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PRIME MINISTER

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ELECTORAL TALK

The drought - now affecting the rural community in many parts of Australia - is emerging as one of Australia's biggest farming problems.

Across the rich agricultural and pastoral areas of Australia the severe drought conditions are daily growing more important.

In Victoria for instance, very large parts of the State are affected by the drought, while in South Australia all of the local government authority areas are severely affected.

In Western Australia, New South Wales and Tasmania there are also serious problems.

The prolonged and widespread drought has caused considerable and direct hardship to thousands of Australian families on the land. It is also certainly having a flow-on effect in cities in all states where food prices have moved up and some products are in short supply.

The Government has recognized the hardship the drought has caused to Australia's beef and dairy industries in particular. It has compounded the already difficult positions of dairymen and cattlemen.

The Government has moved quickly to assist.

For a long time the Commonwealth has been involved in supporting the drought relief measures of the states.

The principal of Commonwealth support has been traditionally in the transport subsidy of fodder or stock to or from drought areas, and in concessional loans for needy producers from the states where finance is not otherwise available.

Early this month the Government announced that this relief would be taken a step further. We decided to underwrite the costs of carting water to drought areas to ensure the survival of stock.

This is a new form of assistance. It has been welcomed by farmers.

Additionally, the Government has decided to provide up to one dollar a head for cattle and up to 15 cents a head for sheep to state and local government authorities involved in the slaughter and disposal of unsaleable stock in drought areas.

More importantly perhaps, the Government has also decided to allow eligible producers a slaughter compensation of up to \$10 a head for cattle.

As recently announced by Ian Sinclair, Minister for Primary Industry, the Government has also set up a Standing Committee of Commonwealth public servants to monitor the current drought situation.

Other measures are under examination including support for the purchase of feed grains.

This Committee will examine the efficiency of drought assistance measures and also report to the Government on other avenues of further assistance.

There is no question that these four Government initiatives alone will go a significant way in helping farmers through an extraordinarily difficult time.

Possible Government support for the purchase of feed grains as I have indicated is one of the areas being looked at.

The Government has also shown a commonsense and flexible attitude to the way in which finance is provided to state governments to administer these programmes.

In Victoria for instance, the Commonwealth has suggested that an alternative method of finance could be considered as that State's support was not expected to reach the required level of basic expenditure.

There has for many years been a base amount which the states would spend and then all programmes would be fully financed by the Commonwealth after the states had reached that basic expenditure amount.

In Victoria's case the basic expenditure was \$3½ million. Any dollar over and above that sum would be totally provided by the Commonwealth.

There was some criticism of this traditional approach from Victoria and from New South Wales and therefore I offered an alternative to the states if they want to pick it up and that is that we would match dollar for dollar total expenditure from the very first dollar that was spent. I have not yet heard whether the states would prefer that alternative approach.

The Government has shown its concern for the plight of the rural community in many ways. Our initiatives on drought relief measures are an example of our continuing recognition of the importance of Australia's rural community. They are also a recognition of the damage being done to that community by drought.

This evening I also want to mention the recently announced Government decision to set up an enquiry into the relationship between education and training.

The committee of enquiry will look at the whole field of post secondary education. It will also look at the broader problem of the relationship between education and the labour market.

The Government is particularly concerned that education become relevant to a person's later life. It is concerned that the resources devoted to education should be used to maximum effect and that unnecessary duplication be avoided.

This enquiry - the first of its kind for more than 10 years - will take a medium and long term view of all the implications of our changing structure of education and retraining programmes.

The Government believes that education opportunities should be widespread. We believe that greater education and occupational choices should be provided. We also strongly believe that community participation in education should be encouraged and standards raised.

It is against this background that the committee will conduct its research.

This enquiry will probably be the most important and far-reaching in this field ever established in this country. It will be a wide ranging and significant enquiry that will benefit Australians for many years in the future.