

COMMONWEALTH DROUGHT RELIEF ASSISTANCE IN

1968-69

STATEMENT IN THE HOUSE OF REPRESENTATIVES BY THE PRIME MINISTER, THE RT. HON. J. G. GORTON, M. P. ON

20TH AUGUST, 1968

After consultation with New South Wales, Victoria, Queensland and South Australia, my Government has decided that, subject to certain limitations, drought relief assistance will continue to be provided to those States in 1968-69. Although the drought which has been affecting most of the eastern half of the Australian continent now appears to be virtually over, we accept that the need for drought relief measures has not ceased with the advent of rains and that some further Commonwealth assistance in respect of State relief measures will be necessary in 1968-69.

The Commonwealth will continue to reimburse the States in 1968-69 for their drought relief expenditures arising from :-

- (a) Loans made during the whole of 1968-69 to drought-affected farmers who establish a need for "carry-on" loan assistance prior to the end of September, 1968 or for loan assistance for restocking prior to the end of December;
- (b) Freight concessions extended to drought-affected farmers prior to the end of December on the transport of stock back from agistment or for re-stocking purposes;
- (c) Expenditure actually incurred on other measures, including expenditure by local authorities from grants for the maintenance of employment in rural areas, prior to the end of September.

I emphasise that it is not the Commonwealth's intention that the various State relief measures should necessarily cease on the dates on which Commonwealth assistance to the States will cease. The Commonwealth's approach is that, if a State feels that it is necessary to continue a particular measure after the "cut-off" date for Commonwealth assistance, it would be reasonable for the State itself to meet the limited expenditure likely to be involved.

In this regard, I point out that contrary to the normal arrangements in relation to natural disaster relief assistance, the Commonwealth has been meeting virtually the whole cost of State expenditures on drought relief measures. The arrangements have undoubtedly been the most generous ever devised to meet such a situation and, in the three years to the end of 1967-68, they have resulted in reimbursements of State relief expenditures amounting to nearly \$60 million. For 1968-69, it is estimated that, on the basis of the arrangements outlined, State expenditures eligible for reimbursement will amount to a further \$19 million made up as follows:

New South Wales	\$ 6.0 million
Victoria	\$11.0 million
Queensland	\$ 0.9 million
South Australia	<u>\$ 1.4 million</u>
	<u>\$19.3 million</u>

These payments include reimbursements in respect of commitments entered into during 1967-68.

I have made it clear to the four States concerned that the Commonwealth will be prepared to consider new arrangements if drought conditions happen to re-emerge on a large scale. However, I am hopeful that present expectations for a generally favourable rural season in 1968-69 will be fulfilled and that, in consequence, there will be a substantial increase in rural output and incomes of farmers.
