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FURTHER DROUGHT RELIEF MEASURES

Statement by the Prime Minister, Mr. Harold Holt.

Although there have been some beneficial rains in many parts of the country over recent weeks, the position of people suffering from the drought is still acute in many areas and the States of New South Wales and Queensland are still finding it necessary to continue measures to relieve the situation of those primary producers who are still affected by this unfortunate position.

The Commonwealth Government made it clear some time ago that the Premiers of the two States could take it that Commonwealth financial assistance would cover whatever deficit they might have in their budgets as a result of drought relief measures their Governments might take.

Both States set up several months ago schemes of concessional loans of up to \$6,000 for essential carry-on purposes for drought affected primary producers who are in necessitous circumstances and are unable to finance their essential carry-on requirements from their own resources or through ordinary commercial channels. These loans are being made at 3 per cent. interest per annum and advances are repayable over a maximum period of 7 years with repayment of interest and principal deferred for the first two years. In addition, the States instituted other schemes which included advances through the banks for fodder purchases, grants to local councils for special purposes associated with drought problems in particular areas, local unemployment relief work and rebate and subsidy schemes for the carriage of fodder and stock by road and rail.

The Premier of Queensland wrote to me recently saying that in addition to these measures, his Government intended to introduce rail and road concessions to facilitate the return of stock from agistment areas and the re-stocking of properties which have suffered from the drought, and he asked whether these measures would fall within the scope of the Commonwealth's assistance to the State on account of the drought.

I informed the Premier that the cost to his Government of these measures will be accepted as drought relief expenditure under the arrangements for the provision of Commonwealth financial assistance to Queensland. I also advised the Premier of New South Wales that the advice I had given to the Queensland Government would apply equally in the case of his State.

The Premier of New South Wales also took up with me the question of whether advances made for fodder purchased by the dairying industry will be accepted by the Commonwealth as falling within the scope of its offer of assistance and I assured him that this would be the case.

We are looking forward hopefully to good Autumn rains and if these come, it will be a very encouraging beginning to what could be a record wheat sowing and the rehabilitation of drought affected pastoral areas. In the meantime, the new measures taken by the States with the financial backing of the Commonwealth Government should assist in bringing some relief.

CANBERRA,
23rd February, 1966.