This week I would like to talk with you about the dairy industry referendum, ... wheat delivery quotas and a $1,000 art contest to help the rehabilitation of war veterans.

DAIRY REFERENDUM

I am pleased with the results of the dairy industry referendum in which Victorian dairy farmers voted overwhelmingly in favour of the Government implementing equalisation legislation.

Figures available to me show that more than 24,000 Victorian dairy farmers voted for implementation of the legislation and about 800 voted against it.

The referendum simply asked dairy farmers if they were in favour of Commonwealth legislation being brought into operation to give statutory support to the existing voluntary price equalisation scheme.

Legislation was passed by the Federal Parliament last June, but its implementation is conditional upon a majority vote of eligible dairy farmers being in favour of this course.

Compulsory equalisation for any particular dairy product will not be introduced unless there is a specific need created for it, such as by withdrawal of an important manufacturer from the current voluntary equalisation scheme.

This is one of the provisions contained in the Dairy Industry Levy Bill put to the nationwide referendum.
The equalisation scheme, which has operated since 1934, is based on a system of voluntary agreements between manufacturers and the Commonwealth Dairy Produce Equalisation Committee Limited.

Broadly, the scheme is an annual pooling of local and export returns so that factories receive the same return for their butter, cheese and casein, regardless of the market on which the product is sold.

The stability which has resulted from this scheme has obviously been of great value to the industry.

However, an inherent weakness is the scheme’s dependence on the voluntary cooperation of manufacturers who might give notice of withdrawal at any time.

Any appreciable withdrawal could result in a breakdown of the arrangements and result in price cutting on the local market. This would lead to a complete loss of price stability as the domestic price would be forced down to the level of export parity.

At the present time there are a number of small cheese companies that are not in the voluntary equalisation scheme, but their production is not sufficient to make non-participating a threat to the existing scheme.

However, dairy industry leaders have been aware that the scheme could be quickly undermined by the withdrawal of even one major manufacturer.
The Government agreed with the Australian Dairy Industry Council that the continuation of the equalisation scheme is necessary for orderly marketing and that the voluntary scheme requires statutory support to give a firmer foundation to the industry's organisation.

The Government had also accepted the Dairy Industry Council's proposal for Federal legislation to provide a Commonwealth levy on production to finance equalisation payments as the most practical means of achieving that result.

The Government and the Dairy Industry Council believes that these changes will assist the industry and benefit the dairy farmer by preserving the dairy farmers level of return and maintaining stability.

**WHEAT QUOTAS**

Wheat delivery quota proposals for 1971/72 put forward by the Australian Wheat Growers' Federation, and recently endorsed by each State have now been agreed to by the Commonwealth Government.

The 1971/72 quotas for all States will total 339-million bushels, including Durum wheat. Durum wheat is a new category in the quota system and has been included to enable the Wheat Board to meet market requirements for this macaroni-type wheat.
The first advance on wheat included in the quota pool will be $1.10 per bushel, less freight.

The Reserve Bank has agreed to make funds available from its rural credits department to enable the Wheat Board to pay the first advance and all pool expenses including freight, storage, handling charges and interest.

The total amount required is estimated at $434 million or $1.28 per bushel. As is customary, the Commonwealth will act as guarantor for the Wheat Board.

Over the past couple of months, the Wheat Board has drawn large sums to pay a first advance to growers for 1970/71 pool wheat and its total indebtedness is very heavy.

The Government, however, has agreed to again help the wheat industry in recognition of the pressing needs of many growers and their importance in the rural economy.

The level of quotas will be 21 million bushels above those for the current season, and it was based on an assessment of possible export prospects which, if realised, will mean a substantial reduction in stocks at the end of the current season.

Many growers have asked when further payments by the Australian Wheat Board can be expected. Within the next two weeks, the Board should complete repayments of money it borrowed from the Government last year. The Board will then be in a position to begin to accumulate funds to make a second payment to growers on 1968/69 wheat.

It might be possible to make such a payment about the middle of this year.
ART CONTEST

An Australia-wide art contest, with prizes totalling $1,000 and aimed at helping the rehabilitation of war veterans will be held later this year.

The contest will be open to all ex-servicemen and women, and those war widows receiving medical treatment through the Repatriation Department.

It will also be open to TPI pensioners, Service pensioners and nurses of the 1914-18 War.

The therapeutic value of art in rehabilitation has long been widely recognised and a similar contest held in 1968 attracted more than 500 entries and many were judged as being of high standard.

The prize money for this year's contest has been made available by the RSL, and in addition the Repatriation Commission has made available $1,000 for the purpose of acquiring works of art entered in the contest.

The contest this year will be divided into four sections - oils, water colours, other media and sculpture. Other media includes silver, smithing, jewellery, weaving and tapestry.
One of Australia's leading artists, Sir William Dargie, has agreed to help organize the contest and will be one of the judges.

The central judging will be held in Canberra, following an exhibition of successful entries in various States.

Conditions of entry and application forms are available from the Repatriation Department in Melbourne.