

COMMONWEALTH OF AUSTRALIA

SPEECH

BY

The Rt Hon. J. G. GORTON, M.P.

ON

DROUGHT RELIEF IN QUEENSLAND

(Ministerial Statement)

[From the 'Parliamentary Debates', 5 May 1970]

Mr GORTON (Higgins—Prime Minister)—by leave—Honourable members are aware that the State of Queensland has been affected by serious drought conditions for several years. They will also be aware that the Commonwealth has been providing substantial drought relief assistance. Under present arrangements, the Commonwealth has agreed for 1969-70 to meet on a \$1 for \$1 basis expenditure on eligible drought relief measures up to \$4m and to meet the full cost in excess of \$4m, and it is currently estimated that the Commonwealth will need to provide some \$15m under these arrangements in 1969-70. That would bring total Commonwealth drought relief assistance to Queensland since 1965-66 to over \$32m. Honourable members will also know that the Premier of Queensland recently proposed certain modifications of existing relief measures. Following Cabinet consideration of the Premier's proposals, I have now informed the Premier that the Commonwealth is prepared to reimburse the State for carry-on and re-stocking loans made to graziers to enable Queensland to extend the existing limits on those loans.

The Commonwealth has always adopted a flexible attitude to the limits of drought loans. Our main concern has been that normal commercial sources of finance should first be exhausted and that in making a loan the State authorities should satisfy themselves that the applicant has a reasonable chance of recovery. It will be for the

State to determine the new limits, and the rate of monthly payments of loans, in the light of the circumstances of individual graziers. I have also informed the Premier that the Commonwealth is agreeable to his proposal for graziers who have received drought relief carry-on or re-stocking loans under the 1969 drought relief arrangements to have their loans, including any unpaid sums under the earlier 1965 arrangements, consolidated as at 30th June 1970. I understand that the State's objective is to give further relief to graziers by extending the period during which interest will be capitalised and no redemption payments will be required.

The Commonwealth has also agreed that rebates on the transport of stock for re-stocking purposes, which at present apply only to breeding stock, should be extended to cover all stock transported for re-stocking up to a property's normal capacity—whether this involves stock purchased or stock returning from agistment—provided that the stock are held for a minimum period on the grazier's property before being eligible for rebate. In addition, because of the widespread effects of the drought on Queensland pastoral areas and the fact that New South Wales could be a major source of stock for re-stocking when the drought is over, the Commonwealth has indicated its willingness to reimburse the Queensland Government for expenditure on freight rebates on stock purchases in

New South Wales for re-stocking and on returning from agistment in that State.

The existing measures provide for additional carry-on loans to assist drought-affected graziers with the payment of crown rentals and local authority rates in 1969-70. We have now agreed to further assistance in this regard in the form of grants to the State to enable it to meet half the cost of rates payable in 1970 by graziers who have experienced drought for more than 2 years in the 2 droughts of 1965-67 and 1969-70 and who are demonstrably in need of such assistance.

Even before allowing for the additional cost in 1969-70 of the agreed extensions to drought relief measures to which I have referred, the Commonwealth contribution towards drought relief measures in Queensland this year would be easily the largest amount ever provided to any State for drought relief in a single year. The Government believes that the additional measures which I have now announced will make a further substantial contribution to the relief of those farmers and graziers in Queensland who continue to be affected by drought.