Last week, Commonwealth and State Ministers completed a most important review of all aspects of the operation of the Rural Reconstruction Scheme in Sydney.

This has been an issue with which I have been concerned and involved for the last year or so, not only because of my concern as a Member of the Federal Government and as a farmer keenly interested in the welfare of rural industries, but also as a Member for an electorate where the fortunes of so many people are bound up with the economic health of those industries.

As a result of last week's review the funds available in the first two years of the Scheme are now more than double those originally contemplated. The Commonwealth was to have made available $100 million to the States over four years. Now that $100 million is to be spent by the end of the next financial year. In addition a further $18 million has been provided for forward commitments. All this represents at least a doubling of the original rate of expenditure.

Of the additional $18 million to be provided, $15 million will be used to cover a carry-over of commitments into the 1973-74 year, and $3 million will be given to Queensland outside the rural reconstruction scheme on a matching basis, to account for the catastrophic effects of drought in that State.
Victoria will receive $3.3 million of the extra $15 million according to the formula agreed to when the scheme was first established.

All this — the marked acceleration of the period of expenditure of the $100 million, together with the extra $18 million allocated by the Commonwealth, should materially improve the scheme. Last week's agreement will give the States more flexibility in the use of the funds.

For the immediate future, States will encourage farm build-up applications to the maximum extent, and the Commonwealth Minister for Primary Industry, Mr. Sinclair, said they will approve all eligible cases.

I believe this reflects a realistic approach and should help farmers facing particular difficulty.

It was also agreed at last week's talks that the period of loan to farmers for farm build-up purposes could be extended for a term up to 30 years at the discretion of the State administering authority. This would mean a marked reduction in the annual interest and capital repayments by the farmer to the authority.

While these changes are designed to assist the States in making the farm build-up section of the scheme more effective, Ministers have not overlooked the plight of those farmers obliged to leave the industry. Rehabilitation loans for such farmers suffering personal hardship have been increased from a maximum of $1,000 to $3,000.
After the conference last week, the Primary Industry Minister, Mr. Sinclair, observed that the States had responded well to the Commonwealth initiative in maintaining the momentum of reconstruction. This is true when one considers the differing circumstances throughout Australia. These have led to differential rates of expenditure, not only on debt reconstruction, but also farm build-up. For instance, the situation in Victoria has been different to that in Queensland where there has been prolonged drought in both sheep and farming areas.

The authorities administering the rural reconstruction scheme in the various States must surely gain by liaising and attempting as far as possible, to achieve a degree of uniformity throughout the nation. With this in view, representatives of the authorities will meet within the next two months.

There is one important feature about rural reconstruction that I believe often escapes the majority of Australians who live in our big cities. A healthy rural economy is essential to the nation's well-being generally. The provision of finance for farm build-up and for rehabilitation loans is of real long-term benefit to all Australians, not just the farming community.

Apart from the need of country people for a secure rural economy, there is the vital consideration that our primary products are a key factor in our international trade. Their part in our export earnings remains crucial. As a nation we cannot afford rural depression. Through decisive and widespread action, including the rural reconstruction scheme, the Commonwealth aims to ensure a healthy rural economy.

Goodbye for now,