RADIO TALK

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 some distance 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 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 dought-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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