



# PRIME MINISTER

117/95

## STATEMENT BY THE PRIME MINISTER THE HON P.J. KEATING MP

### VICTORIAN AGRICULTURE - RECOVERY AND LONGER TERM GROWTH

I am pleased to announce today a Drought Recovery and Management Facility which will better position Victorian agriculture to take full advantage of the recovery from drought.

It is also intended to secure the longer term competitive position of Victorian agriculture in the international market place.

I understand recent rains hold out the prospect for good crops and pasture recovery. But our capacity to maximise the opportunities arising from these favourable conditions will depend on how rapidly farm businesses are able to recover from the impact of drought, and how well we deal with the rural adjustment pressures that have built up over recent years.

Adjustment pressures are particularly pronounced at this time in Victoria, which has experienced successive years of relatively poor incomes resulting from a period of generally poor commodity prices and other adverse conditions followed by the drought. This has seriously weakened the financial position of many farm businesses and their capacity to respond to the current recovery.

The recovery period now in prospect provides an opportunity to facilitate necessary adjustment in Victoria, especially in the wheat and sheep sectors.

The enhanced productivity and re-establishment support to be offered under the \$15 million Drought Recovery and Management Facility through the Rural Adjustment Scheme will assist farmers and graziers to improve the productivity of their farm businesses and to secure their longer term competitiveness. Longer term adjustment will be supported by helping those in the deepest trouble to leave sooner rather than later, and with dignity.

Up to \$7.5 million will be made available by the Commonwealth to Victorian farmers under the Facility, and the Victorian Government will be approached to match this on a dollar for dollar basis.

This support is being complemented by \$3.17 million Commonwealth funding to match the Victorian Government's contribution to the extension of the Wimmera-Mallee pipeline to facilitate improved drought preparedness and management.

The Commonwealth has agreed, subject to environmental clearances, to provide \$2.55 million for construction of stage 3 of the pipeline.

An additional \$620,000 for associated property management improvements and community participation to secure the benefits of the project will also be provided.

Together, these initiatives will greatly strengthen the capacity of the Wimmera and Mallee regions to deal effectively with ongoing adjustment challenges.

**BALLARAT**  
**25 October 1995**