March 19th, 1961

GOVERNMENT DECISIONS ON DAIRY INDUSTRY ENQUIRY REPORT.

Malcolm Fraser said that Mr. Adermann, the Minister for Primary Industry, had just announced that the Commonwealth Government has now considered the conclusions and recommendations contained in the Report of the Dairy Industry Committee of Enquiry.

When considering the Committee of Enquiry's Report, the Government had the views of the industry well in mind, Mr. Adermann continued. He said that the Government, at the outset, wished to express its appreciation of the great value of dairying in Australia and, in accordance with its long standing policy on the stabilisation and maintenance of Australian rural industries, it intends to preserve the dairying industry and to improve to the extent practicable its economic stability.

Accordingly, the Government will complete the current five years' stabilisation scheme which is due to end on 30th June, 1962.

The Government is also willing to discuss with the State Governments and industry organisations at the appropriate time the basis for a further five years' price stabilisation plan beyond 30th June, 1962.

The Government agrees with the views of the Committee of Enquiry and of the industry that the butter and cheese equalisation scheme is the foundation of the industry's stability and it has therefore decided to give the scheme backing to the extent it may be within its power to do so.

The Report of the Committee of Enquiry has shown that, on present returns, there are a number of dairy farmers in unsatisfactory economic circumstances and whose position could be improved. The Government would desire that this situation be rectified and is willing to discuss with the State Governments and the industry the question of the re-construction of the industry, taking into consideration the views of the industry.

Mr. Adermann said that other matters mentioned in the Report, not necessarily being vital matters of policy but still having an effect upon the industry, such as spare parts for machinery, would be discussed with State Ministers through the Agricultural Council.

Mr. Fraser said that he was very glad that the Government had come to this decision.

Regarding the Report, he welcomed in particular the fact that the Government was going to continue the present stabilisation scheme to 30th June, 1962 and the Government had indicated its willingness to negotiate a further five years' price stabilisation plan to operate beyond 30th June, 1962. He said that unless factors inside the industry changed dramatically, he would be surprised if the new scheme were not very similar to the present one. However, the Government had also indicated that the industry's views would be taken closely into consideration in regard to this matter.

The Minister's statement should put all fears that some dairy farmers have expressed in recent months at rest. It had been suggested that the Committee of Enquiry was originally established for the sole purpose of abolishing the subsidy. The Minister's statement shows that this is untrue. This vital matter remains unchanged.
The Committee of Enquiry was actually set up to examine the conditions, structure and problems of the dairy industry which, in some measure, have been brought about by divided responsibility, the Commonwealth being responsible for stabilisation and overseas marketing, the States being responsible for such things as closer settlement which can affect the industry, and extension services which can be of assistance in helping farmers run their properties efficiently.

The Minister, in his statement, has shown that the Government is willing to discuss matters in the Report which could be of benefit to the industry. For instance, he said that some farmers are at present in an unsatisfactory position, having regard to their returns. The Committee felt that their returns could be improved through appropriate Government action.

Mr. Adermann said that the Government would be negotiating with the States and the industry in regard to this and other matters.

Mr. Fraser said that the Government's decision is an example of the confidence that the Government has in the dairy industry and it should also be evidence to every dairy farmer that the Government will constantly and always safeguard the interests of this great industry.