



PRIME MINISTER

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TASMANIAN APPLE AND PEAR INDUSTRY

Statement by the Prime Minister, the Rt. Hon.

William McMahon, C.H., M.P.

The Prime Minister, Mr. McMahon, said in Canberra today that he was very concerned at the position of the Tasmanian apple and pear industry. He said market access problems and rising costs of production were mainly to blame for the situation.

"The Commonwealth Government was taking several steps to help ease the problems facing the industries," Mr. McMahon said.

"Since the United Kingdom devalued sterling in 1967 the government has provided substantial sums of money to the industry to offset the effects of the devaluation. In the three years 1968-69-70, payments of devaluation compensation to the industry were \$2.4 million, \$2.1 million and \$2.6 million, making a total of \$7.1 million.

"Besides this initiative the Commonwealth has implemented the apple and pear stabilisation scheme which commenced with the 1971 season. In this season \$2.6 million was paid by the government to the Australian apple and pear industry, which Tasmania dominates. In this week's Budget a further \$3.15 million has been provided for the 1972/73 season. The amount in this week's Budget includes a special allowance totalling \$0.4 million as a special provision for the 1972/73 season.

Following a move instituted by the Commonwealth Government earlier this year, the Australian Agricultural Council set up a special committee to examine and report on the transport and marketing problems of the apple and pear industry. This committee which has been actively pursuing its enquiries into these problems will be meeting again in the very near future. Besides all these steps the Commonwealth Government has offered, and the states have accepted, a proposal that the Commonwealth finance a fruit growing reconstruction scheme which will initially cover fresh apples and pears as well as the canning peaches and pears industry. The assistance provided under this proposal will be additional to the large sums already made available under the rural reconstruction scheme.

Of the \$4.6 million which the Commonwealth is providing for the fruit growing reconstruction scheme, \$2.3 million is to be allocated to the fresh apple and pear industries and the balance to the canning peaches and pears industry. Most of the \$2.3 million for the fresh apple and pear industry will be received by Tasmanian producers.

This scheme will apply in two types of circumstances. Firstly to those producers who are in severe financial difficulties and wish to clear fell their properties and leave the industry, and secondly it will apply to those producers who do not have adequate financial resources to remove surplus trees without assistance, but whose enterprise could continue to be viable if redundant trees were removed and the land put to other uses.

In each state the scheme will be administered by the state directed rural reconstruction authority.

A draft application form for assistance under the scheme has been prepared by Tasmanian officials and applications will be considered postdated to 14 July 1972.

In the determination of the rate of assistance, the reconstruction authority will take into account the age, the variety and yield of the trees. The average assistance paid will be about \$200 per acre but maximum rates could be higher.

Earlier I made reference to the study by the special committee of the Australian Agricultural Council into the problems of the industry. The complexity of these problems means that it could be some time before specific proposals could be available for consideration by governments. Because of this, the Commonwealth Government has decided that some special measure of assistance should be provided to the apple and pear industries pending the completion of the studies. I am hopeful that the result of the studies will lead to some permanent solution to the industry's problems.

However, while this study is being completed the Commonwealth Government has decided, as was announced in the Budget speech, that legislation will be brought down immediately to lift the maximum tonnage of apples and pears eligible for payment under the stabilisation scheme from 4.4 million bushels as at present provided under the legislation to 4.9 million in respect of the 1972 crop.

This will add an amount of \$400,000 to the maximum Commonwealth commitment under the stabilisation scheme for the current season.

This move, together with all the other policies of assistance the Commonwealth Government has adopted with respect to the Tasmanian apple and pear industry, will give the industry greater security and stability.

CANBERRA,

18 August, 1972.