



PRIME MINISTER

FOR MEDIA

THURSDAY, 12 JUNE, 1980

OPENING OF ROCKHAMPTON SHOW

Tamie and I are both delighted to be asked to be here today.

Rockhampton is the centre of a wonderful part of Australia. I can remember when it was possible for me to just call in unofficially and very briefly a year ago and I was asked if I could come back next year and open the Show. It was something that I was very, very happy to accept.

This is, as you well know, the capital of one of the largest and one of the best beef growing areas not only in Australia, but also in the world. 50% of all Australia's beef cattle are in Queensland. A very large proportion of those are in the area of which Rockhampton is the legitimate centre and headquarters.

One of the very pleasing things in going around rural Australia and country towns and cities at the present moment is the sense of confidence and optimism that I think is now present in every part of Australia. A few years ago, with disastrous prices and difficult times not only in the beef industry - but also in other rural industries - people just did not know what future there might be. Now, for the beef industry, for the sheep and wool industry, for wheat and for sugar, where prices have increased remarkably over the last 12 months, the outlook for Australia's major primary products is reasonable. That means not only a great deal to the farmers and pastoralists involved, but also it means an enormous amount to the towns and cities that service those industries.

It means a great deal to the factories and people in the capital cities who produce many of the things that we on the land need to carry on our daily activities.

One or two years ago some people might have doubted the capacity and the speed with which Australia's rural industries would be able to recover. It's fair enough to ask why and how this has happened. I would place pre-eminently, the skill and the capacity, the adaptability of Australian farmers and pastoralists. It's something they have proved down through the decades - the capacity to get through difficult times no matter how difficult and black it might seem at the moment; the capacity to get through, the capacity to survive and take advantage when markets improve. The skill of people on the land. Also I think it's fair enough to state that people on the land that have to sell their products largely overseas need

Governments that are sensitive to their needs. Governments that pursue policies that will assist, create the right climate, keep inflation down, keep costs under control and make sure that farms can be profitable.

There needs to be a partnership between people in the rural communities and Governments, whether that Government is State or Federal, because it is so often there are difficulties and natural disasters, and drought, and some other things, where you need special policies to get through the difficult times. The example is what can happen in drought, which has recently bedevilled very large parts of Australia, but which now has been broken in many areas, but which is still being experienced in significant parts of this State, and also in N.S.W.

Over quite a while, the Federal Government and the State Governments have co-operated together to try and alleviate some of the problems caused by drought, and to assess which special measures are needed. About two months ago, when it looked as though Australia, very large parts of Australia, were going to go into a drought, I was speaking with Peter Nixon and we both thought that we ought to implement immediately something which had been on our minds for a while. And that was to enable the people on the land to write off the total cost for the constructions of dams and wells - anything to do with water supply - in the year in which the expenditure was incurred. And also to write off the cost of the capital and the equipment involved in that so that people could get the immediate benefit from it.

While that measure was introduced against the background of drought, it is of course a long-term measure of a continuing nature, designed to enable people to improve water supply, irrigation projects, and to build some greater insurance against drought which is probably the greatest recurring disaster that Australia's farmers and pastoralists have to face from time to time.

During the last week, at a meeting in Surfer's Paradise, I announced that we had agreed with some State Governments to extend the provision of drought relief, especially to increase the proportion of transport costs that would be paid and subsidised by Government for those areas where drought continues, especially in this State.

I mention that because I think it is just one of the ways in which Governments can demonstrate that there needs to be a partnership in the capacity to respond to circumstances as they arise. But there are many areas, of course, where incentives are needed and desirable. Many areas where special provisions should and are made in relation to tax and the rest, the abolition of death duties, and in addition to that, special policies which are needed to support particular industries. There were no such policies for the beef industry through its time of tragic difficulty a few years ago.

Quite apart from that, Governments have to maintain general economic policies which are going to enable Australian industries to get out and sell and compete in export markets, competitively and properly. That means that economic policies have to bear down on inflation, to keep that as small as possible.

It also means that we need to have trade policies that will make sure that markets won't be closed to us as they were in 1973 and 1974 for example where we lost our entire market in Japan, and when nothing much was done about it. And now, through trade negotiations the Japanese market looks like building up to 140,000 tonnes of beef a year or better. The American beef levy has been reduced with a guaranteed fall; something achieved for the first time. While it does not affect this area so much, for 30 years, Australian Governments have spoken about getting rid of the American wool tariff. They are the only country in the world that had such a tariff on raw wool. Well, we have achieved a 60% reduction in that American raw wool tariff. In spite of those who said we should not, or would not succeed, we have started to re-open doors to trade with Europe again.

So all of these things are examples of Government working in partnership with Australia's great rural industries to complement the skills and management capacity of Australia's farmers and pastoralists in moving forward into the 1980s and beyond.

I just wanted to say one word about a policy I do not think anyone likes very much, and Governments often have to do things which they do not like doing, but just because they happen to know they are the only policies that make economic sense, or sense for Australia -- that policy I am referring to, and some of you might have already guessed it, is oil parity pricing which means that each time we fill up our petrol tanks it costs more, and significantly more, than it did a year ago.

Our own reserves of fuel oil are certainly not limitless. After another few years, what we get from Bass Strait will start to run down quite sharply. And any Government looking ahead, any Government planning not just for you and me, but for our kids - and there are a lot of children at this Show today - any Government with those things in mind, has got to plan for the future. And how are they going to be secure, and how are our successors going to be secure if supplies of liquid fuel run out. It's a responsibility for you and for me today. Therefore, we have to have policies accordingly. We have to conserve what fuel we have and make sure it will last as long as it can. But more importantly than that, if we are to avoid being held to ransom at some future time by other oil-producing and exporting nations, then we have to develop alternative supplies of that kind of energy.

Those alternative supplies will only come if the people who invest the money are going to get a profit on it. The best example of that is that great Rundle shale oil project, which on present plans, ought to start to come into production about the time oil from Bass Strait runs dry, or starts to run down significantly.

Rundle is just the first of many great shale oil developments that could and should occur in Queensland. But they will not take place unless the people who have to raise the billions of dollars to get those projects off the ground are going to be able to make it profitable. Therefore, they have to know they are going to get a price that will make it profitable. And so the Rundle shale oil project which has been announced is going ahead, is the classic example of the benefits of oil parity pricing policies.

The only other point I would like to make is that even though we have that policy, along with the United States where the prices are about the same as in Australia, we are still amongst the cheapest in the Western world, because we take in fact the lowest world price, not spot prices and all the higher prices which many others who have got no reserves of their own have to pay.

You will find in New Zealand they pay about 45¢ a litre as against our price of 32¢. In many of the countries of Europe they are paying 60¢, 70¢ and upwards of 80¢ a litre. Even the United Kingdom, which is now a significant oil producer from the North Sea, pays prices of that kind. Compared with that of course, therefore, Australia is really better off than many.

But the policy is essentially a policy for the future. It is essentially a policy for our children, for yours and mine, to make sure that they are going to be secure, to make sure that they can carry on our farms and properties in a way which makes sense, and a way which will give them the energy reserves they need. I think that is an obligation that we would want to meet and we would not want to put aside.

Many people have great and enormous confidence in the future of Australia's rural industries at the present time. I believe that confidence is well-based. It really is a joy to go around the Australian countryside and see people planning for the future, knowing that they are going to do it to improve their properties and to improve the breeding of their livestock. Perhaps for no other reason than that, it is a great pleasure for Tamie and myself to be with you today.

The Mayor has asked that I do a couple of things before officially declaring this Show open. He has delegated to me some particular powers of the Premier for today, and as a result of that I have great pleasure in declaring a full school holiday for all the schoolchildren for Rockhampton and the Rockhampton District. There can be some discretion for schools as to the day they take for that holiday, but if the kids find the holiday not coming up, I suggest they should get onto the Mayor, whom I delegate to make sure that all schools provide the holiday.

Now, I have very, very great pleasure indeed in declaring this 107th Rockhampton Show open.

---000---