



PRIME MINISTER

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LEVIES ON CATTLE PRODUCERS

The Prime Minister today replied to a request from the Premier of New South Wales, Mr Wran, not to increase levy contributions paid by cattle producers towards the cost of animal disease eradication programmes.

The Government has clearly stated that it would not increase charges at this stage, and would ensure that producers had the opportunity to recover from the recent recession in the industry before the matter was looked at again.

This Government has provided substantial assistance to producers to alleviate personal hardship in the industry during the recent industry recession. The beef industry incentive payments scheme has provided direct cash payments to producers who have carried out recognised disease control or husbandry procedures between 23 September 1977 and 22 September 1978.

Total payments to producers under this programme already exceed \$100 million. A total of \$28 million in concessional carry-on loans under the rural adjustment scheme was made available to beef producers during 1976/77 and 1977/78, and further assistance is available in 1978/79.

To supplement this direct income support, the meat export inspection charge was suspended from 1 March 1976 with an estimated saving to producers of \$28 million in 1977/78 alone. In conjunction with the Queensland Government a moratorium has been agreed on for loan repayments by Brigalow Lands settlers, according to need, for an average of 2 years. The Commonwealth Government has also offered to extend the Queensland Government's term for repayment of Commonwealth loans by a further 7 years, on the expectation that a similar extension will be offered to the settlers. The Commonwealth Government has offered to the States on a cost-sharing basis a programme of financial assistance to cattle producers in Northern Australia affected by bluetongue virus control measures.

The Government has also taken a number of steps to improve beef marketing. Up to \$6 million will be provided towards the capital cost of implementing carcass classification in cattle meat chains and the implications of weight and class selling for cattle, and of possible price stabilisation schemes are being examined. The Prices Justification Tribunal is examining costs and margins at every stage of beef marketing, and its report will provide a valuable insight into beef marketing costs.

In respect of export markets, the Government has repeatedly made representations at the highest level to obtain access to traditional markets which impose quota restrictions on Australian beef. The recent increase in the permitted level of 1978 U.S. beef imports is an encouraging development. Special efforts are being made to stimulate the exports of meat to the Middle East.

These measures represent a very substantial programme of Government support for the beef industry, and a recognition of the problems faced by producers over the past few years. The Prime Minister advised the Premier that he should appreciate that the Government is very conscious of the need for producers to recover from the recession in the industry, and should know full well that it had no intention of increasing the levies referred to in his telex message while producers are still recovering from those difficult years.
