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Title:
Ministerial statement: drought relief

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MINISTERIAL STATEMENT

DROUGHT RELIEF

During the past three weeks my colleague the Minister of Lands and I have received representations from representatives of the Murray Lands and Riverland Local Government Associations and Zone 10 of United Farmers and Graziers of S.A. seeking assistance to alleviate the effects of the drought in these particular areas.

Representations have been made seeking :-

1. An acreage bounty scheme on the basis of crop deficiencies below 6 bushels per acre, on a sliding scale
2. Qualifications for social services benefits be eased
3. Loans for carry-on purposes (including seed and super) and for restocking be made available, free of interest, to those farmers and sharefarmers who have reasonable prospects of recovery and to whom credit is not available through normal commercial channels
4. Grants be made to Councils to provide employment on roadworks
5. Supplies of seed wheat and seed barley to be made available at specified points in the drought affected districts.

The Government, in the short space of time available to it since receiving these representations, has considered the matter and has decided upon the following policies in relation to these proposals :-

1. Acreage bounty

The question of an acreage bounty is a very complex one as, quite clearly, it could not be confined to the Murray Lands and Murray Mallee areas in a season wherein very large areas of the State are suffering from drought and are, in fact, unlikely to produce 6 bushels per acre for cereal grains. In these circumstances the Government has decided to have this question investigated with the view of formulating proposals which it can submit to the Commonwealth for consideration.

Honourable Members will recognise the magnitude of this problem when I say that preliminary estimates indicate that the cost could approximate \$15 million, an expenditure which this State could not contemplate from its own resources and an approach to the Commonwealth must be made as acreage bounties are not included in current Commonwealth State drought relief arrangements.

2. Social Service benefits

There is clearly no action which the State can take in this matter at present. Farmers who consider themselves likely to be eligible should register for employment with the Commonwealth Department of Labour and National Service and if employment is not available, apply for unemployment benefits. It is

beyond what it has done, i.e. call the assistance of the Commonwealth

Dependent on sympathetic administration of current provisions.

understood that each individual application will then be considered by the Commonwealth Departments concerned, in the light of the circumstances disclosed.

3. Loans for Carry-on Purposes

The question of interest to be charged on loans for carry-on purposes presents some problems. At the present time the Primary Producers Emergency Assistance Act prescribes interest at State Bank overdraft rates. Interest for carry-on charged on debt reconstruction cases is 4% and the rate in the 1967 drought when the Commonwealth provided the whole of the finance was 3%.

In considering the policy which it should pursue in this matter the Government cannot ignore the fact that those farmers who are able to obtain credit from normal commercial sources will be obliged to pay interest rates varying between 6½% and 8½%.

In consideration of all of these factors the Government has decided, that, as a matter of policy advances will be made for carry-on purposes free of interest for one year. If necessary the matter can be further reviewed at a later stage and particularly if and when any Commonwealth funds may be introduced. Loans will be repayable over a term of up to 7 years.

4. Grants for employment

Representations have been made from all Councils within the most severely affected drought areas seeking grants to provide employment. The Councils within the areas which are most severely affected by drought and which have experienced adverse seasonal conditions for the past several years are :-

D.C. Loxton	D.C. Brown's Well
" Waikerie	" Karoonda
" Paringa	" Mobilong
" Marne	" Mannum
" Sedan	" Pinnaroo
" East Murray	" Lameroo
" Morgan	" Franklin Harbour

The Government proposes to make an initial grant of \$250,000 available to these Councils, in proportions to be decided to promote employment opportunities within their areas. The Government does not propose to extend this scheme to District Councils outside of those most severely affected not only in this year but in past years.

5. Supplies of Seed Wheat and Barley

In the event that the Australian Wheat Board and Australian Barley Board find it necessary to move seed wheat and seed barley from other districts into the severely affected drought areas the Government is prepared to provide a freight subsidy to cover the cost of the abnormal movements which may be involved.

Freight subsidies on the movement of stock and fodder as announced in June last will continue to apply.

The Government has agreed to the foregoing immediate actions and will continue to keep the situation under close review.

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