

DROUGHT RELIEF VICTORIA AND SOUTH AUSTRALIAStatement by the Prime Minister, Mr. Harold Holt

On Monday last discussions were held between officials from the Commonwealth and States of Victoria and South Australia about ways in which the Commonwealth might help the two States provide relief in those areas at present suffering from drought. I had already indicated the Commonwealth Government's willingness to provide such assistance and the purpose of these talks was to examine the specific measures proposed by the two States for drought relief.

The Commonwealth's general policy towards natural disaster relief is that where State Governments, which have the primary responsibility in this area, do not have sufficient financial resources to provide the assistance required, the Commonwealth is prepared to help meet the cost of such relief measures as appear to be appropriate in the circumstances. Thus where the disaster is on a large scale, as was the case in the droughts in New South Wales and Queensland and the bush fires in Tasmania, we are prepared to assist State Governments in financing such expenditures. Over the past two years the Commonwealth has provided \$43 million in assistance to reimburse State for expenditure incurred in providing relief from the effects of natural disasters.

As regards the request made by the Governments of Victoria and South Australia, the Commonwealth Government has agreed to meet the total cost of the specific measures which the two States consider to be necessary at this stage, and to make an immediate initial advance of \$1 million to each State. These measures are as follows:-

- (a) loans to enable primary producers to continue in production where credit is not available through normal commercial channels;
- (b) rebates on freight in respect of the transport of fodder and water to drought-affected areas, the transport of starving stock out of drought areas and their subsequent return;
- (c) some miscellaneous items of expenditure in relation to the drought, which may include cloud seeding and certain emergency water supply measures.

The Commonwealth will give sympathetic consideration to extending the present arrangements as necessary.

The present arrangements will apply to expenditure on drought relief incurred by the two States from 1st October 1967. It has also been agreed that the arrangements will be examined before the end of the 1967/68 financial year so as to determine what arrangements should apply for 1968/69. Assistance to the States will take the form of loans where the States themselves make loans; assistance in respect of other expenditure will take the form of grants.

It is not possible to say at this stage what the expenditure of the two States on relief measures will be in 1967/68, but estimates have been mentioned of the order of a total of \$15 million.

CANBERRA
25th October, 1967.