

FOR PRESS:

P.M. No. 81/1969

FURTHER DROUGHT ASSISTANCE TO QUEENSLAND

The Prime Minister announced today a further important measure of relief for drought stricken farmers in Queensland.

Mr. Gorton said that the Premier had advised him that, with the increasing severity of the drought, many hard hit primary producers will find difficulty in meeting the Crown rentals on their land and their local authority rates.

Recognising that neither the State Government nor the local authorities can suffer a loss of revenue by deferring or remitting these payments due from farmers - and as much as \$2 million could be involved this year - the Commonwealth Government has undertaken to make non-interest bearing advances to the State Government. From these moneys advanced by the Commonwealth the State Government will be able, in appropriate cases, to make carry-on loans to the drought stricken farmers from which they can meet their payments of Crown rentals and local authority rates.

Mr. Gorton said that these advances by the Commonwealth to the State Government would be free of interest and that it would be a matter for the Queensland Government to determine whether or not, as with their present carry-on loans to drought stricken farmers, they should charge interest at concessional rates in respect of the advances which they made because they will be meeting administrative costs and, within reasonable limits, any losses which may arise.

CANBERRA
20 November 1969

BACKGROUND: The Commonwealth has already agreed for 1969-70 to meet on a dollar-for-dollar basis expenditure on eligible drought relief measures up to \$4 million and to meet the full cost in excess of \$4 million. It was anticipated that payments under this agreement would cost the Commonwealth \$8 million in 1969-70, but on the latest available information it is now estimated that the Commonwealth Government's share of drought relief measures in Queensland this year could amount to \$17 million.

In the four years ended June 1969 the Commonwealth provided Queensland with assistance totalling \$17 million for approved drought relief measures. In 1966-67 and 1967-68 the Commonwealth provided special financial assistance of a general revenue nature to Queensland to help offset the adverse effects of drought on State revenue. This additional assistance totalled approximately \$5 million.