



# PRIME MINISTER

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## ELECTORATE TALK

For many years, beef producers have helped ease the burden of inflation for people throughout Australia.

While incomes generally have risen in money terms because of inflation, returns to meat producers and to many other primary producers have been depressed.

Many beef farmers have been driven off the land, while others have struggled to cover costs.

The recent sale of beef to the United States to meet a special requirement was heartening and welcome news for the grower. It has helped prices in the saleyards.

Although saleyard prices recently have improved, it has not yet been sufficient to help a great number of cattlemen overcome the economic difficulties of the past four or five years.

For some time now, the Government has been concerned about returns to beef producers. While cattlemen have been receiving poor average prices at the saleyard, abattoirs and processors have been accused of making inordinate profits.

Because of this, the Government has announced a wide ranging examination into beef marketing and processing charges and margins. The inquiry will be conducted by the Prices Justification Tribunal, and will be one of the largest ever undertaken by that body.

It will closely examine the whole cost structure of the industry - literally from the farm gate to the dinner plate.

This inquiry has been under active consideration for some time. Both the Minister for Primary Industry and myself, prior to the last election, referred to the Government's intention to hold such an inquiry. We were very well aware of dissatisfaction among cattlemen throughout Australia with poor returns for their stock.

The Government intends by this inquiry to establish precisely how the costs and profits in the beef industry are distributed. The information will assist the Government and the industry to formulate effective future policies for the livestock and meat industries.

In April this year, I wrote to all State Premiers seeking their assistance in the inquiry. The last State, New South Wales, responded last month, agreeing that State and Municipal abattoirs should be included in the scope of the inquiry.

While the inquiry will be conducted by the P.J.T., its hearings will not be public. However, the final report will be made public by the Government.

The Government felt the P.J.T. Act was not sufficiently wide to allow the tribunal to conduct the all-embracing inquiry considered necessary. For that reason we sought the assistance of each State and decided on an informal hearing.

Specifically, the P.J.T. will examine the charges and margins that apply to beef marketing and processing including livestock selling companies, abattoirs, wholesalers and retailers.

It will report on the basis on which these charges and margins are established. Here it will have special regard to the costs of resources required to process and market cattle and beef, and to the returns from beef exports.

The P.J.T. will also report on the significance of these charges and margins in determining retail prices.

As Prime Minister and Member of Parliament for a rural electorate, I am very conscious of the widespread community interest in this whole question of beef prices.

Producers and the beef industry generally are rightly concerned about poor returns. The housewife is also concerned that she should not be paying more than what is necessary.

I am confident this wide ranging examination will lead not only to assured and stable returns for cattlemen, but will also mean a better deal for housewives who have to balance the family budget.

Another announcement of great interest to people in rural areas was made last week. The Government has decided to raise the floor price for wool to the whole clip average of 298 cents per kg. clear for the 1978/79 season.

The floor price scheme will be continued in 1979/80 at not less than 298 cents.

The Government has raised the level of the floor price on a number of occasions. It had raised it to 284 cents per kg. clear on the whole clip average when the Australian dollar was devalued in November 1976. We have maintained it at that level throughout the 1977/78 season.

The increase the Government has now authorised for this coming season represents a rise of 5 percent which the market can well support.

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The current market price indicator stands at 310 cents, and further improvement in the market is forecast for 1978/79.

Price relativities for the various wool types for the purpose of the reserve price support around the average will be announced by the Australian Wool Corporation.

This decision fulfills the Government's commitment to make sure the floor price scheme continues well ahead in a way that provides stability and continuity for the industry.

The wool marketing operation is a great success story for the Corporation and for all producers.

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