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## PRIME MINISTER

FOR MEDIA

17 OCTOBER 1986

### ASSISTANCE PACKAGE FOR QUEENSLAND SUGAR INDUSTRY

### JOINT STATEMENT BY THE PRIME MINISTER AND THE MINISTER FOR PRIMARY INDUSTRY

The Commonwealth has today endorsed an agreement reached at officials level on the fourth and final element of the Commonwealth/Queensland Sugar Industry Plan thereby completing arrangements for the plan's implementation.

The final component of the Plan covers assistance for canegrowers. The other three components cover programs for industry deregulation, price support and assistance for sugar mill rationalisation.

The Prime Minister has written today to the Queensland Premier advising of his concurrence with the agreement. He urged the Premier to give his consent, also, to allow the final component of the package to be implemented.

Under the Plan the Commonwealth will provide up to \$100 million over three years in price support and assistance for growers and for sugar mill development.

The Prime Minister said he was very pleased that all the elements of the Plan had been settled.

"It has been an extremely difficult set of negotiations, but we have now established a framework within which the viability of the sugar industry can be secured," he said.

"Due to the persistence of the Commonwealth Government, canegrowers and their families can now look to a more secure future".

The assistance to growers will be delivered under a new scheme although it will be based on the eligibility criteria and some other provisions of the existing Rural Adjustment Scheme (RAS).

The Minister for Primary Industry, Mr Kerin, said growers had asked for a more flexible program than the RAS.

"We have gone some way to accommodating this request," he said.

"The new scheme is quite innovative.

"Assistance will be available either as an interest subsidy or as an up-front grant equivalent to that subsidy. Subsidy assistance will normally be 50% but in some circumstances would go as high as 75%.

"The Commonwealth's contribution to the assistance fund will be around \$18 million over 3 years."

Mr Kerin said that the agreement between officials cleared the way for the finalisation of the scheme's administration.

He expected the scheme to be administered through the Queensland Industry Development Corporation. Growers would be advised shortly about the procedures for applying for assistance.

"The scheme is intended to help growers take advantage of the recent deregulation of farm peaks and assignments," Mr Kerin said.

"Growers now have the opportunity to fine-tune their operations with the acquisition/sale of peak and assignment.

"Preference will therefore be given to proposals for farm build-up, although there is scope for other forms of assistance."

The Prime Minister and Mr Kerin both urged growers to take advantage of the scheme.

"The sugar industry has taken a beating in recent years. The world market is still depressed," Mr Hawke said.

"Nevertheless, the industry is basically sound and needs only relatively minor adjustment to see a big improvement in profitability.

"The Sugar Industry Plan is aimed at facilitating that adjustment."