

Address for Opening Session,
Cairns Group Ministerial Meeting,
by the Minister for Primary Industries and Energy
The Hon John Anderson, MP

Thursday 2 April 1998

Mr Chairman.

I welcome the opportunity to participate for the first time in the deliberations of the Cairns Group and from the agriculture side of the house, wish to echo the sentiments expressed by yourself and by Mr Sartor in warmly welcoming Cairns Group Ministers to Australia and to the beautiful city of Sydney.

Mr Chairman, during this week thanks to a far-sighted initiative taken by the Australian National Farmers' Federation, a program for Farm Leaders from Cairns Group countries has been conducted in conjunction with this meeting of Cairns Ministers. I had the pleasure of participating earlier this week in part of this program which I hope showed our distinguished visitors something of what Australian agriculture has to offer, in addition to demonstrating what underlies our strong support for the Cairns Group and its role in pursuing international agricultural reform.

This is the first time such a meeting of Farm Leaders has been held in this way and I welcome the initiative and the opportunity it provides for close cooperation in building partnerships between government and industry on the important matter of further agricultural trade reform and the positions that the Cairns Group will take forward to the WTO Ministerial Conference in May.

If we are to succeed in achieving further comprehensive reform through the 1999 WTO agriculture negotiations, I believe the full support of the farm sectors in all of our countries is vital to ensuring a cohesive and effective role for the Cairns group in these negotiations.

As leaders of respective farm sectors in each of our countries those of you here this week have an important role to play in building strong partnerships amongst yourselves to effectively lobby governments on the need for further reform and to ensure reform has grass roots support in all of the Cairns Group countries. Industry also has a role in conveying the right messages to counterparts in non-Cairns countries.

Mr Chairman, Farm Leaders have prepared a Communiqué reflecting their deliberations this week and I am pleased to report that they are well on the way to achieving the objectives that I have mentioned. In particular the Communiqué contains a commitment to the future on the part of the Farm Leaders.

I want to formally convey the Communiqué to this meeting of Cairns' Ministers. I commend this Communiqué to you.

In doing so let me highlight some of its major points:

The Cairns Group Farm Leaders:

- insist that Ministers aggressively pursue the elimination of trade distorting barriers
- consider that heavy distortions continue to impact on world agricultural trade
- consider a new round of agricultural negotiations is needed to cut trade barriers
- acknowledge that the gains to be made from further agricultural reform are significant and global cuts in trade barriers would increase farm incomes, alleviate rural poverty and increase prosperity in rural communities;
- strongly encourage Ministers to exert maximum pressure on the more countries that want to "stop the clock" on trade reform;
- the 1999 negotiations must be entered with a genuine resolve for reform to ensure a satisfactory outcome from further agricultural negotiations; and
- the Farm Leaders have agreed to collaborate to mount parallel pressure in global forums to support Cairns Governments and to play an active role in lobbying for world acceptance for change.

In addition to these more general points, the Farm Leaders have made a number of specific points that the international community should be committed to pursuing.

Mr Chairman, I am sure that we can all welcome this demonstration of unequivocal support from industry for the Cairns Group process and its broad objectives for further agricultural trade reform through the 1999 WTO negotiations. It augers well for the establishment of the effective government/industry partnership that is required if we are to succeed in our task.

I want to stress that this is only the beginning, not the end of the road. We must not be complacent and think we have an easy task in front of us. To put this in some perspective, I along with some of my counterparts here today, recently participated in a meeting of all OECD Agriculture Ministers in Paris. I would like to use this opportunity to share briefly with Cairns Group colleagues some observations from this meeting and the meeting of QUINT agriculture ministers which was held immediately after the OECD meeting.

It was very apparent from the OECD discussions that achieving meaningful agricultural reform in the mandated negotiations is going to be a hard struggle and not surprisingly, the more protectionist countries can be expected to cling firmly to their highly distortionary policies.

It was a matter of considerable concern to fair trading country representatives including myself that OECD members with high levels of support for agriculture mounted a well organised campaign to water down or remove all references to reform goals expressed in the Communiqué from the meeting. The extent of the obstructionism which I observed and encountered does not auger well for smooth progress in the next round of WTO agricultural negotiations.

Some delegations clearly sought to wind back the clock on reform by mis-using approaches to matters such as food security and the so-called "multifunctionality" of agriculture. Both issues are what the protectionists call 'non-trade concerns', and if not tackled appropriately, risk becoming entrenched as justification for prolonging or enhancing distortionary production related agricultural income and price supports. We will need a strategy to deal with such concerns and ensure they are not detrimental to achieving our broader objectives. Australia strongly advocated that the way forward in dealing with legitimate issues such as rural development, environmental safeguards and regional employment is to use efficient targeted and transparent policy measures decoupled from production.

The QUINT meeting of Agriculture Ministers from Australia, Canada, United States, Japan and the European Union provided a further opportunity for me to explain in some detail how specific objectives which may fit under a "multifunctionality" umbrella can be addressed through other domestic policy reforms including the integration of deregulated agricultural policy with the wider economic and social policy agendas. I was also able to argue that such an approach has delivered results in rural Australia despite adverse market and seasonal conditions in many industries, and that such a policy approach could have applications in other countries particularly those represented at the meeting.

I would be delighted to supply any interested parties with information on the recent Agriculture - Advancing Australia rural policy initiative and our National Landcare Program.

Another observation that struck me in these discussions is that there is a need for all of us here to correct misconceptions that rural and regional development, environmental improvement and maintenance of the social fabric of rural areas are not very real political, social and economic challenges in Australia and other Cairns Group countries. We all know that this is not the case. Unfortunately, there is a tendency on the part of some key countries to argue that these are only "old world" issues that require special solutions. We will need to ensure that there is recognition that these issues are relevant in all countries and that there are policy solutions available which do not result in further or continued distortions to agricultural trade and production.

These are only some observations from my recent meetings of the difficulties we face in achieving ambitious reform. However, given the resolve of our Farm Leaders demonstrated here today, I am confident that government and industry can together work effectively towards the achievement of our goals.