

Mr EVERS (Franklin - Minister for Primary Industry) - Mr Speaker, I rise to support the mover and seconder of the motion for the Address-in-Reply. I also affirm my allegiance to Her Majesty the Queen and thank His Excellency for his Address.

I congratulate you, Mr Speaker, on your election to the Chair, a role which I am sure you will perform with impartiality and distinction, and I join with others in congratulating those of our colleagues in this House who are newly elected and indeed those who have been re-elected - whether that re-election be after they sat in the previous Parliament or sat in the Chamber some years ago.

I would now like to pick up one dimension of some of the observations made by the Leader of the Opposition. I wish to talk a little about agriculture and primary industry. I do not wish to pick up particular observations that he made in his remarks which he has just completed; I would rather read those in Hansard and reflect on them. Nor do I believe it is appropriate for us to be rattling skeletons, but I did find it a little quaint that he should draw our attention to economic plans as such. I could point out that there are in this country, both at Commonwealth level and in other States - not to mention overseas - countless plans which have done nothing else but gather dust. I think the time to judge those plans is in two, five or ten years' time and in the spirit of a maiden speech it would perhaps be inappropriate of me to remind the Leader of the Opposition that some \$1 million was spent on a plan which came to very little a few years ago.

In reflecting on the state of agriculture in Tasmania we do well to remind ourselves that Tasmanian farmers are by and large highly efficient by world standards. Our best beef, range fed - not feedlot of course - is as good as one will probably get anywhere. Our dairy industry is honed to a level of efficiency which is equivalent to some of the best in the world and, irrespective of the kind of mechanisms which are being put in place at the moment, we are not the beneficiaries of 'export restitutions' - as the European Economic Community so preciously calls them - to the level enjoyed by the community. The excellence of our vegetable crops is further testimony to the efficiency to which I have referred. Our onions, Mr Speaker - and you of course know your onions - are avidly sought all around the world, especially in West Germany. The same can be said of other vegetable products.

I think it is worth mentioning in passing that there is a social dimension to the farm sector. One could make observations about it in cultural and other terms, but I think the farm sector is fundamental to the ethos of this country. The family enterprise and small business activity; the country towns; the decentralisation; the decentralised activity; the service centres; and the small manufacturing centres are immensely important to Australia, and to Tasmania in particular.

Having said all that, farmers have acute problems. For some years now, the terms of trade in the farm sector have been moving solidly against farmers. In other words, the prices of the products they sell have not moved upwards at anything like the rate at which the cost of inputs has risen. The Bureau of Agricultural Economics index indicates that the prices received and paid in 1952-63 were zero; since that time it has declined by some 40 per cent. In other words, the purchasing power of farmers has declined to that extent and this decline has accelerated in recent years at a time when the remainder of the community has followed a general upwards trend.

So it is probably not surprising that we have seen a new level of militancy in the farm sector. If a few years ago we had seen French farmers tipping dairy products into the street - or manure, wine, butter or whatever it was - I think we would have said, 'Oh, well, that is the sort of thing that can only happen over there with those Gallic fellows and it would not happen on this side of the world'. The truth is that it is now happening here. We have seen wheat dumped in front of Parliament House in Canberra, massive demonstrations and so on.

Protesting farmers are, I suppose, trying to bring home to a seemingly uncaring world that their incomes are not only but a fraction of the indexed average weekly earnings of their city cousins, but in many cases they are negative. I say 'negative' advisedly because it is quite possible for a farmer to go along on a negative income, annually consuming his very land through mortgages, borrowings, credit and so on.

Before talking about some of the initiatives this Government proposes to take in this area, I think it is appropriate to remind the House that many of the key policy instruments that bear on the fate of the Tasmanian farm sector are in fact held not by the State but by the Federal Government. I refer to fiscal and monetary policy; to bilateral and multilateral trade policy; to tariff policy, which obviously has a significant impact on farm inputs; and so on.

The response of the Prime Minister and Mr Kerin to this situation is to say, 'We will get the macro-economic policies right and from that it flows that the farm sector will be okay'. That sounds great in theory but the truth is it has been a demonstrable flop, which has been recognised by recent announcements and imminent announcements in Canberra.

The truth is that interest rates have reached record levels. There is a massive debt problem. There is the international deficit situation to which the Leader of the Opposition referred. Big government is still rampant in Canberra and our currency has declined by some 50 per cent against some currencies in recent years. If and when the Australian economy does come right that currency will firm up again and the short-term advantage provided to export farmers - the windfalls gained by the devalued dollar - will disappear. Meanwhile primary producers have to pay more for their imported needs and at the same time meet the steadily escalating costs of domestically produced goods. In other words, devaluation is after all only a benefit if one sells overseas and does not buy. There is a limit, obviously, to the length of time for which a farmer can postpone purchases. In any event, devaluations and currency manipulations work themselves out over time in the trading situation in the marketplace.

There are other items which I could mention in that area. The cost of government regulations is also relevant - I understand that a current study in the meat and livestock area is revealing that the cost of regulations, quite beyond the export meat inspection area, is quite crippling. Our trade policies have been singularly unsuccessful in tackling the European Economic Community juggernaut. Sadly negotiations with the EEC have become too much of a bureaucratic club and it is significant that the only time in recent years that we have had some measure of success has been when ministers or prime ministers have intervened directly. It happened under the Fraser Government and it happened in relation to the Andriessen Agreement negotiated a couple of years ago in terms of exports into South-east Asia. Finally, in terms of problems at Federal level or in related areas, union power has occasionally been used neither prudently nor equitably - and obviously the Madginberri dispute is a case in point there.

I implied earlier that the Federal Government will be releasing a position paper on agriculture. I suppose that is some recognition of failure or that macro-economic policies have not got it right. I understand it will be coming out in some weeks and I hope that it will not be simply cosmetic. One is disinclined to hold one's breath nonetheless, because I suspect that the Federal Government may not see a vast number of votes outside the metropolitan areas.

The first of our assets - the most important in any business - is the people in agriculture. There are some 5 000 commercial rural holdings in this State and they are run mostly by families. Collectively they produce some \$400 million worth of agricultural produce each year. Those farmers are organised through their various representative industry organisations, of which I suppose the umbrella organisation is the Tasmanian Farmers and Graziers Association, which obviously plays an important role. I believe - and it is a view shared by some of my colleagues and many members of that association - that perhaps it can play an even more important role in the future. It would be our intention, and mine in particular, to work closely with the TFCA in the future.

For the Government's part, it strongly supports the various facets of agriculture and will continue to do so. That does not apply only to the Department of Agriculture and some of the functions it presently performs and the initiatives we plan for the future; it applies also to the Tasmanian Development Authority and various other arms of government.

I would like to make some observations about research in the farm sector. I think it is ironical that in a number of areas of the farm sector a very high percentage of research is carried out on the farm. In the meat and livestock area, for example, some 75 to 80 per cent of the research is related to the production side, and that is mirrored in other areas; against that, 90 or 95 per cent of the problems occur after the product leaves the farm gate. That is why the Government will be bringing forward the various initiatives which were outlined in the election campaign. Among them is the provision of a series of farm development packages - which are well along the line already - embracing a range of elements including specialist services, commodity-related problem solving, management, marketing, and so on.

The appointment of a director of marketing is related again to this concern to be more entrepreneurial. The appointment of a director of marketing in the Department of Agriculture will be advanced in the not-too-distant future and that position, with appropriate staff support, will be involved in the development, presentation and selling of the Tasmanian farm development packages to which I referred a moment ago. It will also involve monitoring overseas developments and developments within Australia.

In support of that but at another level in another area, an additional four new farm business advisers will also be appointed by the department. In that context I should add that the first substantive consultation between departmental staff and farmers will henceforth be free of charge.

I would just add in terms of research that, whilst I have emphasised the marketing side in these remarks, there is no suggestion that there will be any diminution of the activity undertaken by those key research areas such as the dairy research station at Elliott, the Forthside Vegetable Research Station at Cressy, the work being done with the university at Cambridge and the work at Huon.

I agree that there is a need for us to lift our game as far as agricultural marketing is concerned. That is why we are pursuing some of these initiatives and why there are others in the pipeline which will be canvassed publicly in due course. The marketing challenge is critical. If we do not export we are dead; I accept that. That can be achieved only through proper planning and coordination. The Leader of the Opposition I think made some marginally disparaging observations about the Tasmanian export development task force. Let me assure him here that, through the collaboration of the interested authorities and the direct involvement of ministers, we will make it work - and work well.

But ultimately it is the marketplace which will sort all this out. What government can do, and what it must seek to do, is to be a catalyst in the creation of an environment in which the farm sector can hopefully flourish.

We are dead if we do not export; if we do not keep people on the farms, and do not provide them with appropriate support and encouragement to stay there, we are equally dead. There must obviously be rationalisation and change to ensure the survival of the farm sector, and I think we have to be big enough to accept that. Substantial rationalisation has already occurred in some industries, but many other industries will be subjected to that sort of change over time. Some producers may not survive because they have not kept pace with change to date, because their technology is out of date or because, quite frankly, there may be a few - and hopefully they are not many - who have found themselves in an increasingly adverse debt equity situation which has become intolerable. I would expect and hope that most farmers will not need direct assistance but there will be a range of general measures, some of which I have mentioned, which will be relevant to their circumstances. There will be others who may need some support in the process of adjustment, some of whom were mentioned earlier today in response to a question. Hopefully there will be very few who will need to change their vocation entirely. If there are some in that situation, we must respond with objectivity and sensitivity. Again there are funds and mechanisms available to overcome those sorts of problems.

As I said, the Government is prepared to lead the way, but as catalyst not as operator. We will not be producing new crops; we will be sharing the infrastructure responsibility and so on. In that context you will be aware, Mr Speaker, of the initiatives in terms of various irrigation projects. I am concerned that we should avoid the kind of situation which has occurred elsewhere in this country where suddenly something new has happened and somebody says, 'Let's grow avocado'; they all rush into avocado, macadamia nuts or whatever else it might be; they overproduce and it has nowhere to go. I would like to avoid that situation. The Department of Agriculture is already working on doing the kind of research, field trials and testing of products appropriate to those new irrigation areas. I want to extend that down the line and have analysis done in terms of market prospects, prices, trade constraints in particular countries and so on.

In conclusion, it would obviously be folly to think that there will not be differences from time to time across the Floor on matters relating to the farm sector. I accept that; it is the nature of this institution. Should it be the case, I would say just two things to members opposite. The first is that hopefully their contributions will be positive and constructive, as the Leader of the Opposition has indicated will be the case. I have to tell him however that he mentioned two things in my portfolio today as though they were new initiatives - something in relation to Wynyard airport and something in relation to the fruit industry. I have read fleeting press reports, but I have not seen anything of substance. I do not say nothing of substance has been produced, but I have not seen it. That is not a criticism; it is simply an observation.

Secondly I hope that the honourable gentlemen opposite will bear in mind my observations regarding the Federal Government's controlling various key policy instruments. When the members opposite choose to pursue me on corbie grubs, root-feeding cockchafer or ovine body lice or anything else that is troubling them - possibly personally -

Government members laughing.

Mr EVERS - please remember that the Federal system does impose some constraints on our autonomy and on our capacity to act. So if they are disposed to turn on the blow torch, would they please also remember that it can well be directed at their ideological cousins in Canberra.

This Government is unashamedly pro-farm sector because we are pro-development. I think we are undergoing great changes in production, technology, trade and so on and not all of it is painless. While there are grounds for caution, I certainly do not think there are grounds for unqualified pessimism. This Government will be working closely with the farm sector and I think we will see substantial progress over the next four years.

I support the motion and I thank the House for its courtesy.

Government members - Hear, hear.

Mr WHITE (Denison) - I sat here, and if I may be allowed a personal comment, I admired the ability of the learned member for Franklin, the Deputy Premier, to pull himself to his feet. I do not have quite the agility at this stage -

Mr Pearsall - Nor the weight.

Members laughing.

Mr SPEAKER - Order. The honourable member is making his maiden speech.

Debate adjourned.

The House adjourned at 5.56 p.m.