

STATEMENT BY THE PRIME MINISTER, THE RT. HON.  
HAROLD HOLT, IN THE HOUSE OF REPRESENTATIVES

7TH MARCH, 1967

TASMANIAN BUSHFIRE AID

I desire to inform the House that I have this day informed the Premier of Tasmania that the Government has agreed to his request to provide special financial assistance to the State of Tasmania in accordance with the broad terms and conditions set out in the report prepared by officers of the Tasmanian Government and agreed to by officials of the Commonwealth Government, based on the case presented on behalf of the Government of Tasmania.

As agreed, the measures of assistance that will be introduced will be State measures with the Commonwealth standing behind the State to provide adequate support for the State's overall financial position. This would accord with the arrangements agreed with the States of New South Wales and Queensland in connection with assistance for drought measures.

Estimates of the maximum assistance likely to be required by the State indicate that the total amount that will have to be provided by the Commonwealth will be about 14.5 million dollars. This estimate is, however, tentative and may be subject to substantial revision.

As in the case of the drought measures, the Commonwealth's overall financial assistance to the State will be provided partly by way of interest-free loans and partly as grants according to the proportions in which the State's own expenditures, under the various measures, take the form of loans and grants respectively. Loans made by the Commonwealth will be interest-free and have a term of fifteen years. Repayments will be sought in twelve equal instalments over the last twelve years of the loans.

The Commonwealth is proposing to provide loans to the State free of interest on the understanding that the State will charge interest, where appropriate, on advances for housing and loans to businesses and primary producers. The interest received by the State is regarded as being available to enable the State to meet any losses arising from bad debts. We also expect that any excess of interest received by the State over its requirements should be applied to reduce its dependence on special grants.

As soon as possible a Bill will be presented to the Commonwealth Parliament to authorise payments of Commonwealth financial assistance to Tasmania. I expect that the bill will be drawn in general terms to authorise a grant and a loan to the State of Tasmania for measures associated with the fire.

In the meantime, our officers will continue to be in contact on detailed arrangements.

From the outset I have, on behalf of the Commonwealth, assured the Tasmanian Government and people that the Commonwealth Government would approach their difficulties in a helpful and, indeed, a generous fashion. I knew that this would be supported by the people of Australia as a whole. I am glad, therefore, to be able to report to the House that we have met in substance the requests which have come to us from the Government of Tasmania and we hope that this quite substantial assistance will quickly enable the people of that State to be restored to full economic operation.

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