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PRESS STATEMENT

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GOVERNMENTS APPROVE LOANS TO FLOODED BUSINESSES

JOINT STATEMENT BY THE ACTING PRIME MINISTER,
THE HON. L.H. BARNARD, M.P., AND QUEENSLAND
PREMIER, THE HON. J. BJELKE-PETERSEN, M.L.A.

The Australian Government has agreed to a proposal from the Queensland Government for the provision of loan finance to business firms suffering physical loss as a direct result of the recent floods.

2. This measure has been accepted as eligible under the arrangement for reimbursement of State expenditure in excess of \$2 million annually.

3. The following are broad details of the scheme of flood relief for businesses.

4. Amount and Terms : Assistance will be by way of loan up to a maximum of \$25,000 for any one applicant. The loan will be for 3-5 years with interest at the rate of 5%.

5. Interest for the first year will accrue and be payable 12 months after the date of the loan. The loan will be repayable in equal six-monthly instalments of principal and interest over the remainder of the loan period.

6. Each application will be judged on its merits as to need, amount of loan and subsequent viability.

7. Eligibility : Applications will be considered from sole owners, partnerships, firms and private companies. Public companies do not qualify.

8. Applicants must have sustained substantial damage by flooding to buildings, plant, equipment and stock or have had their financial liquidity severely affected.

9. To be eligible for assistance, an applicant must be unable to effect repairs or replacements and get back into viable operations from his own resources or from normal financial sources.

10. The applicant must be able to demonstrate that with this assistance he has the prospects of re-establishing his operations on a viable basis.

11. Mr Barnard and Mr Bjelke-Petersen said it was agreed that the extent of assistance would be based on a careful assessment of the applicant's financial position, including any insurance recoveries. Applications would be received from tomorrow (Monday) by the State Department of Commercial and Industrial Development. Applications would be processed by a committee under the chairmanship of Sir David Muir.

12. This scheme of assistance is in addition to measures previously accepted by the Australian Government as eligible under the arrangement for reimbursement of State expenditure in excess of \$2 million annually. These include :

- . Relief of personal hardship and distress.
- . Grant or loan assistance to owners of dwellings damaged or destroyed by floods.