

Commonwealth Welcomes Victorian
Move on Dairy Support

Statement by the Acting Prime Minister, the Rt Hon. J.D. Anthony, M.P.

I welcome the decision by the Victorian Government to participate with the Commonwealth in financing underwriting arrangements for the dairy industry for the next six months.

This decision, which the Premier, Mr. Hamer, announced at today's mass meeting of dairy farmers in Melbourne, means that Victoria is the first State to indicate its willingness to join with the Commonwealth in a measure that will ensure some stability for the industry while decisions are made on its long-term future. I hope the other States will quickly follow Victoria's lead so that early decisions can be made on opening pay rates for the season starting on 1st July.

The dairy industry must decide whether it wants to continue exporting and, if so, how much of its production can be exported profitably.

It will then need to determine the most appropriate production levels.

Then a national policy will have to be developed covering the industry throughout Australia.

Until this is done, and until governments know what the industry's policy is, it is unrealistic to ask them to commit large amounts of money to measures which do nothing to resolve the industry's basic marketing problems.

If governments knew what it would involve, I have no doubt they would be ready to work with the industry to devise a floor price arrangement for export sales, and to help it get the best possible return from the domestic market.

The States must share with the Commonwealth the cost of helping the industry.

The States have control of production and marketing arrangements.

Some States have followed policies in these areas which have contributed significantly to the industry's present difficulties.

It is good to see that, at last, there is to be an end to the opening up of new dairy farms.

But the wide disparity in returns to producers of "city milk" and milk used in the manufacture of dairy products still exists.

Lack of arrangements giving all producers a fair return has contributed very much to the present crisis for producers in the manufacturing sector.

The policies which have produced two classes of producers are unfair and inequitable.

Positive steps must be taken to change the situation. In this day and age such marketing arrangements are hardly necessary.

By rationalising the industry to a certain export level with a guaranteed pricing arrangement and the creation of a one-price arrangement for domestically-consumed dairy products we could arrive at a stable and predictable income which would allow for the bulk of the industry to plan for its future.

Canberra
21st June, 1976