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CHANGING INSTITUTIONS, PROCESSES AND ISSUES IN THE FORMATION OF AUSTRALIAN AGRICULTURAL POLICY*

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In this paper the effect of structural changes in the Australian economy on the determination of policy for agriculture is examined. The effectiveness of the unification of farm organisations is questioned and the threat to organised agriculture of new lobby groups and new governmental institutions is outlined. The role of wide-ranging inquiries into the state of the agricultural economy is scrutinised. Attention is drawn to the effect on rural lobbying of the advent of 'government by consensus' under the Hawke Government and to the increasing militancy of farmers. It is shown that recent advocacy of greater centralisation of agricultural administration has no constitutional basis. It is concluded that the emerging problem of organised agriculture is to find an effective way to modify the impact on the industry of general economic policies and overseas economic developments rather than to deal with commodity-specific legislation.

The use of the word 'changing' in the title of this article may be somewhat misleading. Political institutions and policy-making processes characteristically do not undergo dramatic changes. Depending on the time span under review, terms like continuity or gradual evolution would be more descriptive of what happens in the majority of countries, apart from those afflicted by internal upheaval or foreign intervention. In this paper, which is focused primarily on the period since 1965, an endeavour is made to identify the principal changes which have occurred in the process of policy making with respect to Australian agriculture and to discuss briefly the effectiveness with which rurally based organisations have dealt with such changes.

Policy and Policy Formation

The word 'policy' as used in this paper refers to policy as expressed in the relevant statutes, in administrative regulations pertaining to those statutes, in executive actions reflecting departmental interpretations of legislative intent and in cabinet decisions. The paper is not concerned with the speculations and commentaries in which some economists indulge and which are often mislabelled policy. Even less is it concerned with those econometric models which in latter days have been developed in an attempt to guide policy makers. Likewise, reports of the Industries Assistance Commission do not fall within the definition, though they obviously contribute in varying degrees to ultimate policy decisions.

In view of what follows, it is important to recall how changes in public policy in Australia normally occur. Sir Geoffrey Yeend (1981), as the Secretary to the Department of the Prime Minister and Cabinet, addressed himself to this question as it applies in a federal context. He

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pointed out that many of the ongoing decisions of government come up in an automatic way. Contrary to popular misconceptions, legislators do not spend their time sitting around dreaming up new policies nor for that matter do public servants. In the overall picture, expressions of new or novel policies occupy a comparatively minor place in the parliamentary program. Much federal legislative activity, for instance, stems from the consideration of: (a) legislation with given expiry dates (for example, statutes covering wheat industry stabilisation); (b) statues which need updating because of obsolescence or the appearance of new technology; (c) laws which require amendment because of changes in federal–state relations; and (d) new or amended laws deemed to be necessary as a result of challenges to the intent of existing legislation in the High Court or elsewhere.

Following elections particularly, and to a varying degree at other times, a number of bills are presented dealing with new matters which the government of the day believes require attention. Such initiatives should be distinguished from electoral commitments to undo the legislation passed during the tenure of the preceding government. In practice, the latter class of legislation is debated relatively infrequently.

Paarlberg (1981) prompts one additional point by way of preface. He draws attention to the commonly held belief that the central matter of attention in public policy making is the choice between alternative solutions to issues on the policy agenda. In contrast, it is his view that the real questions are whether the issues on the agenda are the relevant ones and who has control of the agenda. Paarlberg (1981, p.158) states 'control of the agenda is the central issue . . . for control of the agenda connotes the ability to keep items off the agenda, that most potent of all powers, the one the public seldom sees.'

Though government institutions and procedures are different in Australia, most readers could cite a list of items that ought, at appropriate times, to have been on the rural policy agenda (on economic, if not on other grounds) but were not. The failure to implement promptly the recommendations of the McCarthy and Kelly Reports might be two examples (Commonwealth of Australia 1960, 1980). The procrastination on plant varietal rights legislation might be another. By the same token, there have been other items on the Australian rural policy agenda which there are reasons for believing should not have been there. Perhaps the establishment of a national rural bank in the early 1970s was one. The immediate reaction of federal National Party leaders to the suggestion of deregulation of rural interest rates contained in the report of the Campbell Committee (Commonwealth of Australia 1981) could be interpreted as another attempt to keep a matter off the agenda.

The Agro-Political Effects of Structural Change

I turn now to a consideration of factors underlying changes in the Australian power structure in recent years which have affected the ability of farmers to mould policy in accordance with their desires. There has long been speculation about the adverse political effects for agriculture which were likely to ensue as a result of the dwindling relative economic and demographic importance of the rural sector

(Campbell 1979*b*). Until the election of the first Hawke Government in 1983, one could not but be impressed by the continuing ability of the nation's farming community to display its political muscle. The powerful influence of the National Party is still evident in Queensland. Nevertheless it does seem that the farmers must in due course lose out in terms of comparative numbers. That they have been able in large part to protect what they conceive as their interests for so long must continue to be explained by the exaggerated influence the National Party has been able to exert by virtue of alliances with the Liberal Party, the individual power exercised by a number of influential National (Country) Party personalities and the long drawn-out process of electoral reform.[1]

On the other hand, frustration and desperation have at various times in the past decade or so led farm groups in a number of states to mount public demonstrations in support of their causes. These demonstrations have occurred, for the most part, where the focus of the protest is some decision representing acquiescence to a consumer or urban point of view. In one Sydney case, involving a denial of a rise in the price of eggs, transportation for the demonstrators was provided by the relevant marketing board. Farmers' participation in such protests appears incongruous given their traditionally conservative image. But demonstrations and blockades seem to have become part of the present-day political scene and there are well-established precedents for rural protest marches in both Western Europe and North America. Apart from representing a means of obtaining possible television publicity, marches, strikes and demonstrations are essentially an indication of ineffectiveness in using more traditional political channels and their success will vary enormously with the circumstances. The protest gathering of an estimated 40 000 people organised by the National Farmers' Federation on the lawns in front of Parliament House at the start of the tax summit in July 1985 represents the most extreme resort thus far to such forms of public protest. Its novelty prompted the Prime Minister subsequently to remark 'it is not an instrument traditionally used by farmers in Australia' (ABC television, 10 July 1985).

It would be helpful if there were more hard facts available about the changes that are occurring in the structure of farms in this country so that one might assess the political implications. There are some signs of increasing discontent on the part of owners of large farms about traditional farming values and ways of operating in the public arena. There are, on the other hand, limited avenues for such discontent to find expression. But the Uebergang challenge to the Wheat Board in the High Court (*Uebergang v Australian Wheat Board* 32 ALR 1) and the 1981 election to the Wheat Board of a New South Wales farmer, Paul Kahl, who was not supported by the Livestock and Grain Producers' Association, may be straws in the wind. The announcement of the formation in the north-west of New South Wales in 1985 of a new farm organisation, the Graingrowers of Australia Ltd whose wheat policy is directly opposed to the policy of the Livestock and Grain Producers' Association, is a development in the same tradition (*The Land*, 21 February 1985).

[1] Anderson (1985) has argued on the basis of a comparison of countries at various stages of economic development that agricultural protection increases as the proportion of farmers in the work-force falls. However, the traditional food-exporting economies of North America and Australasia do not conform with this generalisation.

Though the growth of the mining industry has meant significantly increased competition with agriculture for resources, the industry, being export-oriented, does share with agriculture a common concern about trends in domestic costs and exchange rate fluctuations. It could, in these matters, be a political ally of the farmers. The submissions of mining companies to the Industries Assistance Commission at its inquiry on general tariff reduction early in 1982 illustrate this (*Australian Financial Review*, 19 January 1982).

It may well be that the more significant effects of structural changes in the Australian economy in the longer run may occur in the area of interstate relations. The effects are already to be seen in the changed thrust of the work of the Commonwealth Grants Commission and at Premiers' Conferences. The increased wealth of the resource-rich states of Queensland and Western Australia relative to others and their correspondingly increased political clout are becoming apparent. The submission of the Northern Territory to the Industries Assistance Commission in December 1981 about the burdens the Territory bears by virtue of tariff protection given to industries in the southern states could be interpreted as pointing to future changes in national priorities stemming from interregional redistribution of wealth and income.

The Unification of Farm Organisations

A major event in Australian agricultural politics was the decision of farm organisations in 1979 to adopt the advice of successive National Party ministers that it would be to their advantage if they presented a united front. The National Farmers' Federation is now in operation and unified counterparts exist at the state level. Whether farmers are better able to secure their political goals under the new arrangements than they would have been under the old is impossible to judge but evidence of some of the old divisions and desire for independence remains.

There are also occasional signs of lack of concerted policy. It was possible in 1981 for the Livestock and Grain Producers' Association to be making alarming noises about the alleged serious consequences of foreign ownership of land while the National Farmers' Federation was saying that there was no need to worry. The latter's well-orchestrated opposition to continued high tariffs on motor vehicles, clothing, textiles and footwear, and talk of carrying protests against EC protectionism direct to Brussels, proceed at the same time as dairy farmers are demanding protection against the entry of New Zealand butter and cheese and New South Wales dairy farmers are demanding protection against the entry of Victorian milk. Horticulturalists and mushroom growers, in particular, find it hard to find common ground with broadacre farmers. In fact, the Horticultural Growers' Council announced its withdrawal from the National Farmers' Federation in December 1981. Continued adherence to the doctrine of tariff compensation helps farm organisations at all levels to reconcile inconsistencies in attitudes to government assistance.

Farmers' groups seem to be becoming increasingly aware that on certain types of political issues there are advantages to be obtained in having several voices speak rather than the Federation's voice alone. It is becoming common for various commodity councils of the Federation

to make independent submissions to inquiries, particularly those conducted by the Industries Assistance Commission.

In addition, marketing corporations appear to be speaking out more frequently on industry issues. The Australian Wool Corporation presented a submission to the Industries Assistance Commission at its 1982 inquiry into reduced levels of tariff protection (*Australian Financial Review*, 13 January 1982). In doing so, it claimed that it was legally bound to protect the interests of the wool industry. Late in 1981, the chairman of the Australian Dairy Corporation called on the Government to forestall further decline in the Australian dairy industry. The Corporation has also been active in the 1985 argument about appropriate future policy for the industry. A reading of the statutory obligations of these marketing corporations does not suggest that acting as a farm pressure group is among them.

Challenges from New Pressure Groups and New Institutions

The period during which Australian farm organisations have been centralising their activities has also been a period in which the non-farm public has embraced new guidelines as to the limits of government interference with and control over citizens' affairs. Additional items have been put on the policy agenda. These include environmental protection, protection of the public from various artificial hazards, the preservation of the cultural heritage, consumer protection, aboriginal land rights and animal welfare.

The agricultural response to these new concerns has been rendered more difficult by virtue of the fact that the farmer has frequently been cast in the role of a villain with regard to them. These changes in public opinion have not only subjected the individual farmer to more social controls and in some cases increased costs, but they have also meant a broadening of the range of issues with which farm organisations must contend. They have increased the number of government agencies having an impact on rural affairs and have brought into being a whole new set of pressure groups.

The number and diversity of the groups which were stirred into political action by the mooted plant varietal rights legislation illustrate the difficulties nowadays associated with the enactment into law of what to many agriculturalists originally seemed a rather straightforward piece of legislation. The expanding interests of the animal liberation movement provide yet another example of the wider political environment with which farmers have to contend.

In the writer's judgment, Australian farmers and their organisations have scarcely begun to realise the potential threat of these urban-based groups. They are not accustomed to such challenges to their traditional ways of doing things nor have they devised strategies for coping with these discordant voices in the public policy arena. More positive farmer-based action could be expected in the future.

In addition to being subjected to the oversight of a plethora of new state and federal agencies administering environmental and related legislation, the farming community has had to contend with a new kind of parliamentary-based investigation. The introduction of the standing committee system in the Australian Senate represents an additional set

of forums before which the actions of farmers and what they deem to be their institutions have to be defended. The Standing Committee on Science and the Environment has held inquiries on pesticides and land use. The Standing Committee on Finance and Government Operations (the Rae Committee) in 1981 completed an examination of the management of the Australian Dairy Corporation and its overseas commercial activities. Further inquiries with respect to other marketing boards were mooted. Though opinions do vary about the propriety of the range of the Rae Committee's inquiry, one cannot fail to support efforts to ensure proper financial standards in statutory corporations. Public accountability is part of the modern ethos and the rural sector cannot expect to be exempted from the need to conform.

The Inquiry Process

More generally, governments since 1970 have provided farm organisations with greatly enhanced opportunities to ventilate their points of view on a variety of issues. Of course for many years graziers' associations (under various names) made it their business to appear periodically before the Arbitration Commission and the Tariff Board. But in the past decade, farm organisations have been called upon to present the farmers' point of view to an ever-increasing number of public inquiries.

Farmer groups originally opposed the establishment of the Industries Assistance Commission in 1974, suspecting it as a possible disrupter of traditional channels for exercising influence. In the event, a wide range of rural organisations (both government and corporate), as well as individuals, have appeared before the Commission to give evidence on the various matters that have been referred to it. I still have reservations about the one-sided nature of much of the proceedings on agricultual references and I regard the changes made in the Commission's guidelines and procedures over the years as retrogressive (Campbell 1980, p. 123). Even so, the Commission does provide a forum for public discussion of rural affairs and, as a result of its existence, governments have received some independent advice that they may not have obtained from other sources. Both must be regarded as advances on the pre-existing situation. At the same time, the post-1974 system did put additional strains on the resources of farm organisations. They have had to appear once, and often twice, before the Commission and might still have to lobby in a parliamentary context if and when bills on the matter referred to the Commission come up for legislative action.

Two other watch-dog agencies, established in the seventies, presented threats, even if limited ones, to rural traditions. One was the Prices Justification Tribunal and the other, the Trade Practices Commission. The rural inquiries of the first, before its demise, were largely ignored. Its successor under the Hawke Government, the Prices Surveillance Authority, has thus far not involved itself directly in agricultural pricing. The legislation covering the Trade Practices Commission essentially precluded its directing its attention to statutory and other monopolies in agriculture. In May 1979 the Trade Practices Consultative Committee (1979) did however recommend the amendment of the Trade Practices Act to clarify the grounds on which exemptions

might be granted to agricultural marketing bodies. The Fraser Government decided in November 1981 to handle the matter administratively.

The propensity of governments to institute inquiries to provide advice on specific issues has increased in the past decade. Some of these, such as the Jackson Inquiry (Commonwealth of Australia 1975) and later the Campbell Inquiry into the Australian financial system (Commonwealth of Australia 1981), have dealt with fundamental economic issues of vital importance to the rural industries. Like the Industries Assistance Commission, these various committees of inquiry have made greater demands on the executives of farm organisations, and there is always the nagging doubt as to whether the effort is justified, particularly if no legislative action follows.

At the same time, some farm organisations have not been averse to seeking access to additional unconventional forums in an attempt to resolve their problems. For example, in 1985 the Victorian Government, at the behest of Victorian dairy farmers, asked a deputy president of the Arbitration Commission to determine the price of milk in that state (Australian Conciliation and Arbitration Commission 1985).

The Political Purpose of General Agricultural Inquiries

On 21 September 1981, the Minister for Primary Industry announced the appointment of a working group to prepare a policy discussion paper on agriculture. Inspection of the detailed terms of reference shows that the Minister was not exaggerating when he said they encompassed all issues of relevance to the role of agriculture in the Australian economy. The group was 'requested to identify, for government consideration, the major policy issues and options relating to the Australian agricultural sector'. The Minister had indicated earlier at the mid-year meeting of the Australian Agricultural Council that the group was being set up following representations from the National Farmers' Federation.

Given the way in which agriculturally related policies have traditionally been formed in this country, it seems reasonable to ask how the Government, and more particularly the Federation, saw a broad-ranging inquiry of this kind as being a meaningful part of the rural policy-making process. This question is particularly pertinent in view of the substantial input of support personnel that was made by the Department of Primary Industry. The National Farmers' Federation is not inexperienced in politics and would be expected to have some conception of how this exercise could help it achieve its political goals.

I raised a similar question (Campbell 1974) following the publication of the so-called Green Paper (Commonwealth of Australia 1974). That inquiry, however, was set up on the initiative of a government, not a farm organisation. H.C. Coombs (1981) in his autobiography claims credit for establishment of the working party by the Whitlam Government. He explains that he recommended this action in order to counter the 'anti-rural' image of the Government and because 'the Government lacked a coherent theoretical approach to rural problems on which it could base its own long-term programs and which would

guide its response to more immediate issues' (p. 310). The Liberal – National Party Government in 1981 could scarcely be described as being in a similar situation. The 1974 experience provides no clues as to the real political purpose of such inquiries.

My own explanation is that agricultural policy in the traditional sector-oriented sense is no longer as important as it once was in the rural scene and that, as a result, farm pressure groups cannot be as effective as they once were. In general, farmers' welfare is more affected today by fiscal, monetary, exchange rate, wages, tariff and general trade policies than by commodity-related policy or rural-sector-oriented policy. Decisions in relation to the aspects of national economic policy mentioned cannot, in a modern diversified economy, be influenced directly in any significant way by farm organisations any more. The achievement of farmer unity does not materially alter the position. The National Farmers' Federation in these circumstances was understandably frustrated and it called for a general industry inquiry. For its part the working group, given its terms of reference, could not directly provide the kind of guidance which the Federation was really seeking — namely how to be effective politically in such a situation.

An answer was however provided at the 1983 National Agricultural Outlook Conference following the publication of the Balderstone Report (Balderstone, Duthie, Eckersley, Jarrett and McColl 1982). From the remarks made by the then president of the National Farmers' Federation, Michael Davidson, it was evident that a substantial number of members of his organisation still hoped that the Government would act directly on the recommendations of the report (with which the Federation had expressed almost complete agreement). The replies given by both the chairman, Sir James Balderstone, and another member of the working group, J. C. McColl, Director of the South Australian Department of Agriculture, to Mr Davidson's question along these lines should convince the Federation once and for all that the establishment of committees of inquiry is not an effective means of getting agricultural policy in Australia changed and that it is no substitute for traditional lobbying procedures. The relevant portion of the transcript of the conference is reproduced below.[2]

> *Session Chairman.* Sir James, I'm wondering if you are getting any indication from politicians that the key elements of what you put forward are going to be adopted. That's really what Mr Davidson is saying, isn't it?
>
> *Sir James Balderstone.* Yes, I think it's up to the farmer groups . . . I hope that the National Farmers' Federation and other producer organisations can now have some success in putting their point of view to the Government.
>
> *Mr J. C. McColl.* . . . I think (I support Sir James very strongly here) that the major thrust in the implementation of the suggestions made by the Balderstone Committee is with the farm organisations and I think that they have to move through. We have identified preferred policy options or instruments. Now obviously the policy area is much more complex than that. . . . Policy involves not only instruments but

[2] I am indebted to the Director of the Bureau of Agricultural Economics for access to the videotape of the conference.

it involves institutions and it involves legislation and administrative changes. I think that these need to be specified, identified and whichever organisation is going to run with the ball needs to tackle those particular issues in terms of its consultations with governments.

Changes under the Hawke Labor Government

The return of the Labor Party to the Treasury benches under Prime Minister Hawke following the election in March 1983 brought with it some substantial changes in the style of government. West (1984) has gone as far as to characterise these changes as 'a revolution in Australian politics'. It is pertinent to inquire how the agricultural sector of the economy has fared under this new style of government.

In the initial Hawke Ministry, the Minister for Primary Industry was not included in the Cabinet — a marked departure from traditional practice. Whether the agricultural industries were disadvantaged as a result during this period is debatable. In any case, this departure from orthodoxy was corrected in 1984.

A source of difficulty to the Labor administration in the determination of policy has been the presence within the party of well-defined factions ranging from the Right to the extreme Left. It is not that the conservative parties do not have some factional differences but they have not proved to be the encumbrance that they have been to the Labor Party. It would appear, however, that with one exception the existence of factions in the Labor Party has not turned out to be the constraint in the development of rural policy that it has in other ministerial portfolios. The exception has been the much-heralded legislation on plant varietal rights. A bill on this matter was presented to Parliament during the last months of the Fraser Government but was referred to a Senate committee. Despite support from the Australian Agricultural Council and a favourable recommendation from the Senate inquiry, the legislation has not been reintroduced to Parliament while Labor has been in office.[3]

Government by consensus

A characteristic feature of Prime Minister Hawke has been his emphasis on what is called 'government by consensus' in place of traditional pluralistic pressure group politics. The archetype of consensus politics, which was heralded in the election campaign, was the National Economic Summit and the antecedent prices and incomes accord negotiated between the Government and the Australian Council of Trade Unions. To this summit held in April 1983 a group of selected businessmen, trade union representatives and parliamentarians were invited, together with much more restricted numbers of representatives of diverse minority groups. The aims of the conference were to review the state of the Australian economy and to reach a consensus on the appropriate ongoing economic management of it. This goal was achieved and, subsequently, a smaller body, the Economic Planning Advisory Council, was set up to monitor and advise on policy

[3] Typical of the arguments presented by the Left on this issue are the speeches by Senators Child and Keeffe in *Senate Hansard*, 32nd Parliament First Session, Fifth Period, pp.741–4 and 894–7.

developments. There have been various criticisms of the organisation of this venture, such as the failure to recognise and invite significant groups in the community (such as the unemployed and senior citizens), the unrepresentativeness of the business appointees and the charge that the conference was stage managed (for example, West 1984; *The Australian*, 29 June 1985). More worrying perhaps is the degree to which consensus decisions reached at such unrepresentative summits substitute for decisions many would claim should more appropriately emerge from the normal processes of parliamentary government.

At the original summit, the National Farmers' Federation was represented by the then president, but it was clearly not a satisfactory forum at which to present the views of organised agriculture on appropriate economic policies. The Federation is also represented on the Economic Planning Advisory Council, which meets quarterly, but much the same comment applies.

There have been other meetings analogous to the National Economic Summit, notably the conference to discuss a National Technology Strategy and the one called to devise a National Conservation Strategy. In both cases, the representatives were carefully selected. In the latter case, efforts were made to get equal numbers of what were described as developers and conservationists together with state government representatives. The National Farmers' Federation in this case was more fully represented. However, the confrontational approach to important and many-faceted issues of conservation, which was implicit in the structure of the conference and the acceptance or non-acceptance of some principles of the strategy on a narrow margin of votes, raised serious questions of the propriety of this method of achieving so-called national consensus. The eventual, though delayed, acceptance of the National Conservation Strategy arrived at in this way, by the federal Cabinet raised once again the question of the implied commitment of the Government to a wide range of policies brought together in a most undemocratic manner. The possibility of conflict between policies enumerated in the strategy and specific policies later thrashed out in parliament or as a result of federal–state negotiations is quite real.

The farm costs summit

In the last half of 1984, following a series of protest meetings about farm costs at several locations in New South Wales, the National Farmers' Federation mounted a campaign aimed at bringing to the Government's attention, the burden of tariff protection and government charges on the farming community. In the course of his rural policy speech in the campaign leading up to the election in December 1984, the Prime Minister undertook to hold a 'farm costs summit'. In the event, two meetings were held after the Government's return to office, the first on 5 March and the second on 22 April 1985. Those present at the summit included the Prime Minister, the Treasurer, the Minister for Primary Industry and the Minister for Finance, together with five representatives of the National Farmers' Federation. At the first meeting there was substantial disagreement about the figures which the Federation submitted in an endeavour to quantify the burden of the tariff. This led to the calling of the second

meeting, following attempts to reconcile some differences in estimates put forward by the Federation and the Bureau of Agricultural Economics.

After the second meeting the Prime Minister merely gave assurances that the Government would bear the Federation's submissions in mind in the course of the budget discussions. Farmers were reminded by the Minister for Primary Industry that they represented a mere five per cent of the work-force and that they therefore could not expect their demands to be acceded to without consideration of the implications for the wider community. He said the members of the Federation should accept the nature of the pluralistic society in which they lived. No government could bend to the wishes of any one sector nor could the economy be skewed to suit one sector. No one could expect to come to Canberra and get exactly what he wanted. Such plain speaking would never have come from the counterpart minister in a Liberal – National Party coalition. The president of the Federation afterwards described the farm cost summit as a farce and ruled out the possibility of any similar talks with government in the future.

The summit was associated with two unusual initiatives on the part of the National Farmers' Federation. One was the repeated threat made by the president, Ian McLachlan, that Australia's rural sector would consider militant action if the Government did not accede to the Federation's series of demands aimed at lowering farm costs. The form of the militant action was not disclosed at the time. The second was the resort to a petition as a means of demonstrating farmer unrest. On 19 April 1985 (that is, three days before the second summit meeting) the executive officer of the Federation presented the Minister for Primary Industry with a woolsack containing a petition protesting about increased farm costs signed by 60 000 farmers and other sympathisers. He in turn presented the petition to the House of Representatives on the day of the summit. Given the scepticism with which politicians at all levels of government tend to regard petitions, it is a wonder that the Federation should embark on such a tiresome and indeed anachronistic exercise extending from October 1984 to April 1985. It must have felt the novelty of this approach might impress the Prime Minister and at the same time provide an opportunity for public relations activity and a means by which members at the grass roots might feel they were involved.

Centralising tendencies

Another feature of the Hawke administration has been its centralising tendencies. The most clear-cut example of this has been the use of the external affairs clause (section 51(xxix)) of the Constitution to override policies determined by the states. The much-publicised use of this power to prevent by federal legislation the construction of hydroelectric works in the south-west of Tasmania in 1983 on the basis of Australia's participation in the World Heritage Convention is the classic example. The High Court subsequently upheld this particular use of the power following a challenge to the constitutional validity of the legislation by the Government of Tasmania. The High Court judges divided 4:3 in giving their judgment (*Commonwealth of Australia & anor v State of*

Tasmania & ors 46 ALR 625). There have been subsequent suggestions that the Commonwealth Government might use the external affairs power in other contentious issues such as the construction of a road through the Daintree Forest in Queensland and the 1985 anti-strike legislation of the Queensland Government. But the Government has shown some reluctance to extend its reliance on the external affairs power in such directions.

Of more direct pertinence in an agricultural context is the suggestion made by the Deputy Secretary of the Department of Primary Industry (Fitzpatrick 1985) that section 51(xxix) of the Constitution provides a means to increase Commonwealth powers over agriculture.

> Australia's participation in the World Conservation Strategy and the development of a National Conservation Strategy provides a constitutional base for any substantial action which the Commonwealth may choose to take in the old field of conservation and land use (p. 6).

This threat understandably has not received the imprimatur either of the Minister or of the Government and there is no reason to believe it should. The World Conservation Strategy is not a treaty or convention which binds governments. It is a document of non-treaty status and it would not be binding on countries or states unless it embodied recognised principles of customary international law, which it does not. Both the World Conservation Strategy and the National Conservation Strategy are best described as 'motherhood statements' containing many assertions which are incapable of substantiation (Campbell 1983). Even a cursory examination of the judgment on the south-west Tasmanian case should convince anyone that Fitzpatrick's prescription for increased federal power in agricultural administration is unlikely to be valid, even if the membership of the High Court were to remain unchanged.

Changes in administrative style

As was true during the period of the Whitlam Government, there have been perceptible changes in the style of the Minister for Primary Industry as compared with that of the National Party Minister in the previous coalition Government. For instance, the striving for the reform of federal marketing boards which was begun by Senator Wriedt in the previous Labor administration (Campbell 1979*a*) has been further advanced by Mr Kerin, the present Minister. Changes in legislation are envisaged for a number of federal marketing bodies. Changes have already been carried through with respect to the Australian Meat and Live-stock Corporation and the Australian Wheat Board. These reforms have encountered considerable farmer resistance but the Minister tends to ignore the protestations.

A similar stand has been made by Mr Kerin with regard to an ongoing policy for the Australian dairy industry. Following the failure of the Australian Agricultural Council to reach any consensus on the form of the dairy legislation to operate after 1 July 1985, the Government introduced legislation for a scheme designed to reduce greatly the current milk surplus, and reduce the burden of the industry on the

Australian taxpayer by establishing a prices regime which more accurately reflects world market prices. It is commendable that the Minister has had the courage to confront the dairy industry with the realities of economic life after his predecessors in the Ministry have refused to do so in the twenty-five years that have elapsed since the recommendations of the McCarthy Committee were shelved in 1960 (Commonwealth of Australia 1960). The statements of that 1960 Committee have an uncannily contemporary ring.

> All the proposals for Commonwealth and State assistance to the dairy industry . . . will be unavailing unless the industry itself realises that it has an obligation to the community and to itself to put its house in order. For too long the industry has been content to depend on high domestic prices and external assistance in the form of bounty. It has adjusted itself to that assistance instead of making the internal adjustments which would lessen the need for it. The industry has been unnecessarily costly (p. 112).

The present Labor Government seems intent on facilitating the adjustment of the industry in tune with its market opportunities in a way similar to that in which the automobile and steel industries have been rationalised. There is every indication that the same approach is likely to be made to problems in the sugar industry. The response in both industries has been to complain about lack of consultation and to engage in militant action. Strikes and pickets by Victorian dairy farmers reached the point in April 1985 where the Victorian Government invoked that state's emergency powers legislation in order to maintain the supply of milk to consumers.

There have been some changes in the organisation of the Department of Primary Industry since the Hawke Government came to power. The department has been restructured to provide for the establishment of a Rural Resources Division which it is claimed will provide a 'focus at the national level for scientific and technological input to the formulation and administration of rural, fisheries and forestry policy' (Minister for Primary Industry 1985). The department has also assumed responsibility for country regional concerns which are not specifically of agricultural orientation. The result has been the establishment of the Rural and Provincial Affairs Unit.

Conclusion

Developments in the rural scene under the Labor administration serve to confirm the earlier observation that the current concerns of organised agriculture lie in the direction of general economic policy rather than commodity-related policies. The deregulation of the foreign exchange market and changes in banking policy simply reinforce this tendency. At the same time it is evident that the national farm organisations are having difficulty coming to terms with this situation. The Balderstone type of inquiry was evidently not the answer. As previously noted, the farm costs summit was described by the president of the National Farmers' Federation as a farce. Though farmer militancy is being advocated as the only viable alternative, it is unlikely to be so.

Some will claim that general economic policies pursued by governments have always had an influence on Australian farmers' welfare. It might be said, for instance, the the long-standing grazier participation in national wage cases and the Brigden tariff inquiry of 1929 (Brigden, Copland, Dyason, Giblin and Wickens 1929) were concerned with these kinds of issues. But there has unquestionably been a change in relative importance.

The reasons for the altered economic environment of agriculture have been canvassed many times before. They have to do, *inter alia*, with structural changes in the economy and their political implications, more flexible exchange rates, continuing monetary problems and increased international competition. These changes by their very nature imply that the Australian economy today cannot be tailored to meet the needs of specific sectors. Working parties and working groups may identify issues over and over again but there are no real options with regard to the central problem. Australian farmers have to accept the fact that their future is intimately tied up with the country's general economic policies and overseas developments in commodity and exchange rate markets and that, politically speaking, the ability of their organisations to shape such policies is substantially less than in the case of traditional agricultural policy.

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