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PRIME MINISTER

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ADDRESS AT OPENING OF CATTLEMEN'S UNION SECOND ANNUAL CONVENTION TOOWOOMBA, QUEENSLAND

This has been a time of great economic hardship for cattlemen. From the boom conditions of 1973/74, prices in the cattleyards have fallen disastrously - from 93 cents per kilogram in September 1973 to as little as 24 cents per kilogram in January 1975. Since then, prices have improved marginally but they remain far below the record 1973 prices.

While prices have been depressed, farm costs have risen dramatically. In each of the three Labor years, farm costs far outstripped the general rise in the Consumer Price Index. In 1974-75, farm costs rose over 30%.

Beef producers' nett proceeds have fallen alarmingly in money terms. In real terms the situation is even worse; and beef producers have also been hard hit by continuous industrial disruption, limited access to our most important overseas beef markets, a prolonged drop in export prices made worse by drought conditions in the United States causing local stock to flood United States markets, and by a cattle surplus in Australia creating low prices for producers. Moreover, the scars left by Labor's policies on the rural community could not be healed overnight.

The Labor Government not only produced record inflation - it directly attacked the rural community. With the Coombs Task Force report as their bible, they withdrew concession after concession. They abolished tax concessions, abolished the superphosphate bounty and tried to reduce the wool reserve price by 50 cents a pound. They imposed new imposts such as the Meat Inspection Charge. They failed to give local government and rural roads the financial support so clearly required.

Labor's attitude was completely summed up by Mr. Whitlam when he told a farmer's rally: 'You've never had it so good'. It was Labor's deliberate policy to depress rural industries - and that is just what they did.

Labor sought to create divisions between city and country. The hardship suffered cannot just be measured in money terms - there have been human and social costs. People are being forced to leave their farms, to abandon the life they wanted to live. Whole families are under stress. These facts are too often ignored, and it is time that the difficulties that beef producers face are realistically recognised.

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Many people have recognised and been responsive to the problems of disadvantage in cities, but all too often people have been unknowing and uncaring about the problems, the disadvantages and financial difficulty that exist in the farming community.

Since coming to office, we have acted to secure the long term viability of our rural industries, to secure their ability to play a significant role in Australia's development. We are determined to redress the inequities and the anti-rural bias and distortion of Labor's policies. We are determined to make sure that there is an equitable sharing of the burdens in the fight against inflation. In this task, we have been greatly assisted by constant submissions and representations from Liberal and National Country Party backbenchers, and from major rural organisations.

In less than two years we have developed a comprehensive and constructive programme of assistance for the whole rural community, and specific assistance to meet the most urgent needs of industries.

I would like to talk briefly about what has been done for the rural community as a whole. Our greatest contribution to rural producers has been to reduce the inflation rate. When we came to office, inflation as measured by the CPI adjusted for Medibank was running at 16.7%. At the end of June it was 10.2%. This year, the Bureau of Agricultural Economics estimates that farm costs will rise by less than 10% for the first time since 1972. The Government has introduced a whole range of taxation measures which greatly benefit primary producers. We have acted to protect primary producers from paying unduly high rates of tax because of sharp fluctuations in their income. Last year we introduced income equalisation deposits, and we indexed tax so that no-one was pushed into higher brackets just because of inflation.

This year we dramatically reduced and simplified those scales with the result that every taxpayer is better off; and we reformed the tax averaging scheme. Primary producers will pay tax at the rate applicable to their average income, or their actual income for the year, whichever is lower.

This bears sharp contrast to the so-called Hayden tax reforms of 1975, which meant that farmers in many cases paid more tax than a wage earner on the same average income. The Hayden 'reforms' cost farmers an extra \$50 million in tax by fiddling the tax averaging system.

The 40% investment allowance has been utilised by many producers, and estate duty has been eased on assets passing to a spouse.

In other measures to assist the rural community, obtaining finance has been made easier through our actions to ensure banks have greater liquidity to finance term and farm development loans. Substantially more funds have been given to local government and for rural roads. The Government has reintroduced the super-phosphate bounty which Labor abolished, and retained the nitrogenous fertiliser subsidy which the IAC wanted to have abolished. We have introduced a new rural adjustment scheme and consistently given assistance with drought and other natural disaster relief.

We are committed to the establishment of a National Rural Bank to increase primary producers access to funds to refinance their debts on a more satisfactory long-term basis. Legislation to establish the Bank will be introduced as soon as possible this session.

We have also made strenuous and successful efforts to increase market access. Negotiations, in Japan in April, led to a decision by the Japanese Government not to reduce beef quotas as had been threatened, and we are pursuing negotiations with Japan to seek more appropriate levels for beef exports.

As a result of our efforts, the volume of imports permitted entry to the US market is up 4% on last year.

We have also taken up with the EEC at the highest level the need to increase our access to European markets. The European Community of 260 million people accounts for 40% of the world's trade. As recently as 1960, 40% of our exports went to European markets. That proportion has been reduced to 14% - not because of inefficiency by our producers, but to a large extent because of the EEC's restrictive policies. As a result of discussions I had in Europe last June, the European Commission has agreed to a series of bilateral trade discussions, and the Minister for Special Trade Negotiations, John Howard, is currently engaged in those discussions.

In addition to the measures for the whole rural community, we have taken numerous initiatives to help particular rural industries - wool, wheat, sugar, fruit and dairying to name a few.

For the beef industry, we quickly abolished the Labor-inspired Meat Inspection charge, liberalised and extended the terms of carry-on finance, introduced household support for producers assessed to be non-viable, and contributed substantial funds to the campaign to eradicate brucellosis and tuberculosis in cattle.

The new Australian Meat and Livestock Corporation will shortly commence operations under its new Chairman, Mr. Geoff Jones. Four producers' representatives are members, and it is armed with significantly broader powers than the present Meat Board.

As a result of all our efforts - and an encouraging increase in market prices and the value of gross production - the total value of meat exports has steadily increased. But by and large, the benefits of this increase have not reached the beef producer. There is no doubt that the industry employees have done very well. Figures available to the Department of Primary Industry indicate that in Queensland alone since 1974, wages of an A grade slaughterman have increased 77%, of a male labourer have increased 77%, the wages of a female labourer have gone up 97%. An A Grade slaughterman or boner working normal hours will earn a minimum of \$220 a week. Meat processors and exporters have also experienced a dramatic turnaround in profits. But the prices received by beef producers at cattle auctions remain very depressed.

Because of the beef producer's desperate situation, we recently announced a new package of measures to assist the beef industry.

Let me again outline the measures.

To assist the early implementation of carcass classification in beef cattle meat, we are providing up to \$6 million towards the capital cost of the scheme.

We are negotiating with the Queensland Government to grant to settlers in the Brigalow lands scheme on average a two-year moratorium on the repayment of their financial obligations under the scheme, and an extension of the term of repayment of loans under the scheme by a further seven years. The Prices Justification Tribunal will be holding an inquiry into meat marketing and processing prices. We are examining ways to improve the present livestock marketing system, such as introducing a buffer fund scheme.

We will urgently re-examine the terms and conditions and funds available for carry-on loans for beef producers, and for household support. Because of the immediate need to improve beef producers' cash flow position, we are introducing a cash grant of \$10 per head for a twelve month period for beef cattle, excluding dairy herds, for a number of disease control processes, or for spaying of young beef heifers up to two years of age. Necessarily, the subsidy will be limited - to \$2,000 per producer, counting partnerships and companies as single identities. We are re-examining Government charges which producers in remote and isolated pastoral areas have to bear.

This package of measures and our new tax averaging measures amply demonstrate our acute awareness of the need to assist Australia's vital beef industry - during the present abnormal conditions. There is one other matter of vital interest to beef producers

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that I would like to talk about briefly - industrial relations. This Government is absolutely determined that the law shall apply in the area of industrial relations. No community can tolerate a situation where one area is exempt from the law - this Government and the Australian community certainly will not tolerate it.

Since we were elected, we have passed the secret ballot legislation we promised. We have established the Industrial Relations Bureau. We have amended the Trade Practices Act to ban damaging secondary boycotts. We have legislated to give the Government the necessary powers to suspend, dismiss and stand down Commonwealth employees in particular circumstances. Our industrial policy has had considerable success.

In the first six months of this year, Australia has had the lowest level of industrial disputes, and the least number of working days lost during this decade.

Because of our secret ballot legislation, unions are making greater use of the electoral office to run their elections. In the twelve months since the legislation was introduced, there were 244 such applications. The Arbitration Inspectorate has found evidence of recent breaches of the law by two unions, the Amalgamated Metal Workers, and Shipwrights Union, and the Builders Labourers Federation. If the Industrial Registrar confirms that breaches have occurred new elections fully conforming with the Act will be held, or the unions concerned will face prosecution.

Despite these improvements, there are still problems in important areas. You know the problems union disputes are still causing the beef industry. In the year to 30 June 1977, tens of thousands of man days were lost in Queensland meat processing works. The export of chilled beef from Brisbane was brought to a halt earlier this year because of a demarcation dispute. It is estimated that the dispute cost beef producers \$500,000 a week. On one day alone 52 containers of chilled beef worth over a million dollars were held up - and the shippers had to maintain refrigeration with dry ice.

One report to the Minister for Primary Industry estimates the cost to central Queensland cattlemen of industrial troubles in the meat industry to be between \$20 and \$30 a head in respect of each beast sold. There are other areas where industrial disputes are causing major problems - the construction and mining industries for example. Despite the improved statistics, extremist union leaders are getting more skilled at causing maximum disruption while using fewer men, and they are harming beef producers, the rural community and all Australians with their tactics. The Government is determined not to let this situation continue. The law will be upheld in industrial matters.

The Government's firmness in the air controllers and postal workers disputes clearly demonstrated this, and we will be bringing down further industrial relations legislation in this session of Parliament.

Mr. President, for the industry's long term recovery, inflation must be reduced further and this the Government has well in hand. Access to overseas markets must be maintained and improved and the Government is doing everything within its power to do so, particularly in Japanese, American and European markets. The industrial relations record must be further improved - neither the industry nor Australia can afford unnecessary and damaging industrial disputes. And we must all be willing to look constantly at ways of improving efficiency and quality in beef production and marketing. I look for your wholehearted co-operation in the discussions that will be taking place with respect to marketing arrangements and a buffer fund.

We have demonstrated by our actions this Government's real concern for rural industry. We recognise rural industry's importance for our decentralised towns, for our export earnings, and for the Australian way of life. We are determined to see our great rural industry through this time of stress and difficulty. And to work with the beef industry to see that its long term future is secured.

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