



PRIME MINISTER

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GIPPSLAND FLOODS

The Prime Minister today announced Commonwealth support for additional relief measures in respect of the recent flooding in the Gippsland area of Victoria.

Mr Fraser has advised the Acting Premier of Victoria that the Commonwealth has agreed to increasing the loan limit to \$50,000 where, in addition to the usual losses, the affected primary producer also suffered a heavy loss of those structural improvements and assistance necessary for the proper conduct of the farm. The Commonwealth has also agreed that loans of this size would need to have provision for repayment over a longer period than the norm, and that a maximum period of 15 years would appear appropriate.

Mr Fraser also said "although we have received no formal request from the State for support of fencing grants, in this case I am prepared to say now, that we would agree, if the Victorian Government requests it, to support such a measure in respect of the damage by the Gippsland floods. I have informed the Acting Premier of this and I await his response".

Mr Fraser went on to say that natural disaster relief and restoration are significant state responsibilities. Traditionally, the Commonwealth has provided financial assistance to a State when expenditure on approved measures is beyond the capacity of the State to meet. Commonwealth/State agreement on measures is not intended to limit the range of measures which a State can implement.

The Prime Minister pointed out that "on occasions, some measures proposed by a State may not appear appropriate from a national perspective and will therefore not receive Commonwealth support. This does not mean that the State cannot implement these measures if it considers them of sufficient priority to warrant its meeting their full cost from its own resources."

"Nevertheless, the Commonwealth, as always, stands ready to help the States under the natural disaster assistance arrangements. Our prompt response from the outset of the Gippsland flooding and present offer of assistance to Victoria is evidence of our continuing concern for Australians affected by natural disasters," said Mr Fraser.