Many of you know that I am concerned about the future of the rural community. We are fortunate that prices are at the moment good for our major export products, because a number of other factors are moving against us. We have had two successive revaluations. We have positive moves for a 35-hour week and positive moves for wage increases — which I would support if I believed they were going to add to the real standards of living of the people concerned, and not merely push up the cost structure in the whole community.

We have had the rural reconstruction funds cut in half, and attempts made to increase the rate of interest. Even though prices are better, it is still important for people to consolidate their positions, so that they will be better able to withstand difficult circumstances in the future. We have seen funds for research and promotion for the International Wool Secretariat held up because the new Government has not supported decisions that we made and announced to the Australian Wool Industry Conference well before the last election. As a result, wool industry and the research bodies are in a state of wonder and doubt about the future. There are prospects that Government research funds will be cut and the wheat industry leaders are already in difficulty with Government and Treasury officials over a negotiation of a new stabilisation plan. We have also got Mr. Cameron's unwillingness to reverse the levy which is doing so much damage to Portland's, and to other decentralised ports' general cargo trade.

If these events had occurred with the prices at last year's levels, the result would have been utter disaster. Their long term consequences can still be immensely serious.

All this leads to the point that there is a necessity to maintain a strong rural voice throughout Australia. We are the most centralised country in the world, and if we are to establish an electoral system which transfers a significant number of seats from the country to the city, then you are going to add to the demands to spend more funds in the great cities, and
and reduce the prospects of achieving proper support for rural areas.

Primary Industry groups, and all people who live in rural communities might regard the matters I have mentioned as important, but an event that occurred last week is more important than all. This is the Government's Electoral Bill. It is a bill that is designed to increase the number of city based Members of Parliament. It's a bill that would significantly weaken the rural voice in the Parliament. Maybe that is not surprising when Al Grassby and Rex Patterson - both with a knowledge and concern for rural matters - were both denied the prospects of managing primary industry matters in the new Government. The Government's measure will reduce the number of country seats by six or seven.

They want to do this by two simple measures. The Distribution Commissioners can now vary the number of voters in an electorate by up to 20% of the quota. They want to reduce that variation to 10%. In addition the bill seeks to delete from the criteria which the Commissioners take into account, any reference to distances, sparseness of population, or area.

If the Government's measures were implemented, I have no doubt that rural seats would be larger in population than the seats on the outskirts of Melbourne or Sydney, and if there is anyone who doubts that, I can take them through the proposed amendments and demonstrate it in detail. This is a matter of concern for everyone who lives in rural communities. It is often difficult for people in cities to understand the problems of people who live in the remoter areas. If we are to have a redistribution of the kind envisaged by the Government, it will be impossible for people to be properly represented.

The Liberal Party will be opposing this measure with all the resources at its command. The Country Party will be opposing it. I believe the D.L.P. will be opposing it. We have made up our minds that it will be opposed in the House of Representatives and in the Senate. If it is introduced a second time and leads to a double dissolution, then so be it, because we will not change our view. It is a bad measure, and one which will do great harm to the national Parliament.

It is interesting that the main provision the Government wants to remove
has been in the Electoral Act since 1902. In the Federal sphere, the redistributions have always hitherto been regarded as fair. In most countries the electoral laws allow for significant variations from the average to take account of community, of interest and many of the factors that are in our present law.

Perhaps the ultimate test of the fairness of the redistributions that we have introduced is that for the first time in which the Labor Government has had a majority of votes since 1949, it won government, and that is what happened in 1972. In all the other elections the Labor Party failed to win government because it failed to win 50% of the votes. These circumstances must be the real test of the justice and fairness of an electoral system.
The first budget of the Australian Labor Party was a black budget for everyone who lives in rural communities. Before the last election, a number of promises had been made and I think that we would remember them. They have all been put aside. Actions that the Government has taken throughout the course of this year have been hostile to the interests of the rural community, but there are many people who hope that the Government would recognise that a proper balance needs to be maintained within the Australian community, and that therefore policies would evolve that would assist people who live outside the great cities.

Having listened to the budget, we know that that won't happen. Let's look at the decisions that were announced in the budget. There is an extra 5¢ per gallon on petrol for everyone. This is a highly inflationary measure because it will be added on to transport costs. It hits all people who live in the country much more than those who live in the cities who have available to them either public transport or who only have to travel short distances.

In addition, another 2¢ a gallon will be added on in many country areas because of the change in the equalisation scheme, which, under the previous Government, kept the price in the country within 3¢ of city prices. Telephone charges and rentals have been increased. All rentals are going to be at the maximum rate and that will be a rise of 100% for most country people. This is quite unjust, especially
in view of the fact that in the cities subscribers have local call access to millions whilst those in country areas have local call access to some hundreds. The Government has abolished the provision in which the Department was progressively going to take over at Departmental expense the construction of lines of all subscribers within fifteen miles of an exchange. They have reduced that provision to within five miles of an exchange. The previous arrangement which we introduced some years ago was done to give some degree of equality to people in remote areas. The Government has taken this move without any sensitivity or understanding of the problems of people who live sometimes large distances from the towns and cities.

Country newspapers will be very hard hit. They depend on postage, unlike city newspapers which can be hand-delivered. I believe many will find it difficult to continue in business. With Doug Anthony, I pressed the Postmaster-General to reverse the decision in the course of this last week. He refused and revealed his plain hostility to rural interests.

One significant feature of the budget was the omission of any reference of assistance for local government in country areas. Before the election and during the first session of Parliament, the Labor Party indicated concern for the financial difficulties of local Government. There
is no financial provision made for it in this budget and there was not even a mention of Portland as a study centre for decentralisation proposals in a subsequent statement made by the Minister for Urban and Regional Development.

These things might have been bad enough, but when we look at the changed depreciation allowances, we find that farmers have been tragically hit. The investment allowance on plant and equipment has been abolished. The depreciation allowance on plant and equipment has been seriously cut. These allowances were first introduced to encourage efficiency in Australian farming and they have been very effective in achieving that. We had a system under which buildings, other than the domestic house, could be written off over a five-year period, and special depreciation allowances. Under the new arrangements, the depreciation allowance will be 2½ or 3½ a year - an almost useless provision.

Under the Liberal Government, internal subdivisional fences could be written off in the year of expenditure, as could vermin proof netting both internal and external to the property, and boundary fences could be written off over five years. Now they can only be written off at 3½ or 4½ a year - again a useless provision. The construction of dams, the provision of water supply for stock, could be written off in the year in which expenditure was undertaken because we recognised that Australia was a dry continent and stock were often lost because of shortage...
of water, and the farming community needed encouragement to make better provision for water conservation. That provision has been abolished. I tried to find out from Treasury what would be the new provision for dams and earth tanks. Advice from one quarter was 'nil'; advice from another quarter was 'they didn't know'; and advice from another quarter was that 'it might be 10%'. If the Treasury doesn't know, it shows how little consideration has been given to the consequences of the Government's decision.

We had the provision in which haysheds and silos could be written off in the year of expenditure. We did this because fodder conservation on farms needed encouragement, especially is this important in drought-prone areas. That provision has been abolished and replaced with a minimal depreciation rate. When farmers look at these things in detail, when they come to make judgements concerning the future improvement of their property, they are going to find that the additional cost will be very great indeed. This is particularly unfortunate since incomes are now better and for the first time in a long while, many farmers are in a position in which they would have available some funds for farm development and improvement. I have estimated the total cost that will be put upon the farming community. When you take the changed depreciation allowances, increased petrol taxes, increased telephone charges and the abolition of the dairy subsidy, you will find that the increased cost to farmers is about $200 million a year.
I thought it important to catalogue these changes. It is going to take some people some time to work out how much their own individual positions are being directly affected by this budget and the closer they go into it, the more unhappy people will become.

These are the measures that affect individuals and communities. There are still the major matters in the budget which affect life in the city and inflation, and I will speak on those topics in later talks.
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