



PRIME MINISTER

FOR MEDIA

24 October 1984

The Prime Minister, Mr Hawke, and the Minister for Primary Industry, Mr John Kerin, announced today that the Federal Government is making \$5.5 million available to assist the sugar industry.

The assistance is to be given under Part A of the Rural Adjustment Scheme.

This is consistent with the Government's approach to all rural industries - policies which are an investment in their long term security.

The Rural Adjustment Scheme Part A provides debt reconstruction and capital works assistance for producers who have the capacity to continue farming in the long term.

It is not the Government's aim to provide further aid in the form of carry-on finance as it is clear that the current downturn in international prices and the volatility in the marketplace will continue for some time. Cane growers just can't afford to take on more debt.

Any assistance should be geared to helping canegrowers with a future in the industry stay in the industry - and not just increase their debt burden.

As the Federal Government has said on previous occasions, the Review being carried out by the industry itself will provide the best basis for a long term strategy for its future.

Therefore the Government will meet the canegrowers immediate difficulties by focussing on measures which will contribute to the industry's long term prosperity.

In talks today between the State and Federal Governments it was decided that Federal funds would be used to greatest advantage if targetted to canegrowers who could continue in the industry but for their high debt servicing commitments.

The package reinforced the rational and long term approach to aid to the sugar industry which has been consistently adopted by the Federal Government.

The Federal Government has already spent \$11 million last year on sugar aid and in June had raised the domestic price of sugar by \$28 to \$508 per tonne.