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PRIME MINISTER

FOR MEDIA

23 SEPTEMBER 1985

JOINT STATEMENT BY THE PRIME MINISTER AND THE MINISTER FOR PRIMARY INDUSTRY

The Federal Government has today approved a total assistance package for the sugar industry including price support, adjustment assistance and research funding.

On price support the Federal Government will guarantee a No 1 Pool price higher than that proposed by the Savage report.

The Federal Government's decision recognises the serious plight of the sugar industry and that government assistance - including price support - is necessary if this important Australian primary industry is to stand on its own feet and prosper again.

The Commonwealth's offer of assistance depends on two conditions being met.

The first is that the Queensland Government contributes funds for price support.

Sugar is grown almost entirely in Queensland and the industry has been structured and regulated by Queensland State legislation for over sixty years.

Tropical coastal Queensland is heavily dependent on sugar.

The Federal Government therefore believes that the Queensland Government has an obligation to contribute to price support assistance and is sure the sugar industry agrees.

The second condition is that the industry itself agrees to a significantly greater degree of deregulation than so far they have been prepared to accept.

The Commonwealth is proposing a specific phased introduction of restructuring measures over the next three years.

The Federal Government recognises that the industry needs time to adjust to the changes which are so essential for its longer term survival.

Mr Kerin will meet his Queensland counterpart Mr Neil Turner, MLA on Wednesday, 25 September 1985, to discuss the Savage report.

Mr Kerin will then inform Mr Turner in more detail of the Commonwealth's position and seek agreement on specific aspects of the new arrangements, including the level of price support, the extent of the Queensland Government's contribution and the schedule for the phased industry deregulation.

He will also discuss other matters raised in the Savage report, including adjustment assistance, research and industry organisation.

The Government hopes that Mr Turner will finally be given a mandate from the Queensland Government to negotiate on these issues.

The Federal Government has decided on its response and believes the sugar industry and the people of Queensland have the right to expect the Queensland Government not to delay any longer in negotiating on this crisis.