

1965-66

PARLIAMENT OF NEW SOUTH WALES

SECOND PROGRESS REPORT

from the

SELECT COMMITTEE

of the

Legislative Assembly

upon

DROUGHT RELIEF

together with

Minutes of the Proceedings of
the Committee, Evidence
and Appendices

Up to 23rd March, 1966

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**SELECT COMMITTEE
OF THE
LEGISLATIVE ASSEMBLY
UPON
DROUGHT RELIEF**

SECOND PROGRESS REPORT

1. Your Select Committee of the Legislative Assembly appointed by the Legislative Assembly on 28th September, 1965, to inquire into and report upon,—

- “(1.) (a) Measures which have been taken by the State Government and other statutory authorities during the recent and current drought in New South Wales.
- (b) Ways and means of implementing drought control and drought relief measures to minimise the effect of future droughts.
- (c) Proposals to co-ordinate State and Commonwealth assistance in dealing with drought relief.”

And which was granted leave on the same day to sit during the sittings or any adjournment of the House and to make visits of inspection within the State of New South Wales and to other States of the Commonwealth, begs to report the Minutes of Proceedings and Evidence taken before it, and presents to the House a second Progress Report.

2. A first Progress Report was presented to Parliament on the 25th November, 1965, because it was felt that in view of the importance of subsection (a) of section (1.) that the Committee should indicate just what steps had been taken by the Government and other statutory authorities to assist those areas of people who had at that time been affected by drought.

3. Since tabling the first Progress Report, other forms of assistance have been offered as conditions deteriorated in many areas.

By far the most valuable of these, and one which is considered a major break through in the field of drought relief is the provision of loans to \$6,000 repayable over seven years at three per cent interest to farmers or graziers of moderate means and in necessitous circumstances. The money is for fodder, carry-on purposes, fertilizer, seed, water, household stores, etc.

Although not to be used for restocking purposes it was regarded as a most welcome form of carry-on assistance, which was given most liberally to applicants.

To date over 1,512 applications have been approved out of a total of 1,591. This represents over 95 per cent approvals on applications. It has involved the State in expenditure of almost \$6,000,000.

4. Finance for restocking has become increasingly important in planning the road to recovery. All members of the Committee who have seen so much drought devastation and spoken to so many affected stockowners, are firmly convinced that the Commonwealth Government must arrange credit through the Development Bank, the Trading Banks, Wool Firms, Insurance and Assurance Companies, Hire Purchase Organizations and other various channels by which credit is extended to primary producers, or to the State Government for release through the Rural Bank to supplement the restricted amounts that can be made available by the State under existing and projected schemes. The provision of this assistance will be a major step towards speedy rehabilitation of drought-affected areas.

Following the presentation of the first Progress Report the Committee commenced receiving evidence relating to 1 (b) and 1 (c) of the terms of reference.

These two terms of reference were in the opinion of your Committee the most important of all. In this continent, the driest continent on earth, some greater attempts at drought control are essential. The possibility of serious drought is always at hand and necessary action must be taken now so that the effect of these future droughts is kept at a minimum.

Prevention is always better than cure. The time to learn all facts, hear all suggestions, and produce an improved plan which could be put into action is now, rather than wait for complaints at a later date through failure to learn from this lesson.

The response to your Committee's appeals for both written and verbal submissions has been enormous. A tremendous amount of most valuable information has been given by witnesses from all parts of the State and associated with all primary industries.

5. Your Committee considered that in the interest of those who have been affected by drought, and in the interest of the State generally, your Committee should produce a report on information which it has received to date, and present that report to Parliament without delay.

By presenting the report at this stage it would give the Government an opportunity to study the submissions made by your Committee.

6. We bring before the Parliament recommendations which we believe if implemented could effect a considerable measure of drought control throughout the whole of New South Wales, and measures which if copied in other areas could possibly set a pattern of drought control never before attempted over the entire continent.

Drought has caused incalculable losses to the whole Australian economy over the whole period of its history, and it is imperative that some measures be adopted to minimise these enormous losses.

7. The current drought commenced in the Pastures Protection Districts of Milparinka and Wanaaring in the far North-west of the State, these districts being declared drought areas on 1st March, 1964. They were followed by the Brewarrina Pastures Protection District, also in the far North-west, and Gloucester Pastures Protection District, on the mid-North Coast, on 1st August, 1964. Before the end of 1964 Wilcannia in the far West and Maitland and Port Macquarie on the mid-North Coast had been added to this list of drought-declared areas. By May, 1965, there were forty-four Pastures Protection Districts out of a total of fifty-nine which had been declared drought areas.

8. A Cabinet Sub-committee on Drought Relief, comprising the Ministers for Agriculture, Conservation, Transport, Lands, and Decentralisation, was established to investigate ways and means of assisting primary producers affected by the present drought. A Standing Committee on Drought Relief, comprising a senior officer from each of the Departments of Agriculture, Conservation, Transport, Lands, Decentralisation and the Treasury, was subsequently established by the Cabinet Sub-committee to investigate and advise on drought conditions, control and relief measures, and to recommend action.

This Cabinet Sub-committee has the responsibility of making direct recommendations for implementation by the Government to ease the hardship on many people who suffered losses and are still suffering losses in the present drought.

Not only do stockowners suffer loss of income, greatly increased expenditure, loss of stock, and perhaps financial ruin, but people in business in country towns, people in the city, and in time the whole national economy are vitally affected when a severe drought hits a part or the whole of the continent.

9. Your Committee, therefore, is rather in the position where it can devote its time to study and learn from the drought and recommend measures for implementation by the Government.

The 1964-66 drought in many parts of New South Wales is the worst in living memory, and it is still far from finished. It appears that the only drought with which it can be compared is the disastrous one known generally as the "1902 drought" which commenced in 1895 and actually finished in 1903.

During this drought losses in sheep and cattle population of Australia were tremendous. But due to very different circumstances existing today as outlined by the Chairman of the Standing Committee on Drought Relief, statement 1, page 2 of his evidence on Thursday, 28th October, 1965, as recorded in the First Progress Report, these figures cannot be compared with those showing losses in the 1964-66 drought.

There have been other droughts since 1902 in different parts of the State, and of varying intensity, but the present 1964-66 drought is unique in that it arrived very suddenly after a series of excellent seasons, at a time when, perhaps, most properties were carrying more stock than they would normally be carrying, and when many stockowners found they were unable to unload this extra stock.

10. In the period preceding the 1964-66 drought there was a dramatic change in farm economics. There was a great increase in capital expenditure for increased efficiency on all properties, particularly in farm machinery, pasture improvement, etc. This followed an appeal by the Commonwealth when it called for increased efficiency from the rural industries.

The response to this appeal was most pleasing and the volume of output since 1949 has increased by 60 per cent, while the rural work force has declined by more than 10 per cent.

One result of the response, however, has been that many property owners have had their overdraft limit lifted and have been working to near this raised limit, and were not ready to meet this sudden drought. In addition, the power of recovery is not as great today in the more highly capitalized rural industries, with higher costs and increased taxation in the good years.

Millions of sheep and hundreds of thousands of head of cattle have perished, and many property owners have suffered severe financial hardship. A report recently released by the Minister for Agriculture and prepared by the Standing Committee on Drought Relief, showing the extent of these losses, is as follows:

1964-65 DROUGHT—REDUCTION IN SHEEP NUMBERS

Region	Sheep Population			Form of Reduction			
	As at 31st March, 1964	Estimated as at 1st January, 1966	Reduction	Deaths	Sales	Agistment	Total Reduction
	No.	No.	No.	No.	No.	No.	No.
Agricultural Regions—							
North Coast (Lismore) ..	28,646	28,000	646	46	600	....	646
Mid Coast and Hunter (Maitland) ..	529,949	449,800	143,149	84,338	58,811	....	143,149
South Coast and Tablelands (Goulburn) ..	6,335,097	6,283,905	51,192	51,192	....	....	51,192
Northern (Tamworth) ..	9,270,765	7,137,000	2,133,765	949,000	1,182,000	2,765	2,133,765
North Western (Gunnedah) ..	10,664,342	7,387,420	3,276,922	2,039,928	1,202,407	34,587	3,276,922
Western (Orange) ..	12,774,236	11,062,735	1,711,501	850,034	409,197	452,270	1,711,501
Mid Western (Cowra) ..	8,208,976	8,158,976	50,000	10,000	30,000	10,000	50,000
Southern (Wagga) ..	8,310,816	8,402,816	92,000†	....	....	....	92,000†
South Western (Leeton) ..	7,301,669	7,658,753	357,084†	....	....	....	357,084†
Sydney (Sydney) ..	20,363	20,363	....	....	....	....	....
Total—Agricultural Regions	63,507,859	56,589,768	6,918,091	3,984,538	2,883,015	499,622	6,918,091
*Western Division—							
Brewarrina ..	1,213,830	756,699	457,131	317,131	135,000	5,000	457,131
Darling ..	1,507,108	869,073	638,035	434,000	200,000	4,035	638,035
Cobar ..	1,257,482	566,612	690,870	498,870	190,000	2,000	690,870
Central Darling ..	1,362,952	1,100,952	262,000	100,000	142,000	20,000	262,000
Balranald ..	655,266	491,450	163,816	7,816	154,000	2,000	163,816
Wentworth ..	599,945	400,000	199,945	5,945	193,000	1,000	199,945
Unincorporated Area ..	1,659,558	1,277,558	382,000	117,000	250,000	15,000	382,000
*Total—Western Division	8,256,141	5,462,344	2,793,797	1,480,762	1,264,000	49,035	2,793,797
Total—New South Wales	71,764,000	62,052,112	9,711,888	5,465,300	4,147,015	548,657	9,711,888

* Excluding parts of Bogan, Carrathool, Hay and Walgett Shires—already included in Agricultural Regions.

† Net Increase.

1964-65 DROUGHT—REDUCTION IN DAIRY CATTLE NUMBERS

Region	Dairy Cattle Population			Form of Reduction			
	As at 31st March, 1964	Estimated as at 1st January, 1966	Reduction	Deaths	Sales	Agistment	Total Reduction
	No.	No.	No.	No.	No.	No.	No.
Agricultural Regions—							
North Coast (Lismore) ..	411,767	368,072	43,695	15,542	24,452	3,701	43,695
Mid Coast and Hunter (Maitland) ..	359,700	313,110	46,590	16,142	26,328	4,120	46,590
South Coast and Tablelands (Goulburn) ..	160,993	140,165	20,828	1,041	19,370	417	20,828
Northern (Tamworth) ..	19,637	18,895	742	500	80	162	742
North Western (Gunnedah) ..	3,759	3,427	332	181	151	....	332
Western (Orange) ..	9,802	9,740	62	62	....	....	62
Mid Western (Cowra) ..	4,018	4,018	....	....	....	....	....
Southern (Wagga) ..	31,069	31,069	....	....	....	....	....
South Western (Leeton) ..	38,220	38,635	415†	....	....	....	415†
Sydney (Sydney) ..	67,590	61,892	5,698	298	5,400	....	5,698
Total—Agricultural Regions	1,106,555	989,023	117,532	33,766	75,781	8,400	117,532
*Western Division—							
Brewarrina ..	136	136	....	....	....	....	....
Darling ..	166	166	....	....	....	....	....
Cobar ..	4	4	....	....	....	....	....
Central Darling ..	66	66	....	....	....	....	....
Balranald ..	266	266	....	....	....	....	....
Wentworth ..	401	401	....	....	....	....	....
Unincorporated Area (including Broken Hill) ..	65	65	....	....	....	....	....
*Total—Western Division	1,104	1,104	....	....	....	....	....
Total—New South Wales	1,107,659	990,127	117,532	33,766	75,781	8,400	117,532

* Excluding parts of Bogan, Carrathool, Hay and Walgett Shires—already included in Agricultural Regions.

† Net Increase.

1964-65 DROUGHT—REDUCTION IN BEEF CATTLE NUMBERS

Region	Beef Cattle Population			Form of Reduction			
	As at 31st March, 1964	Estimated as at 1st January, 1966	Reduction	Deaths	Sales	Agistment	Total Reduction
	No.	No.	No.	No.	No.	No.	No.
<i>Agricultural Regions—</i>							
North Coast (Lismore) ..	410,216	375,757	34,459	12,925	18,027	3,507	34,459
Mid Coast and Hunter (Maitland) ..	454,380	352,308	102,072	37,100	57,352	7,620	102,072
South Coast and Tablelands (Goulburn) ..	370,077	328,734	41,343	10,000	31,343	....	41,343
Northern (Tamworth) ..	665,663	351,131	314,532	86,200	188,182	40,150	314,532
North Western (Gunnedah) ..	543,220	234,704	308,516	70,912	219,594	18,010	308,516
Western (Orange) ..	391,087	362,199	28,888	4,800	10,800	13,288	28,888
Mid Western (Cowra) ..	171,101	169,901	1,200	100	1,000	100	1,200
Southern (Wagga) ..	330,174	375,901	45,727†	....	....	....	45,727†
South Western (Leeton) ..	192,195	190,639	1,556	....	1,356	200	1,556
Sydney (Sydney) ..	44,278	36,161	8,117	357	7,760	....	8,117
Total—Agricultural Regions	3,572,391	2,777,435	794,956	222,394	535,414	82,875	794,956
<i>*Western Division—</i>							
Brewarrina ..	14,176	4,250	9,926	2,000	7,426	500	9,926
Darling ..	19,531	6,250	13,281	2,500	10,281	500	13,281
Cobar ..	15,395	5,250	10,145	2,000	7,645	500	10,145
Central Darling ..	18,528	7,528	11,000	2,500	6,000	2,500	11,000
Balranald ..	11,400	4,200	7,200	200	7,000	....	7,200
Wentworth ..	4,681	1,681	3,000	100	2,900	....	3,000
Unincorporated Area ..	25,076	11,076	14,000	2,000	11,000	1,000	14,000
*Total—Western Division	108,787	40,235	68,552	11,300	52,252	5,000	68,552
Total—New South Wales	3,681,178	2,817,670	863,508	233,694	587,666	87,875	863,508

* Excluding parts of Bogan, Carrathool, Hay and Walgett Shires—already included in Agricultural Regions.

† Net Increase.

11. At the commencement of its sittings your Committee sent letters to all primary producer organizations, Local Government Associations, Pastures Protection Boards, and other interested organizations and individuals, asking them if they would care to make a submission to your Committee for consideration. Through the press and radio anybody or any organization who had a constructive suggestion to make was invited to submit it to your Committee for consideration.

At the same time a letter was sent to all Pastures Protection Boards asking if they would circularize their ratepayers inquiring about losses through the drought, so that your Committee could obtain an up-to-date over-all estimate of the losses which were being experienced in stock and fodder. These figures were invaluable, as they indicated the position over the State, the numbers of stock lost, and showed to governments, both federal and State, how serious the position was and how much assistance was needed. The totals of these returns showed heavy losses which the State might anticipate in the immediate future. Reaction to these startling figures played a considerable part in the awareness of both governments to this plight, and must indeed have been foremost in their minds when considering the approval of additional assistance.

The response has been considerable. The Committee has received some very thorough, practical and constructive submissions with good ideas which, if implemented, must play a major part in minimizing the effect of any future drought.

12. Your Committee has also visited country centres in different parts of the State to give the people an opportunity to appear before your Committee if they so desired. It also gave your Committee the opportunity to see at first hand the devastation suffered by people in drought-stricken areas.

Your Committee first visited southern districts, sitting at Goulburn on Wednesday, January 19, and Wagga Wagga on Thursday, January 20, 1966. Although the southern regions have not experienced such adverse conditions during this drought, they have experienced them in the past and had many sound ideas to submit.

13. Later your Committee sat in Maitland on Tuesday, February 1, Kempsey on Wednesday, February 2, and Armidale on Thursday, February 3, 1966.

Witnesses who appeared at these centres were from the areas of the Mid-North Coast—Hunter Valley and New England Tablelands. They were able to speak from considerable experience.

Dairy farmers, particularly in the Mid-North Coast region, suffered severely—mostly smaller farmers and tenant farmers, who did not have the reserves to beat an extreme drought as this one proved to be. In many parts it is by far the worst drought of all time, and with their obligations to the Milk Board to continue to produce milk, for considerable periods at a substantial loss, their expenses soared. These dairy farmers are to be commended for carrying on under such bad conditions.

14. On Tuesday, February 8, 1966, the Committee met at Moree and witnesses from the North-west Slopes and Plains, in describing their experiences, were most constructive in their suggestions by which future droughts can be controlled.

15. Following this sitting, the Committee visited the far North-west. Formal sittings of the Committee were held at Bourke on Wednesday, February 9, and Dubbo on Thursday, February 10, 1966. Brief, informal meetings were held at Goodooga, Brewarrina, Tibooburra and Wanaaring.

To see the state of this far western country, and to talk to those who are so affected, could not have any effect other than to make anyone realize the immensity of the problems in this country and how great is the need for help. Anybody who has seen this area as your Committee has, could not help but be deeply moved.

The spirit of these people, though bruised, is far from broken and their greatest need to recover from losses is access to finance to carry on while the drought lasts and to restock when it is over.

Low-interest, long-term loans are an absolute necessity for these people and only through availability of these loans can this great area recover quickly. The \$6,000 carry-on loan has been invaluable as a temporary relief measure.

16. On each of these country trips a tight schedule was fixed, in view of limited time available. The people were most co-operative, and placed before your Committee some very constructive ideas. All members of your Committee express their appreciation for the co-operation of these organizations and individuals who were so helpful during the deliberations, and for the effort which they put into their submissions to your Committee.

17. During the country travels of your Committee, and in considering submissions received from different parts of the State, it was very obvious that varying conditions existed in the State—that different measures would have to be implemented for these regions—and your Committee has therefore tried to form its thinking along these lines.

For example, the position which exists in the Western Division of New South Wales and the problems which arise in that area, are completely different to those which arise on the coast.

18. Because of this, your Committee must make different recommendations for the Western Division or the North, South, or Central-Western Slopes and Plains, for the Northern or Southern Tablelands, and for the coastal areas, either to the north or to the south.

What is good for the west may not be good for the coast, and what is good for the tablelands need not necessarily be of any benefit in the west.

19. One thing, however, is certain, each area has a serious individual problem to overcome, and it is felt that unless Government assistance in the form of incentives or other types of aid is made available, then this continent will continue to feel the heavy impact of drought on each occasion when it descends in a serious form.

Incentive given by governments, either Federal or State, must surely be regarded as a type of insurance, because if they have the necessary effect and lessen the losses in future years, then surely the losses to the nation as a whole in the form of export income would be prevented. Also, other concessions, grants, freight rebates, etc., which would need to be given at the time at considerable expense to the government, Federal or State, would be greatly reduced.

20. The very vast percentage of people associated with the primary industries are independent people and do not look to any Government, Federal or State, for hand-outs unless in the most serious circumstances.

Rather do they wish to help themselves, but in this regard they look to the Government for the necessary incentive and assistance to allow them to carry out their programme of works as outlined earlier in the report, and following the request for increased efficiency from the Commonwealth Government. They have no reserves to tie up considerable capital in fodder or water unless low interest long term finance is available.

Your Committee feels in its recommendation, that the measures of assistance which we believe would assist are in the form of incentives, not hand-outs. Hand-outs should be discouraged because this sometimes comes to the point where the least

deserving receives the most assistance, and the man who has been a good manager and done a great deal to prepare for some such catastrophe as drought can be the one who will not receive any form of assistance.

21. Different forms of Government assistance have been available for many years, but it does appear that most people are unaware of these types of assistance, and in many cases have for some different reasons been unable to obtain that assistance.

Whether or not this is because the schemes were not promoted sufficiently well; whether inadequate publicity was given to the schemes by either the State Government or the State bank; or whether the trading banks themselves were rather wary of guiding their customers towards these schemes, is still the subject of investigation by your Committee.

22. The fact that has been made very obvious, however, to your Committee, is the general lack of knowledge by all people of the forms of assistance which have been available for such purposes as fodder conservation, construction of silos, hay sheds, silage pits, pasture improvement, construction of dams and other improvements. If this assistance had been used to a greater extent by the farming community over the past twenty years, we feel sure it would have resulted in a great deal more fodder and water being conserved.

It is obvious that strong moves must be made to see that every person has a full knowledge of the different schemes of assistance which are available, by a concerted publicity drive through all available channels. Every effort must be made to see that no unnecessary obstacle is placed in the way of any applicant who is keen to improve his property by the use of such assistance.

23. On the coastal fringe, which is predominantly a dairying area, additional assistance and incentive must be given to farmers to conserve additional water and fodder. Most of these farmers are not wealthy people and it is beyond their resources to finance conservation of hay and water. Your Committee firmly believes the Government could well inquire into the inadequacy of living areas of dairy farms in depressed areas with a view to their reconstruction to provide some basis for a more economic farm unit.

It is the opinion of your Committee that it is the responsibility of the individual to provide for his own conservation of fodder and water but that the State should give the incentive by making funds available at a low rate of interest repayable over a long period. Thus giving them every assistance to either cut and store additional fodder, in the more favourable seasons, or to purchase additional fodder and store it at their farm where they may keep it for some years for use in a serious drought.

24. The amounts at present available through the Fodder Conservation Scheme made available through the Government Agency Funds of the Rural Bank for landholders, lessees, sharefarmers, co-operative dairy societies and rural societies, should be increased and made more easily obtainable.

If a dairy factory is able to obtain finance to store large quantities of good quality fodder which is always freely available in good seasons, as well as the fodder which is being stored on the farms, it should see its particular district through most droughts and through a large part of even the most serious and devastating drought.

25. On the Tablelands, the Slopes and Plains, the position is different in that the stock concerned are mainly sheep and beef cattle. Here, however, every encouragement should be given to induce farmers and graziers to conserve fodder and water to meet an emergency.

26. The Western Division districts pose another quite separate problem. The best form of drought control in this area is prosperity between droughts. It may not be an economic proposition in the often drought-affected area of the far West to feed stock because of the lack of suitable feed for conservation and transporting costs to bring feed to the area. Rather are the properties in that area geared to drought, and it devolves on the management of each individual property to see that it is not carrying excessive numbers of sheep and cattle. Then as dry times followed by droughts approach, the stock must be unloaded quickly.

The problem in this area is more in the form of carry-on finance when the income may be substantially reduced, and of rehabilitation. For these purposes suitable financial assistance could be made available to these people so badly affected.

Drought Co-ordinating Council

27. Your Committee believes that a great need exists for the establishment of some permanent drought co-ordinating council to constantly review measures aimed at drought control and drought relief.

Rather than wait till a serious drought is upon an area, this council could continually review the position and as drought conditions develop in any one area, take the necessary steps to advise the Government of the correct and accurate picture, and recommend certain remedial actions to minimize the effect of the approaching drought.

Several very valuable committees have been appointed during this current drought. It is believed, however, that had they been in operation some months earlier, more could have been done and at less expense to the Government, to overcome the hardship experienced.

28. Accordingly it is recommended that the Government establish a permanent drought co-ordinating council with representatives from major primary industries, a representative of the Western Division of New South Wales, together with an officer of the Treasury, Departments of Agriculture, Conservation and Transport, with the Minister for Agriculture or his nominee as independent Chairman.

The council would be charged with the responsibility of:

- (a) reviewing at least once each year
 - (i) all available statistics on the use made of government sponsored concessions and schemes, and
 - (ii) the general preparedness of the rural community to withstand widespread and prolonged droughts.
- (b) recommending new concessions and schemes in which the State Government might participate with a view to keeping in step with changes in the rural scene and with technological developments.

The council also would be able to study at length the many most valuable submissions which have been made to your Committee.

Many organizations and individuals in the preparation of their submissions have spent hours of research formulating policies which, if implemented, could control to a considerable degree the effect of these future droughts. The result of this research is too valuable to be pigeonholed.

Transport

29. Many serious problems have arisen through the present drought over the transporting of fodder and stock by the New South Wales Government Railways.

The system at present in operation, whereby the owner of stock or the person purchasing fodder to feed starving stock is forced to pay the normal freight rates and is later refunded a certain percentage of these rates, appears unwieldy and unfair.

The Railways Department has put on extra staff to handle these claims, but in spite of assurances to the contrary the fact remains that many people have been forced to wait months before receiving their refund cheque.

30. In view of the considerable amount of strong feeling aroused over the payment and the subsequent refunding of part of rail freights, it is suggested that a full and thorough review be held into the whole position of rail freights on fodder to drought-declared districts, and on stock being taken away from drought-declared districts.

In this review the system which has operated for many years in Queensland where the customer pays to the Railway the freight less the rebates, could well be investigated. This method appears to be much simpler, not only for the producer but also for the Railways, where administration costs would be greatly reduced.

31. The provision in the Railway by-laws attaching to the granting of freight rebates, that the rebate is subject to the applicant being a patron of the Railways for the carriage of his livestock, should be reviewed.

32. The Railways Department could also inquire into the possibility of making rail trucks available for the cartage of fodder on the off-peak periods at concessional rates. It does appear that there are times of the year when trucks are lying idle through lack of patronage. If fodder could be transported to areas at concessional rates over these periods more drought control would be effected, and at the same time the Railways, although perhaps not making such a great profit on rail trucks which otherwise would be standing idle, would be making a profit.

The present system of freight concessions on fodder stored in anticipation of a drought, does not cover this need. Conditions applying under this scheme could be considered in the over-all review, and it is strongly felt that grains such as wheat or oats should not be excluded, as they are at present.

33. Your Committee was concerned to receive evidence suggesting that the different capacity of the rail trucks of the New South Wales Railways and the Victorian Railways caused long delays in moving fodder interstate. Your Committee suggests that in allocating and constructing future rail trucks, due regard should be given to this fact.

Drought Bonds

34. It is most obvious that some additional forms of taxation concessions should be available as an incentive to a farmer or grazier to set aside a reserve in time of drought.

Strong representations have been made from many quarters that drought bonds as a reserve fund be established, and it is recommended that this matter might receive the consideration of the Commonwealth Government.

Water Conservation

35. On a State-wide basis the most important need is for additional water conservation. Indeed this should be undertaken on a national level.

The past two years have highlighted the extreme inadequacy of our water conservation.

Not only have our two major cities, Sydney and Newcastle, experienced serious water shortages, but a substantial part of the State has been devastated as river after river has dried up. Only those rivers with storages have offered any type of assured supply, and at this time several of these are now at a dangerously low level.

Never has the time been more opportune for all to realize that greatly increased financial and other resources must be made available for water conservation.

With the limited finance of the States, this immediately becomes a national need.

Nothing in this country is more important than water conservation, and the amount of funds made available by all governments in the past must be enormously increased.

36. This then raises the question of the advisability of retaining the Snowy Mountains Authority in a capacity to advise upon and develop our water resources on a national scale.

37. The State could make the strongest possible approach to the Commonwealth Government, and they in turn should offer substantial financial aid.

While these river storages are being constructed, more help must be given to help the farmer construct his personal storage; more thought must be given to get an assured supply of water to those farms which may not be adjacent to a river.

A full and accurate survey of the underground water resources of the State should be undertaken as expeditiously as possible.

National Fodder Scheme

38. A great deal of thought has been given over the years to the introduction of some form of National Fodder Conservation Scheme.

Many proposals have been suggested by different governments in past years, but it is claimed that no practicable scheme has yet been devised.

However, with the resources which the State has in the field of wheat storage it does appear that some form of national conservation fodder scheme—the fodder in this instance being wheat—could be satisfactorily implemented.

The State and Commonwealth Governments in conjunction with the Australian Wheat Board and the Grain Elevators Board should evolve a scheme whereby a special reserve of wheat for drought feeding purposes over and above normal home consumption requirements, be investigated to ensure that an adequate reserve is held at strategically placed storages throughout the State.

39. The construction of farm storage of wheat for drought purposes should also be encouraged. This would firstly ease the load on the storage facilities controlled by the Grain Elevators Board, and would also retain on each property a certain amount of wheat which if needed for drought purposes, would necessitate no further expenditure by the landholder.

40. Your Committee found in every district where it received evidence that one of the important discoveries of the current drought was the place of wheat as an effective and economical drought fodder. In this regard we commend the work of the Department of Agriculture in conducting field days, distributing literature and generally making known the value of wheat as a drought fodder.

41. There is some doubt as to the practicability of storing fodder on a national level, because of the great wastage and the huge cost involved in constructing storage sheds. However, in the southern portion of the State large privately owned oat storages are available for use by stockowners, who could purchase and store oats at harvest time in anticipation of any drought.

42. The State Government could well investigate new American methods of packaging hay. Machinery is at present available in America, where bales can be reduced to half their present size, which would greatly ease many cartage and storage problems otherwise evident because of its bulk.

43. It is noted that an agronomist has been appointed to the Department of Agriculture to specialize in fodder conservation, and your Committee considers that it would be desirable for him at the first opportunity to investigate methods applied in other countries, particularly the United States of America.

Extension and Research

44. Another role which the State Government has to play, aimed at lifting the level of preparedness to withstand the ravages of droughts, is in the field of rural education, rural extension services, and research.

There is an urgent need for a fuller appreciation of the fact that property management in its widest sense covers management through all seasonal and climatic conditions. Only in this way will it be possible for those engaged in animal production to take drought in their stride.

45. If this concept is accepted, then a special handbook outlining a series of drought strategies for various types of enterprises, would seem to be an urgent necessity. Already it is apparent that some stockowners would have been better off had they taken another course of action at a particularly vital stage of the drought. It is apparent that some have continued feeding non-breeding stock beyond an economic limit. There has been insufficient understanding of the mechanics of feeding wheat to starving stock and of the economics of feeding wheat as against other types of fodder.

We suggest that the Department of Agriculture emphasize in its publications, TV and radio programmes and field demonstrations the problems of drought.

46. The Commonwealth Government has recently announced that it will make available over each of the next few years for extension, additional funds rising to \$4,000,000 per annum over and above existing funds.

This is a recognition of the great importance of extension work, in quickly bringing to the man on the land the findings of research.

Part of this grant should be specifically applied towards drought mitigation and farm water supplies.

Summary

47. Though water and fodder are no doubt the two most important needs to combat drought, your Committee is making many other recommendations which are of no less importance. A number of these forms of aid only the Commonwealth Government can offer.

48. Recommendations are divided into two sections. The first section concerns those measures which can only be effected by the Commonwealth Government, and urges the Government of this State to take up on behalf of the people of New South Wales the matter of these measures which we believe if implemented by the Commonwealth Government would greatly minimize the effect of drought on primary producers in New South Wales.

The second list of recommendations is for consideration by the Government of New South Wales.

A. Recommendations for submission to the Commonwealth Government

49. 1. The Commonwealth Government to take the lead by calling at the first opportunity a conference of all States to discuss the possibility of forming a national drought co-ordinating council to review forms of aid at present available and recommend on additional measures aimed at alleviating drought over the continent.
50. 2. To establish a drought reserve fund into which primary producers may invest money by buying drought bonds, which would bear interest to the holder at normal bond rate. Such bonds to be deductible from the taxation assessment for the year in which they are purchased.
51. 3. The Commonwealth Government to make available to all States additional finance for water conservation schemes. This would be consistent with the view expressed in a recent reported statement by the Prime Minister, the Right Honourable Harold Holt, when he said:

"Australia should not devote too much of its resources to defence. Development and defence had to be balanced and it would be of great detriment to Australia to devote too much in the strictly defence field.

"In the long term development in itself was defence of Australia."

No development is more important than water conservation. Additional funds are being found for the defence of the country and it is reasonable to expect additional finance to be found for additional water conservation.
52. 4. To exempt from Federal probate duties fodder conserved on any property for drought feeding purposes of stock on the property.
53. 5. A review to be made of the present position with regard to social service payments where primary producers living in isolated areas are forced to remain on their property to try and save remaining stock, and are denied any unemployment benefits. Such primary producers who are in financial difficulties to be able to draw this unemployment relief so that they are not forced off their properties when they have no income because of a serious drought.

B. Recommendations to the State Government

54. 1. To establish a drought co-ordinating council with representatives from major primary industries, and a representative of the Western Division, together with departmental officers from the Treasury, Departments of Agriculture, Conservation and Transport, with the Minister for Agriculture or his nominee as independent Chairman. Such a committee to recommend to the Government methods of drought control, or in times of drought, drought relief.
55. 2. To considerably step up the rate of constructing water conservation projects throughout the State in relation to inland and coastal surface and sub-surface water resources. Construction of more major storages and many weirs on streams in all parts of the State, particularly inland streams, to be commenced at an early date. Construction of weirs to keep back the salt content of coastal rivers.
Commonwealth Government financial aid to be enlisted for this accelerated programme of storages, which is obviously beyond the financial resources of any one State.
56. 3. To make a complete survey of the underground water resources of the State.
57. 4. To encourage domestic and stock supplies of water and irrigation wherever possible as a means of drought-proofing individual properties.
58. 5. To increase extension services, farm water supplies, including operation of irrigation system and to extend research and the availability of information on the proper use of irrigation.
59. 6. To make available to the Water Conservation and Irrigation Commission more advisers on the proper use of irrigation.
60. 7. To train additional Hydrologists, Hydrogeologists, and Drillers.
61. 8. To train additional experts in the technique of rainmaking by cloud seeding.
62. 9. To review the forms of aid available at present through the Government Agencies of the Rural Bank; and to put forward a more positive effort to bring these forms of assistance to the notice of primary producers.
Through these agencies to provide additional finance at low interest, repayable over a long period as an incentive to primary producers to:
 - (i) store additional fodder,
 - (ii) store additional water for stock, domestic purposes, and for irrigation.
63. 10. To review fully all matters pertaining to rail rebates on fodder carried to drought areas, and stock carried to agistment from drought areas.
To review the provision in the Railway by-laws attaching to the granting of freight rebates, that the rebate is subject to the applicant being a patron of the Railways for the carriage of his livestock.
To investigate whether the system operating in Queensland could be considered for introduction into New South Wales so that those people using the Railways pay the amount due, less the concessions available at that time.
64. 11. To consider rail concessions on fodder being carried in non-drought times and in off-peak periods when otherwise rail trucks would be lying idle. In this way the Railways are able to use their trucks and gain a small income and at the same time farmers and graziers are able to store fodder in preparation for any future drought. It is felt that the present freight concessions on fodder stored in anticipation of drought are inadequate.
65. 12. To consider problems arising from the different capacity of rail trucks of the New South Wales Railways and the Victorian Railways.
66. 13. To include grains such as wheat or oats on any list of fodder carried at concessional rates for drought feeding.
67. 14. That the State and Commonwealth Governments in conjunction with the Australian Wheat Board and the Grain Elevators Board evolve a scheme for a special reserve of wheat for drought feeding purposes over and above normal home consumption requirements. To ensure that an adequate reserve is held at strategically placed storages throughout the State.

68. 15. The Government to inquire into all aspects of some type of national insurance scheme comparable to the scheme at present in operation in New Zealand, and to ascertain if this scheme could effectively operate in regard to drought as it does for war damage, earthquakes, etc., in New Zealand.
69. 16. To allow drought loans at present available to be used to pay Local Government rates and Pastures Protection Board rates.
70. 17. To use part of the recent Commonwealth extension grant for the specific purpose of—
 - (i) producing and publishing a farmers' drought mitigation handbook with recommendations covering the pastoral zone, the high rainfall zone, and the wheat and sheep zone;
 - (ii) extension work relating to farm water supplies and the conservation of farm water including underground supplies.
71. 18. To increase research at University level into all aspects of drought, particularly in faculties of Agriculture, Veterinary Science and Water Engineering.
72. 19. To undertake research aimed at recommending the correct management of improved pastures in relation to the balance between stocking rates and conservation of a proportion of those improved pastures.
73. 20. To exercise care in advice and recommendation by Agriculture Extension Officers and Economists, on certain modern techniques in farm management which are not proven practice. Some distress has been caused where property owners have been advised to stock at a higher rate because of pasture improvement, without providing for a commensurate amount of fodder conservation to provide for the increased numbers.
74. 21. To increase Government research into the establishment of drought resistant permanent pastures.
75. 22. To inquire into compressed hay baling similar to that which is done in America at the present time where two bales can be pressed into one, thus greatly reducing expense involved in cartage and storage.
76. 23. To increase research into all aspects of silage with particular emphasis on short term silage stored on top of the ground.
77. 24. To encourage additional research at regional level.
78. 25. To increase extension services in Agriculture.
79. 26. To review the previous home maintenance area of Soldier Settlement and Western Division Blocks, and to consider in terms of an economic area, allowing for some reserve to combat drought.
80. 27. To exempt from State Probate duties fodder conserved on any property for drought feeding purposes of stock on the property.
81. 28. To consider the method by which Pastures Protection districts are declared drought areas, and to simplify drought proclamation methods whereby Pastures Protection districts at times should be divided.
82. 29. To advise Pastures Protection Boards to guard against unnecessary revocation of Travelling Stock Reserves, and public watering places.
83. 30. To consider the waiving of Road Maintenance Contribution Tax on fodder carried to drought areas, or on stock carried to agistment from drought areas.
84. 31. To effect a more realistic approach to protection of fauna as to whether they should be declared noxious animals under drought conditions.

Committee Room,
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31st March, 1966.

L. A. PUNCH,
Chairman.