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**Australia's leadership role:  
Using aid to tackle intractable problems and  
catalyse long-term solutions**

The Hon Julie Bishop MP  
Minister for Foreign Affairs, Australia

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## **Australia's leadership role: Using aid to tackle intractable problems and catalyse long-term solutions**

The Hon Julie Bishop MP  
Minister for Foreign Affairs, Australia



Parliamentary colleagues past and present – I believe Cathy McGowan is here, Margaret Reid, Neil Andrew, John Anderson and of course John Kerin, panellists, distinguished guests, ladies and gentlemen.

Sir John Crawford was a remarkable man. He was an adviser on agricultural and trade policy to Ben Chifley, to Bob Hawke but is said to have had a special spot in his heart for John “Black Jack” McEwen who, as a member of the Country Party, actually served as Prime Minister.

Crawford started the Bureau of Agricultural Economics in 1944 he was chairman of the Australian Wool Industry. He established the Centre for Resource and Environmental Studies at the ANU and he drove the establishment of the Australian Centre for International Agricultural Research (ACIAR) which is an agency for which I am responsible and I believe that it is one of the most treasured and valuable assets of our international engagement. Sir John co-authored the 1975 ‘Crawford Report’ into the effectiveness of Australia’s development assistance in science and technology.

So here we are nearly 30 years on and reflecting on the Crawford Fund’s long and distinguished association with government, particularly through its partnership with the much treasured ACIAR.

Together your institutions have helped build a huge global agricultural research reputation for our country, setting Australia up to play a leading role on the world stage in areas that are so important to the world’s future and its security.

Since coming to office almost 12 months ago, I’ve made a number of what I believe are significant public policy changes in the portfolio of Foreign Affairs and Trade.

Significantly we launched the New Colombo Plan, a flagship foreign policy initiative of the Coalition to support thousands of young Australian undergraduates to have the opportunity to live and study and work in our region. We want to encourage our future leaders to be more Asia-literate,

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This is the Minister’s speech as supplied.

to learn new skills, hopefully a second language, to come home after their experience with new perspectives and ideas and insights and to form friendships and connections that will last a lifetime. Just as the original Colombo Plan did all those years ago, bringing tens of thousands of young Asian students to our region, we now hope to send tens of thousands in return.

Relevantly for today, the first tranche of the New Colombo Plan included students from the School of Animal and Veterinary Science at Charles Sturt University undertaking studies at Bandung and Bogor Agricultural University in Indonesia. And we hope to see more of these kinds of opportunities for Agricultural Science students because next year the New Colombo Plan will be rolled out beyond the four pilot locations of Singapore, Indonesia, Hong Kong and Japan to over 35 countries in our region. What a rich experience our young people will have and bring back to our country.

Secondly, we've refocused our international engagement in a platform that I call 'economic diplomacy'. Economic diplomacy is our overarching principle that puts strong economic outcomes at the centre of our foreign, trade, investment, tourism and development assistance policies. Just as traditional diplomacy aims for peace, economic diplomacy aims for peace and prosperity.

I see economic diplomacy as changing the approach of government, to more closely engage with the private sector, the business community and non-government organisations in all of our work – both in our country and in our partner countries, particularly focussing on the Indian Ocean, Asia-Pacific region.

Third we've realigned our overseas development efforts to more clearly focus on driving economic growth in our region, enhancing the private sector. And we have merged the separate aid agency AusAID with the Department of Foreign Affairs and Trade so all of our efforts, all of our engagement with our regional, and more broadly partners beyond, are more effectively and efficiently aligned.

I believe that a more prosperous region is in Australia's national interest, and it is economic growth that lifts people out of poverty. Aid in itself is not a panacea for poverty.

In June of this year I launched our new aid policy for Australia, what I call the new aid paradigm. We have a much more rigorous set of performance targets for the aid program. We want to make sure that we are spending Australia's \$5 billion per year aid program in smarter, more effective ways that are more result and outcome driven.

To many in this room it might seem obvious why we have ensured that our new aid program is focussed on agricultural issues, fisheries and water. The global task of feeding the nine billion well is a massive one and we want to play our part. Agricultural production will need to increase by 60 per cent to meet anticipated demand in 2050 in a world where already 842 million people worldwide are food insecure due to low incomes and other circumstances – two thirds of whom live in the Asia Pacific region. This is our neighbourhood, this is where we can make the biggest difference.

There are seemingly intractable problems but they can be solved through innovative and creative thinking, through partnerships and a long term commitment, indeed the very thinking that this conference is promoting.

Agriculture is a priority for our aid program because evidence shows that investment in agriculture works. Agriculture drives meaningful and lasting poverty alleviation. It is essentially a private sector enterprise. It is a simple and effective way to engage and economically empower women and it's a strength Australia possesses. And these are all pillars for our new aid policy – private sector involvement, the empowerment of women, effective outcomes and doing what Australia does best.

About 75 per cent of the world's poor live in rural areas and rely upon agriculture for their livelihoods. So an investment in agriculture is a targeted investment in their future. And it does represent value for money – GDP growth originating in agriculture is two to four times more effective in reducing poverty as GDP growth originating outside the sector.

And Australia is well placed to invest. We have world-leading agricultural scientists who are sharing their knowledge and expertise with the world. Australia's Chief Scientist, Professor Ian Chubb, has said that Australia feeds about 60 million people with our food products yet the knowledge we generate in partnership with developing countries contributes to the diets of over 400 million people. This is a remarkable contribution that is being made and it does have that ripple effect across the region and the globe.

Investments in the agricultural sectors of developing countries are investments in the private sector of those countries. According to the United Nation's Food and Agriculture Organisation private investment by farmers is the largest and most important source of investment in agriculture in developing countries, averaging around US\$170 billion.

We are working with the private sector to leverage our investments in developing countries. Local private sectors are often well placed to provide the services farmers need.

Let me take Cambodia as an example, 80 per cent of Cambodian households are involved in agriculture and rice is their crop, but rice yields are far lower than they should be. Farmers have limited access to information about modern farming techniques, about fertiliser use, modern seed varieties, and planting techniques. We support the Cambodian Agricultural Value Chain program that works with seed producers, fertiliser and pesticide producers and retailers, rice millers, traders, exporters, media, research institutions, farmers' associations and government agencies.

And they provide farmers with information to help them increase yields more efficiently, improve their livelihoods and build their economic independence. With a dozen fertiliser companies partnering in this program we have the capacity to reach around half the farmers in Cambodia.

As always, women make a difference. The third reason why we've put agriculture front and centre is that investing in agricultural development in

developing countries is an investment in their women. One example clear in my mind is a project that I visited during my time in Vietnam in February. I met some wonderful people and I think some of them are here today – Dr Nguyen Van Bo and the President of the Vietnamese Women's Union, Nguyen Thanh Hoa.

I announced Australian Government support of over \$4 million, for two projects to be delivered in partnership with the Vietnam's Women's Union and one of these partnerships is with ACIAR.

The project is aimed at improving women's lives, lifting household incomes by linking farmers and traders with more lucrative markets in urban centres. More than 2000 women from ethnic minority and smallholder farming families are benefiting from training and improved market access which will deliver financial and health benefits to many farming families.

Women comprise about 43 per cent of the agricultural labour force globally and women could increase yields on their farms by between 20 and 30 per cent if they had the same access to productive resources as men. With improved incomes, evidence suggests, they spend the majority of their incomes on the health and education of their families.

The fourth reason why I have made agriculture a priority of our aid program is we're good at it. This is one of our strengths. For more than a century, this country has been defined, in large part, by our success in agricultural production.

But we're also world leaders in agricultural science, research and innovation. In particular, as argued in the Crawford Fund's recent report *Doing Well by Doing Good*, international agricultural research generates a huge return on investment for Australia and some of our most important partner countries.

It is estimated that the \$2.5 billion investment in research partnerships made by ACIAR since 1982 has delivered more than five times that in benefits to developing economies and of course to Australia. We – you – have the knowledge that underpins sustainable agriculture and food systems and we want to share and work together with our neighbours and to see a higher return on that investment.

So to deliver our agricultural development programs we are for a start improving market linkages. A central element of our approach – and this is, of course, critical if we are to build greater food security – is to ensure food moves freely from where it is produced to where it is needed. This is what 'aid for trade' is about – another pillar of our new aid program.

Sometimes, there are barriers that prevent farmers accessing markets – barriers we intend to overcome with our 'aid for trade' programs. My colleague, the Minister for Trade and Investment Andrew Robb recently announced a \$60 million global trade integration facility over four years which will help developing countries remove some of the barriers and make trade easier

We're working to create an enabling environment, in developing countries, where agriculture and food businesses can prosper and this is critical to attracting much needed private sector investment. We're working on

governance and reform, that helps build investor confidence and makes it easier to attract finance. And – as we've done for many years – we'll advocate globally for an open and transparent system for global agricultural trade.

Third we'll invest in lifting agricultural productivity and sustainability. Again ACIAR is absolutely critical here. Developing new technologies that help farmers increase their yields and reduce their losses. Promoting sustainable use of natural resources, as water, land and other inputs come under ever-increasing pressure.

Our approach works best where our agricultural research endeavours are coupled with efforts to improve market opportunities. In post-conflict Timor Leste, for example, farmers struggle to find markets for their crops. Australia invested in research to increase yields of major staple crops such as maize – through the Seeds of Life program. Yields have gone up, and many farmers are now keen to sell their surpluses.

Maize is used in Timor Leste to produce fortified food products – important for tackling the chronic malnutrition that affects a quarter of lactating mothers, and over half the children in that country.

To be able to use local maize for local food fortification, they needed a local facility to test maize for toxins. And now support from Australia's Market Development Facility has resulted in a local testing facility being set up that will allow around 500 farmers to sell their maize for fortified food production.

Over time, having access to local testing facilities will open up many more opportunities for the marketing and processing of local maize. In Tonga, Australia's development assistance has helped watermelon growers increase their exports from 100 tonnes in 2011 to 280 tonnes just two years later.

Working with the Tonga Ministry of Agriculture, Food, Fisheries and Forestry – business systems and administrative and compliance activities have been improved and streamlined to meet the market and compliance demands set by New Zealand. An Export Pathway Manager has been appointed, auditing improved, training in export specifications and rules was initiated. Shipping schedules were adjusted and improved. All simple adjustments, but all adjustments that enabled Tongan farmers to cater to the export market more effectively.

So ladies and gentlemen, as far as Australian agriculture, research, aid and trade go – Sir John Crawford set a golden standard. For me, one of his great contributions was seeing the link between agriculture, poverty reduction, feeding the world, and Australia's remarkable strength in agricultural research and innovation.

And I'm confident in saying that Sir John would have been pleased with the prominence we've given agriculture, fisheries and water as one of our priority investment areas in our aid program. It is smart, cost-effective development. It's about building enduring people-to-people ties, sharing our knowledge, sharing our creative thinking. It's highly effective and agriculture is one of our major national strengths.

I wish you all the very best for your conference and the important effort that you make to solve the great challenges of our time, including global food security. All the very best.

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Julie Bishop is the Minister for Foreign Affairs in Australia's Federal Coalition Government. She is also the Deputy Leader of the Liberal Party and has served as the Member for Curtin in the House of Representatives since 1998. Julie was sworn in as Australia's first female Foreign Minister on 18 September 2013 following four years in the role of Shadow Minister for Foreign Affairs and Trade. She previously served as a Cabinet Minister in the Howard Government as Minister for Education, Science and Training and as the Minister Assisting the Prime Minister for Women's Issues. Prior to this, Julie was Minister for Ageing. Julie has also served on a number of parliamentary and policy committees including as Chair of the Joint Standing Committee on Treaties. Born and educated in South Australia, Julie graduated with a Bachelor of Laws from the University of Adelaide in 1978, before practising law at an Adelaide law firm and becoming a partner at the age of 26. In 1983, Julie moved to Perth and practised as a commercial litigation lawyer at Clayton Utz, becoming a partner in 1985 and managing partner in 1994. She attended Harvard Business School in Boston in 1996, completing the Advanced Management Program for Senior Managers. In 1998, Julie was endorsed as the Liberal candidate for the seat of Curtin and won the seat in the general election held in October 1998. Prior to entering Parliament, Julie held a number of positions including: Chair of the Western Australia Town Planning Appeals Tribunal; a member of the Murdoch University Senate, the board of the Anglican Schools Commission, a director of SBS (TV and Radio) and a board member of the Committee for Economic Development Australia (CEDA WA). Julie was also Ambassador of the Muscular Dystrophy Association in WA, on the Council of Governors of the Lions Ear and Hearing Institute, a patron of CanTeen, and vice patron of Westcare Incorporated. She was inducted into the inaugural WA Women's Hall of Fame in 2011. Julie remains a patron and member of many business, cultural and sporting organisations in her electorate.