

FLOOD AID FOR NEW SOUTH WALES

Statement by the Prime Minister, Mr. John Gorton

The Prime Minister announced today that, following discussions held between Commonwealth and State officials at the request of the New South Wales Premier, the Commonwealth Government stood ready to provide additional assistance to the New South Wales Government in financing relief measures required as a result of the major flooding in the State.

The Commonwealth Government has already made available the services of the Defence Forces to help with rescue operations and it has announced a grant of \$50,000 as a contribution to the cost of providing, on a \$ for \$ basis with the State, relief of personal hardship and distress to those affected by the flood.

The Commonwealth would, the Prime Minister said, provide further funds as required for this purpose.

Apart from immediate relief of distress, such assistance is available for meeting essential repairs to houses and for repairing and replacing essential items of furniture and personal effects to the extent required to provide reasonable living conditions for those in necessitous circumstances.

The Prime Minister said that, in addition to sharing the cost of relief of personal hardship and distress, the Commonwealth would assist in financing certain other flood relief measures where the cost of this would impose an undue burden on the State's finances.

The Premier of New South Wales has indicated that, as the State was already committed to expenditure of around \$4 million on other natural disaster relief measures, it would have difficulty in meeting additional expenditure in 1970-71 for flood relief. In these circumstances, the Commonwealth Government had agreed to meet all expenditure in 1970-71 on natural disaster relief in excess of \$5 million. In practical terms, this means that the State's contribution to flood relief other than the relief of personal hardship and distress would be limited to about \$1 million in the current financial year.

Under this arrangement agreed between the Commonwealth and the State, assistance will be provided in addition to relief of personal hardship and distress, for :-

- (a) Carry-on loans at concessional interest rates to farmers affected by the floods who are in necessitous circumstances and who are unable to obtain additional credit through normal commercial channels.

(b) Restoration of certain State and Local Government assets damaged by the floods.

The New South Wales Premier, Mr. Askin, had pointed out that it was difficult to be precise as to the amounts required at this stage simply because such a large part of the flood affected areas were still under water. However, flooding in both the north-western areas of the State and the south coast of the State had been most severe and quite clearly substantial amounts would be needed to remedy the chaos which the floods had created and to assist those in real need. Preliminary estimates suggested that an amount in excess of \$10 million could be involved. This would, of course, be additional to the substantial expenditure on restoring flood damage that would be financed through private insurance.

Details of the terms of Commonwealth assistance to the State were still being worked out. However, the New South Wales Premier had indicated that relief forms had been issued to all Police Stations and Councils in the flood affected areas while farmers needing carry-on assistance should make application through the nearest Branch of the Rural Bank.

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