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ADDITIONAL DROUGHT RELIEF FOR QUEENSLAND

Statement by the Prime Minister, Mr. John Gorton

The Commonwealth Government has agreed to provide additional drought relief assistance to the Queensland Government.

The Commonwealth appreciates that the drought situation in Queensland has become increasingly serious and that further Commonwealth help is required to assist the State Government.

We will therefore meet the whole cost of any relief expenditure which the State may incur in 1968-69 in excess of \$4 million. The effect of this arrangement will be to place an upper limit of \$2 million on the expenditures which the State will need to finance this year under the current drought relief arrangements which are on a dollar-for-dollar sharing arrangement between the Commonwealth and the State.

This dollar-for-dollar arrangement includes the following measures which the Commonwealth approved in March 1969:-

- \* Rail and road subsidies on the transport of fodder and the movement of livestock to agistment:
- \* Carry on finance for drought-affected farmers who are unable to obtain credit from normal commercial sources:
- \* Grants to local authorities in rural areas to relieve unemployment caused by drought.

The Commonwealth is prepared to confer with the State towards the end of June regarding the arrangements which might apply for 1969-70.

The Commonwealth has now agreed that freight rebates on the movement of "non-starving" stock from drought areas to slaughter will be treated as eligible expenditure for purposes of drought relief.

My Government will also facilitate a scheme for the provision of wheat for stock feed on credit terms (12 months credit at  $4\frac{3}{4}\%$  interest).

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In addition to these financial measures, the Commonwealth has agreed to make available - on appropriate conditions - land at the Army's Shoalwater Bay training area for grazing drought-affected cattle.

The Commonwealth has already provided approximately \$15½ million to Queensland since 1965-66 as reimbursement to that State for drought relief expenditure. It has also given additional amounts totalling approximately \$5 million for special revenue assistance to offset the effects of drought on the State's revenue.

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CANBERRA  
1 May 1969