

The Hon. Tony Burke MP

Minister for Agriculture, Fisheries and Forestry

Home > Transcripts >

Transcript of address to the Japan National Press Club, 4 April 2008

E & O E

Thank you very much for your generous introduction.

It is a great privilege for me to be here today and I am honoured by your attendance today.

It is only a little bit more than 100 days since the Rudd government was sworn in in Australia, and in that short time, I am now the fifth of our cabinet ministers to visit Japan.

When I have gone for my morning walks in my time here in Tokyo, which is my first time in Japan, I realise that I and my ministerial colleagues have got the timing right with the beauty of the cherry blossoms around at the moment.

The relationship between the people of Australia and the people of Japan is a deep bond of friendship. It goes beyond the relationship between governments and beyond our economic relationships.

Our relationship between governments has been well represented for a long time.

Since signing the bilateral commerce agreement in 1957, our economic relationship is growing. The relationship of trade is one great strength - with trade in each direction between our nations and the important role that Australia plays in providing a secure force of safe food.

This commonality is something unusual in our region of the world.

We share that bond that can only be shared between two nations which are democracy and the commonality that that brings.

It is also true that the relationship is strong between members of our cabinet and directly with the Japanese people. None more so than Jenny Macklin, one of my cabinet colleagues who has spent time in Japan herself and was pleased to be able to impress your Prime Minister back in 2002 in Australia by speaking Japanese.

There are significant areas where our nations are already working together. Notably in the area (inaud) that we have sustainable forestry. I was pleased during my visit in Tasmania, within a few weeks of taking my oath of office to meet a number of Japanese academics who were in Tasmania studying sustainable forestry practices.

Japan's active involvement in promoting international cooperation on illegal logging is most welcome, and I commend your hosting of the recent Second Round of the International Experts Meeting on Illegal Logging.

We are also strongly committed to reducing incentives for illegal logging and eliminating imports of illegally sourced timber products.

In the wake of discussions such as those, our government is now looking at new actions, such as restrictions on imports of illegally logged timber products and requiring the disclosure of species, country-of-origin and certification details of timber products at their point of sale.

There are still other areas where the prospects are good for us to be able to work together in the future and I include in that the fisheries area.

I had the great privilege of visiting the fish markets this morning and going from the wonder of the size of the market to the terror of trying to avoid the vehicles.

We need to work closely together in the Commission for the Conservation of Southern Bluefin Tuna to make sure that the value of resources that we have in the fisheries continue to be sustainable for the years to come.

Policy is in future, and policy change in the future, is always largely driven by external challenges which occur.

There are two great external challenges which decide the policy of the new government in dealing with the challenges ahead.

These two key challenges that agriculture, fisheries & forestry in Australia are facing are the challenges of climate change and dealing with our shrinking world. A world that is becoming smaller where trade and movements between countries is becoming more and more common than at any other point in our worlds history.

I would like to start by talking about climate change and then about the challenges that we face with our shrinking world.

The challenges of climate change were made stark in my portfolio within four days of me taking my oath of office.

Our principal research body known as ABARE in Australia, which is our principal source of agricultural economic research, conducted some modelling on what would happen to Australian agriculture if we did nothing to prepare for climate change.

The results that came back were alarming.

If we did nothing to prepare for climate change in Australia our wheat, beef, dairy and sugar production would decline by 9 percent by 2030 and by 13 percent by 2050.

The export deals were even more disturbing. By 2050 our capacity for exports would decline if we did nothing when dealing with climate change.

Japan and has for a long time, showing leadership in these issues and the invitation from Japan for our New Prime Minister, Kevin Rudd to attend a G8 summit in Hokkaido where the key theme would be climate change is deeply appreciated by all Australians.

The new government in Australia wants you to know that on the issue of climate change, we now want to be part of the global solution.

Within 11 minutes of Kevin Rudd taking his oath of office, Australia has ratified the Kyoto Protocol.

Our government has adopted an emissions target to reduce emissions by 60 per cent from 2000 levels by 2050.

The key issues of making sure that with the adoptions to the changing climate we mitigate our emissions lie at the heart of our governments approach to agriculture.

Mitigation of emissions can be difficult and also under the Kyoto protocol to measure that reduction in emissions in agriculture is particularly difficult.

We are looking at measures to try to make sure we have better sequest carbon within soil and to also make sure that those benefits to the atmosphere have a way of being measured so that they can be counted into the future in any carbon trading schemes.

Whether those mitigation issues become formally part of a carbon trading scheme is still under review and under consultation within Australia but regardless of that there are serious adaptation issues for our futures.

While climate change and weather are separate concepts, they have a important and unique relationship.

We have just had in Australia, seven consecutive years in some parts of our country of heat and severe drought. In the south of Australia, only a few weeks ago, we had a heat wave of temperatures that was described by one scientist as a one in 3000 year heat wave.

Assisting in these adaptation measures is an essential part of the government's program but at no stage will the Australian government be

telling individual farmers what they can and cannot grow on their properties.

We will assist in providing training and assistance and advice but business decisions will remain in the hands of the farmers themselves.

The second greatest external challenge that we face is the concept of shrinking world is they all become smaller and there's more movements between countries of people of products and commodities soft and hard.

As the world become smaller, the demands to open up our markets will increase. The continued pressure on world food supply, only service to make the argument for opening up trade more and more.

Liberalisation of agricultural trade is a major objective of the Australian government.

We remain committed to a successful and ambitious conclusion to the WTO DOHA Round negotiations.

This commitment is front and centre in our broader trade policy agenda.

We view the DOHA Round as holding out the most potential for achieving long- term outcomes to assist our exports and one that would deliver major trade gains not only for Australia, but for all WTO members, particularly developing countries.

As this is the development round, and so the focus is on the major economies but developed countries also need to contribute to a liberalising outcome.

First to ensure that an overall outcome is actually achievable but also to ensure that the gains from the outcome will be global.

It has to be remembered in this regard that a growing proportion of developing country trade is with other developing countries.

So a liberalising outcome which includes developing countries would boost trade between those countries.

We welcome the constructive role played by Japan in this round and the cooperation between Australia and Japan, along with other key players such as the US, the EU and Brazil - in the senior official discussions on agriculture.

The DOHA Round will be successful where it includes - substantial improvements in market access, effective cuts to farm subsidies, the elimination of export subsidies and strong disciplines on food aid and export credits.

I appreciate that many of these are difficult issues for Japan's agricultural sector to deal with but I would stress again for us all in a liberalised trading environment and we should also keep in mind that a good outcome from the DOHA Round would provide an immeasurable boost to the health and stability of the multilateral trading system at a time, when the ripples flowing from the sub-prime crisis have clouded the global economic outlook and shaken confidence.

This makes a successful conclusion to DOHA more important than ever.

As you know we are negotiating a Free Trade Agreement with Japan that could help link our economies even more closely.

With four negotiating rounds completed to date and initial offers tabled, Australia is optimistic that we can push ahead with a win-win solution.

But let me be clear and I want to say publicly as I said privately in my meeting with Agriculture Minister Wakabayashi on Wednesday night, Australia can not accept an FTA or an EPA in the Japanese terminology - which excludes from liberalisation the major sectors of beef, dairy, grains and sugar.

That said, we do hear the concerns which have been put to us very clearly in all meetings and particularly put clearly by Minister Wakabayashi. The concerns which we all need to work towards a mutual understanding.

In response, I would like to reiterate the point that has been made many times before whenever the subject of FTA arises - which is that Australia does not have the capacity to swamp or flood Japan's agricultural sector.

With competition for land and water resources, the potential to increase our production in Australia is limited, and of course like everyone else trading globally, we do need to manage risk across a range of markets.

In addition to many of our traditional markets we have new customers for our products in new emerging economies like China, Russia and India.

So the concerns that Australia could somehow flood the Japanese market is misplaced. We do not have that capacity.

In response to the concerns that have been expressed by Japanese producers, I have three key points.

First of all, our climatic and environmental constraints on production of availability have declined for exports. Remember we are a country which cannot flood the market and a country which stands on its record as always having been able to deliver on its long term contracts.

Secondly, Japan provides a highly differentiated market on price and quality grounds, and our key exports tend to compete with other imports, rather than actually competing in the market with Japanese products.

Thirdly, for many of our products in horticulture, Australia is a counter-seasonal supplier we are there therefore to compliment, rather than compete, with Japan's own products.

At a time when prices for commodities are increasing rapidly I would encourage Japan to see an FTA with Australia as an opportunity to secure its long-term food security rather than as a threat.

Australia values the Japanese market very highly and is committed to supplying its customers with clean, safe, high quality agricultural products and of course you will always be a reliable supplier.

Japanese customers know that Australia has never failed to supply Japan, even in drought years.

Beyond those negotiations, our agricultural relationship is in good shape. We have annual supply and demand talks for our key exports of beef and dairy which provide us with a useful opportunity to discuss world prices and customer requirements for these products.

We have a similar mechanism for grains and our annual bilateral plant quarantine technical talks are a valuable platform for discussions of technical market access issues.

The bilateral animal health talks that were held earlier this year in Tokyo have added to the depth and breadth of this dialogue.

Breaking down high tariffs and restrictive import quotas doesn't deliver practical commercial outcomes unless technical barriers which lack a sound basis are allowed to remain.

Japanese supermarkets that serve Japanese consumers are highly concerning. Australia's technical excellence and high standards are already well known.

While here in Japan I have raised with the Parliamentary Secretary, Matsunami my interest in seeing greater cooperation between our two countries in the area of international food standards, principally through Codex.

So far the regional groupings in Codex have failed to take advantage of the bond between Japan and Australia. We are both influential economies in our immediate region and it would be great to see more cooperation between us in light of this.

The external pressures of climate change and a shrinking world are not unique to Australia. They face every nation throughout the world. They are the same challenges faced here in Japan and we are now on the external situation of increasing global pressure on food supply.

With the strong bond between our nations and the opportunity to cooperate and work together as we deal with these challenges, the opportunities and prospects for a bright future and mutual understanding and to work for the benefit of both our nations for a very bright future indeed.

[END]