

THE LABOR PARTY AND THE FARM COMMUNITY: FINDING COMMON GROUND IN THE NATIONAL INTEREST

Address by Gareth Evans QC MP, Deputy Leader of the Opposition and Shadow Treasurer, to National Farmers' Federation Council, Canberra, 12 August 1997.

The last time I addressed the NFF was at your Annual Dinner in 1994, to help you wave goodbye to Graham Blight as he went off to pursue a career in international diplomacy. There may have been some at the time who thought that aspiration was a little implausible - given that, among other things, deference to those in high places was not the most conspicuous part of Graham's repertoire. But I have to say he has managed to stay in his international diplomatic job rather longer than I did in mine!

Graham was an outstandingly effective leader of this organisation, making life hell for politicians on both sides of the fence in the nicest possible way, and I'm glad to say that that tradition has been maintained by his successor Don McGauchie - just as Wendy Craik has picked up the ball so well in the Secretariat from Rick Farley. In Government or in Opposition, we may not always see eye to eye with the NFF on every issue, but we in the Labor Party do admire and respect the tenacity and integrity with which you seek to advance the interests of your constituents.

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I'm not so sure there are many issues these days on which we don't in fact see eye to eye. Certainly I don't think there are *any* issues - including even our responses to the Wik case, which I will return to later - on which our differences are irreconcilable. And on a great many other issues on which you and various members of the farm constituency are presently doing battle with this Government, we are very much on your side of the court.

On *drought*, for example - which is right back on the rural agenda much sooner than many of us might have hoped, with another El Niño apparently imminent, with major problems already in Queensland and New South Wales, and with southern Gippsland in the grip of the worst drought in its history. The Government is still hopelessly divided and muddled, with Treasurer Costello not really wanting to spend anything at all from his Budget, and with Messrs Anderson and Fischer apparently unable to make up their mind between support through subsidies for "exceptional circumstances" (which have always been hard to administer equitably), support through meeting individual farmers' welfare needs, or support in some other way. In the process, the Government is not giving any effective support, or any confidence that support will be forthcoming, to *anyone*.

One of my personal priorities in government as Treasurer will be to lift the Treasury's game when it comes to the monitoring of farm conditions, and calculating the impact of anticipated changes on both the Budget and the economy as a whole. When senior Treasury officials were questioned

in Senate Estimates Committee hearings two months ago, they were simply unable to respond in any detail on the outlook for farm production, or the economy more broadly, in the light of the most recent information on the southern oscillation index. I am not suggesting that Treasury get into the weather forecasting business - God forbid, with all those dries there! - but they really ought to be much more sensitive to issues that are of absolutely fundamental importance to Australia's farming community.

On the Government's new tax on *meat exports*, you know exactly where we stand. Last Friday in Rockhampton, Kim Beazley and Shadow Primary Industry Minister Neil O'Keefe announced that the Opposition would move to disallow in the Senate the new regulations forcing the \$2 billion meat export industry to pay up to 300 per cent more for AQIS registration and inspection charges, a burden which is likely to threaten hundreds of jobs around the nation.

On *chicken meat imports*, to take another quarantine related issue, you know how strongly we have been campaigning - in the face of Mr Anderson's determination to allow imports, come what may - against the exposure of the poultry industry to unacceptable risk associated with the introduction of Avian Newcastle Disease.

But our common front with you extends to rather more than just the specific issues, and others like them, that I have been mentioning so far. We in the Labor Party share with you mounting alarm at the long term damage Coalition Government policies are doing to the whole fabric of Australia's rural and regional heartland, opening up a bigger gap than ever between rural Australia and the cities, and threatening in the process the larger social fabric of the whole Australian nation.

Who in this Government has been caring - who has even been *asking*?- about the impact on rural Australia of the thousands of public service jobs being slashed from a range of government agencies right through rural and remote Australia; the closure of Medicare offices in rural areas; the closure of tax offices throughout country areas; the closure of CES offices in country towns; the wind back in ABC services; the end of Regional Development funding, with a total cut of more than \$150 million; and the hundreds of millions of dollars cut in road grants from the National Highway Network, which will hit hardest in the bush?

One of the many impacts of all this which this Government simply fails to understand - or if it does understand, doesn't care about - is that a great many of the private and public sector jobs that they have been slashing have been providing vital off-farm income to a great many rural families across the country.

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The Howard-Costello Government has done all this Budget slashing in the guise, and pretence, of good economic management. The hair-shirt had to be donned, we were told, because the national economic interest demanded it - the key to Australia's prosperity was a dramatic improvement in our savings performance through the Budget. No gain without a little pain.

The problem for the Coalition, which is now coming to politically haunt it, is that while the pain has been all too obvious, the gain has been non-existent or worse. Overall economic growth has slowed from nearly 5 per cent to below 2 1 / 2 per cent; the manufacturing sector has been in recession; retailers have struggled in one of the most difficult trading environments since the recession of the early 1980s; the labour market is as flat as a millpond; and above all unemployment, far and away our greatest single economic and social problem, has in fact risen.

It is now clear that the Government's strategy of preparing the ground for large Budget cuts last year by launching its "black hole" scare campaign about the state of government finances had a tremendously corrosive effect on business and consumer confidence. Its lack of leadership since, on economic strategy or anything else, has compounded the problem.

People lack confidence because they feel the economy is drifting, and an economy that is drifting does nothing for unemployment. This in turn intensifies the fear that many people have about their job security - especially those in their 40s and 50s, who are concerned with good cause that if they lose their present job they will never get another one. It makes people extraordinarily reluctant to spend and commit to large discretionary purchases.

This sense of drift has been reinforced by a flow of dismal economic figures over recent weeks. With interest rates cut five times, the housing cycle apparently turning, and the world economy for the most part in robust good health, most economists eagerly anticipated a strong acceleration in growth this year. But they're still anticipating it, because the missing ingredient is confidence. For example:

- the latest retail trade figures, for the 3 months to June, recorded negative growth, a clear sign that consumer confidence remains in the doldrums;
- last week's ANZ job vacancy figures were also negative, indicating that business has not yet regained the confidence to start advertising for more jobs; and
- the latest housing finance figures shows the housing recovery stalled, indicating that despite very low interest rates home buyers are just not feeling confident enough to return to the market in large numbers.

To arrest this sense of drift, and to generate the necessary consumer and business confidence, the Prime Minister and his Government simply have to demonstrate clear leadership - to show the same passion, in going for growth and jobs, that they have poured into Budget cutting. The prospect of poor farm conditions in many parts of the country adds even greater urgency to the task.

If the Coalition Government won't show leadership on this issue - and there wasn't much sign of it last week with Cabinet's pathetic little five-Ministers-away job summit - the Labor Opposition is only too happy to do so.

This isn't the occasion to spell out in great detail our alternative strategy for job creation and job

security, but I can spell out its five basic elements very simply. The key thing to grasp is that it is no use hanging your hat on just one or two objectives - as the Government is with its Budget-led savings push and inflation/interest rate reduction - and hoping all will come right over some longer term. Solving Australia's jobs problem is a hugely complex task, involving action on multiple fronts at once. We say that if you are serious about jobs you have to do all five of these things simultaneously:

One, grow the economy as fast as it sustainably can be grown through appropriate combinations of *budgetary and monetary policy*. That means, in our judgment, somewhere between 4 and 5 per cent in overall GDP terms, which would be consistent with the doubling of Australia's GDP per capita from 1.7 per cent to 3.4 per cent urged by David Mortimer. We're falling way short of these targets at the moment.

Two, rely not just on internal demand, but hitch a ride on that being generated elsewhere in the world, especially in Asia, through creative, competently administered and effective *trade and foreign policy*. It is hardly necessary to emphasise how far Australia's external policy is from realising this objective at the moment - with things made even more difficult for us by the Government's handling of the Hanson phenomenon.

Three, translate increases in demand for goods and services into specific business and job opportunities through creative and effectively administered *industry and regional development policies*. We now have two major reports in the space of a fortnight - Mortimer, and the MTIA Report released on the weekend - telling the Government that it's hands-off approach to industry policy is wrong.

The industry development policy that we - like Mortimer and MTIA - favour, does not mean a retreat to old-fashioned McEwenite, inward-looking protection. Labor's approach means rather a combination of at least four distinct elements, all sharply export-focused in character:

- strategic intervention by government, in partnership with the regions and industry sectors involved, in particular to assist efficient Australian industries in countering distortions imposed by other governments;

- cost-competitive measures, to ensure that Australian industries and firms are not disadvantaged internationally by avoidable domestic costs, including continuing microeconomic reform, appropriate competition policy measures, reduction of business regulation, and business-sensitive as well as equitable taxation and industrial relations regimes;

- programs and measures to encourage innovation across the whole industrial landscape, especially through enhanced support for research and development; and

- specific market access and export promotion measures, designed to maximise domestic economic growth and job creation.

Labor's regional development policy, which will be one of our central preoccupations in government, is based on our recognition of the great variation of economic activity and opportunity in different parts of the country and the need to give particular support to those regions struggling to adjust to changing economic conditions.

Fourth, make sure that we have the necessary job skills to fill job opportunities as they arise - through properly funded education, training and labour market job readiness programs. Unless just as much attention is paid by governments to the supply side as the demand side, aggregate demand increases will result simply in inflationary bottlenecks and the export of job opportunities.

Fifth, be prepared to spend public resources - because they are not likely to be sufficiently generated by private sector activity - to create additional jobs in the community service sector, both to meet presently unmet community needs and to employ a significant number of those now out of work. If public sector jobs go on being lost at their present rate, particularly in areas where the private sector is unable or unwilling to take up the slack, then Australia is buying for itself not only a worse unemployment problem but potentially a even more wide-ranging community welfare problem. Public sector job creation does not come cheaply, but it has to be weighed against the economic and human cost of inaction.

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What of the area of government policy where, on the public face of it, there are much more substantial differences between the NFF and the Labor Party, namely the native title issue and the legislative response to the *Wik* case?

I frankly believe that those difficulties are more apparent than real, and that with a genuine effort of goodwill by pastoralists and Indigenous people to understand and accommodate each other's basic and legitimate interests, a way can be found through the present impasse that is acceptable to both sides. I also believe that acceptable answers can also be found to meet the various concerns of the other two key stakeholders, the miners and Australian taxpayers.

I should say at the outset, however, that if there is to be any progress on resolving the *Wik* issue it can only ultimately be with the cooperation and goodwill of the Australian Government as well. If the Howard Government at the end of the day is more concerned to play politics with *Wik* than to get an amicable and equitable settlement we are headed for a deadlock in the Parliament; endless further delays in resolving outstanding issues, which it is in absolutely no-one's interests to promote; and - worst of all - the prospect of a double dissolution election fought over racial policy.

The Labor Party, for its part, will do everything we possibly can in both the House and Senate to chart a course through all the issues about which there is disagreement, and to find answers that are acceptable - if not always, of course, optimal - for all sides. But it also needs to be understood that there are certain basic principles in relation to which we see no room for, or possibility of,

compromise. In particular, we could not countenance the legislative extinguishment, direct or de facto, of native title rights now co-existing on pastoral leases. Nor could we countenance the removal of native title holders' rights to negotiate, especially in the context of mining interests given the economic empowerment that the present right entails.

This is not the occasion, again, to go through in detail all the various issues that will be up for discussion in the forthcoming debate. But let me at least sketch why I think that it should be possible for the NFF and Labor Party to find common ground on the key issues, without either of us abandoning any principled positions.

First, there is no reason why the history of the Mabo legislation in 1993 should stand in the way of sensibly addressing the issues now before us. It is perfectly true that, as Rick Farley has recently stated, it was everyone's legal advice in 1993 that a pastoral lease, with no reservations of Aboriginal interest, extinguishes native title. But it is also true that the Commonwealth was not sufficiently confident of that advice to incorporate it in the legislation, and we said so at the time: the point was that if our advice was to prove wrong, and the legislation we enacted actually extinguished ongoing common law rights, taxpayers would have been up for huge compensation claims. The High Court's *Wik* decision was unexpected, but not unimagined; unforeseen, but not unforeseeable. Nobody was duded by anyone; nor can anyone do anything now about the High Court decision except work out how to live with its consequences. So it would seem that there is not much cause for further emotion to be expended on this score.

Second, it needs to be understood that quite apart from moral and financial issues involved, there is a very good *legal* reason for all stakeholders wanting to now avoid going down the path either of direct and outright legislative extinguishment of all native title rights on pastoral leases, or the only marginally less offensive "bucketloads of extinguishment" of Mr Fischer that are embodied in the present draft legislation, where there are many insidious intrusions on the non-extinguishment principle. Similar legal reasons make very unwise any purported removal of the right to negotiate.

The short point is that there are strong grounds for thinking that the amending legislation can only survive scrutiny if, on balance, it works for the *benefit* of Aboriginal and Torres Strait Islander people. The argument is that this is implied in the direct "race" head of power in s.51(26) of the Constitution (a point shortly likely to be tested in the High Court in the Hindmarsh Island case), or alternatively, is a necessary requirement of the legislation being consistent with the Racial Discrimination Convention, made law in Australia through the Racial Discrimination Act under the s.51(29) external affairs power of the Constitution. If the Government's legislation goes through in its present form but is challenged in the courts, as it will be, and found invalid, as it is quite likely to be, everyone will be back to first base - and pastoralists' basic concerns to ensure certainty and predictability of their title will be absolutely no further advanced.

The remaining thought that I would like to leave with you is that it does seem possible to set out in the legislation a mutually acceptable regime for coexistence between pastoral holders and native title holders which is fair to Indigenous interests, which raises no legal problems, and yet at the same time would meet the real needs and interests of pastoralists all round the country. I

have in mind a three-level regime, depending on what the pastoralists sought to do.

At the most basic level, if the pastoralist simply wanted to engage in traditional pastoral uses - i. e. ie activities and property developments necessarily incidental to the raising and movement of livestock (including pasture improvement, cropping on-farm use, sowing of exotic grasses and partial irrigation) - it seems reasonable that the legislation expressly remove any possible uncertainty about the pastoralist's right to engage in all those activities. No question would arise, accordingly, about notification, rights to negotiate or compensation.

A second level would cut in where the pastoralist wanted to go beyond traditional pastoral uses to engage in activities like intensive cropping, land clearance, gravel taking, farm stay-type tourist uses, commercial kangaroo culling or the like. Here, rather than the legislation simply, as the present draft does, giving the pastoralist open slather, and native titleholders no rights at all, it seems to me that a way through this can be found which would enable pastoralists to go on doing exactly what they have been doing in these respects in the past, without catching them up in complex native title right and compensation related issues. What would be involved here is possibly a scheme as follows:

- application would be made by the pastoralist to the relevant State or Territory licence and permit granting bodies in the normal way;
- the granting of the permission or interest in question - a licence, permit or the like - by such bodies would not be challengeable if done in good faith on familiar agricultural, environmental and/or planning policy grounds;
- to the extent that the permission or interest granted did adversely impact on native title rights, appropriate compensation would be obtainable from the relevant State or Territory (with or without Commonwealth financial assistance), without the necessity for the pastoralist to be involved in any way;
- there would need to be provision to ensure that Indigenous heritage sites that might be adversely affected by the grant of the permission or interest in question would be effectively protected (but this is largely the case under existing law anyway); and
- it would be made clear that, in the event of the permit or interest being inconsistent with the enjoyment of native title right, native title would not be extinguished but rather just suppressed for the duration of the inconsistency.

The third level of the proposal would come into play if the pastoralist sought a formal upgrading of title, to perpetual lease or freehold type status. This is not a situation that has frequently arisen in the past, nor should it in the future, but if it does the existing Native Title Act processes (compulsory acquisition with right to negotiate) should continue to apply.

While there needs to be much more discussion on this co-existence proposal, such consultations as have already occurred make me believe that it is not a fanciful option. I raise it here not as

stating any concluded Labor Party position, but to indicate - in the context of what is *the* really central issue for pastoralists in this legislative exercise - at least one way by which, with goodwill and constructive discussion, a sensible, expeditious, certain, predictable and fair way through the maze might be found.

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My basic theme today is that the NFF and the Labor Party both have much to gain by working together to find common ground in the national interest. On some issues that common ground will be harder to find than on others, but the potential is always there, because we have basically the same aspirations for the farm sector.

Over the last decade or more, as Kim Beazley reminded you when he spoke to the 39th NFF Conference last December, Labor pursued a "total systems" approach to rural policy that was really much more coherent, and in harmony with what the NFF has been about, than the traditional reductionist, commodity-by-commodity approach of the Coalition. We aimed at building a viable long-term future for agriculture, and improving the economic and social fabric of rural areas, by improving farm profitability; enhancing international competitiveness; enhancing value adding; enhancing market responsiveness; encouraging sustainable agricultural practices; and enhancing social and economic opportunities for rural communities, in particular building on one of rural Australia's greatest resources, its women.

We are acutely conscious of how much the farm sector continues to contribute to the Australian economy - responsible for roughly a quarter of our total national exports (along with a quarter each to resources, manufacturing and services); creating and sustaining a whole set of downstream industries dependent upon it; generating expenditure that is crucial to the survival of rural and regional centres throughout the country; and overall generating about 63 cents of additional output in the rest of the economy for every \$1 of extra farm output - such that an extra \$1 billion for the farmers means close to double that for the whole of Australia.

We in the Labor Party believe, moreover, that with all the opportunities opening up before us in our own region to feed, with ever more sophisticated products, a significant proportion of the world's population, the future of the farm sector will be as important as has been its past. Our vision for the farm sector in the next century, as Kim Beazley spelt it out last year, and as it remains today, is of:

- an industry on a firm financial footing, diversified, responsive and professionally managed by well trained and supportive workforce;
- an industry pursuing land management and farming practices that are sustainable for the long term, and in sympathy with our unique and fragile environment; and
- an industry that is still both the head and the heart of the Australian economy, adding

value in Australia, earning a huge amount of export income, and continuing to generate employment growth in a growing and vibrant economy.

We look forward to continue working with you in realising that vision.