This week I would like to talk about housing aims in the seventies... Government policy on improved drought relief arrangements... and Government policy on medical benefits.

Factory production of homes could well be a feature of the late seventies in order to satisfy anticipated growth which the skilled building labour force might not be able to meet.

Of interest to listeners is a Department of Housing report tabled this week that shows that in the quarter to June this year there was a decline in demand for new houses in Victoria. This decline resulted in keener competition to seal. However residential land, both for home sites and flat development sites, remained in strong demand.

In the same quarter there was a marked easing in the shortage of rental accommodation in country areas which is believed to be due in part to increased Housing Commission construction.

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The Consultative Committee on Drought is exploring the possibility of improving drought relief reimbursement arrangements between the Commonwealth and State Governments.

I believe it is essential for the States to know in advance of a drought what, in general, the Commonwealth would do to assist them. In this way, any State affected by drought will be in a position to let farmers and graziers know the range, extent and conditions of the drought relief measures available to them immediately drought declaration is made in respect of any area.

This, of course, will help remove the uncertainty that has proved a difficulty to producers in planning their drought strategy.

At its meeting the Consultative Committee reviewed the procedures followed in different States in making drought declarations. It also considered the wide range of assistance that States were now extending to farmers and graziers affected by drought and discussed conditions attached to Commonwealth reimbursement to States for expenditure made by them on drought assistance.

It is normal Commonwealth policy to assist a State in financing natural disaster relief when it is considered that the cost of financing relief measures would impose an undue burden on State resources.

Commonwealth drought relief assistance has been provided on the basis of reimbursing the States for four main categories of relief measures:
The four main categories are:

- Loans for carry-on and re-stocking purposes where credit is not available through normal channels.
- Rebates of freight for the transport of fodder and water to drought-affected areas and the transport of stock out of drought areas. Also the transport of stock to areas that had recovered from drought.
- Grants to local councils and other authorities to provide relief work for those unemployed in rural areas as a result of drought, and
- Some miscellaneous items of expenditure associated with drought.

Commonwealth reimbursements to the States under all drought relief arrangements take the form of interest-free loans where the States themselves made loans. Other reimbursements of expenditure take the form of grants.

The Commonwealth normally imposes no limit on the amount of reimbursable expenditure on those measures by State Governments. It is left to each State Government to administer its assistance according to the State circumstances.

However, each State receiving reimbursements is normally expected to make some initial contribution from its own resources towards drought relief for its own producers.

The Consultative Committee is exploring ways of improving these arrangements between the Commonwealth and the States.

The Committee is also considering measures for a more uniform system of road and rail freight concessions, including interstate transport where necessary.

Other aspects under discussion were problems of re-stocking after drought, encouragement of storage of fodder and feed on the property.

It is recognised quite fully that there is a need for both scientific and economic research into implications of drought for the primary producer, for Governments and for the economy as a whole.

While, fortunately, the economy as a whole is today better cushioned against the effects of drought than was the case in earlier years, the impact of drought on the rural sector is still direct, severe and inescapable.

In Australia we simply must have measures to counteract its effects and a continuing effort to improve our defences against drought.
It is expected that the work of the Consultative Committee on Drought which comprises Federal and State Government representatives will play an important part in cushioning the drastic effects of drought on the primary producer.