaking projects to be supported under the programme involve the development of markets by highly motivated producers for new herbs and spices, organic food products and exotic meat industries. The remaining projects to be supported under the Delicatessen Programme will be announced later this month.

Ladies and gentlemen, over 30 regional export forums will be established around Australia by the end of this year. And these forums will identify emerging exporters, bring leading and potential exporters together and generate enthusiasm and share knowledge. To get the best results in this as in all other areas, participants must be shown the potential and the means of achieving it. It is a big step for many to go from being a domestic supplier to being an exporter. However, in true Australian spirit I'm sure that many of our producers will jump at the chance when they see what is possible in the Asia-Pacific market.

The placement of technical market access councillors in Seoul and Tokyo will accelerate the removal of technical access barriers such as quarantine and shelf-life restrictions and this will directly bring new markets and new jobs to Australia.

In addition to these initiatives the Council at its last meeting agreed upon five priority actions to be given the greatest priority by government and industry. The first of these is electronic commerce. The Council has identified a need to accelerate the uptake of electronic commerce as a vehicle for international trade. On-line trading has exciting potential: it throws open the doors to Asian buyers, it provides rural food businesses with ready access to Asian buyers, it displays the whole range of Australian food products and it streamlines the process of government clearances. The move to real time paperless trading will cut costs, accelerate turnaround times and open up Australia to countless buyers in the global trading environment. It is in every sense the way of the future and the Supermarket to Asia Council will play its part to ensure that we get the maximum benefit from it.

Today, I can announce that the government is providing funds to support the establishment of Air and Sea Export Freight Council. They are to be based on the very successful Western Australian model. They will bring producers, processors, packers and transporters together to fix logistic problems. It is in everybody's interest that we optimise use of space, schedules and storage to service our global markets. Air freight councils will be established at most major airports at the end of this year.

I'm also pleased to announce that a Quality Food Australia logo will be released today. It is a commercial venture for small and medium enterprises to access and more effectively market their products in Asia. It is an important recognition of the opportunities that exist for the small and medium sized businesses in these areas to gain market access into the region. It identifies the food product as Australian and has a guaranteed minimum quality and safety certification. It is a collaborative mechanism for small and medium companies to achieve critical mass, greater market presence, economies of scale and easier access to distribution channels.

I'm also pleased to say that the Commonwealth Government will continue to do its bit to promote food exports to Asia in relation to the AQIS and customs activities. The Australian Quarantine Inspection Service and the Australian Customs Service are in consultation with industry developing a streamlined export clearance procedures and this will save businesses time and effort in obtaining export clearance. We must establish, in this area as in all other areas, Australia as an efficient and reliable exporter of food products. And by working together the Government and the industry can solve many of the issues currently hindering our exports. When new technology offers us new solutions to old problems we must naturally grab them.

The Council, ladies and gentlemen, has developed a model food safety emergency management plan and will be encouraging its update across the food industry. This will enable the Government and the industry to quickly identify the degree of difficulty of a food safety incident, the source of the problem and the necessary action so that any risk to consumers is kept to an absolute minimum and any potential damage to the reputation of the supplier is eliminated. That is all part of the aggregate responsibility we all have to zealously preserve and promote Australia's deserved reputation as a clean, green producer of food.

In concluding this opening address ladies and gentlemen, I would like to say a big thank you to the members of the Council for the work that they have done over the last 12 months. It is in every sense of the word a visionary concept to bring together a coordinated way all of the activities both government and industry which bear upon the potential for Australia to increase significantly her share of food exports into the growing Asia-Pacific markets.

I want to thank the industry representatives. I want to thank the experts that have contributed. I want to thank Paul Bourke and his support staff and I also want to thank my senior Ministerial colleagues such as John Anderson who will be addressing the conference later today for their contribution of time and effort.

I have given a personal priority to the activities of the Supermarket to Asia Council because as Prime Minister I am strongly committed to the growth of our share of access into this enormously big and growing market. I believe very strongly that if we can act together in a concerted way to sweep away the regulatory and other barriers to a higher export performance then the opportunities for Australian producers and Australian processors is almost limitless. Nobody can over-estimate the potential for growth particularly as a result of the increasing middle classing of the populations of Asia the potential for growth in the area of food exporting and it is incumbent not only on my government but also on all sectors of industry to work together and that is what

the Supermarket to Asia Council is all about. I think it is able to look back on 12 months of laying the ground work and look forward to the next 12 months of beginning to reap the benefits of this addition.

I thank you very much for your support and cooperation. I wish the conference well and I wish all associated with the exercise the very best of good fortune and success.

Thank you.

[ENDS]