



PRIME MINISTER

FOR MEDIA

THURSDAY, 28 AUGUST, 1980

BURDEKIN DAM PROJECT

The Prime Minister today announced the Commonwealth Government's decision on funding the Burdekin Dam.

Mr. Fraser recalled his announcement on 26 June 1980 which stated that the Commonwealth Government was prepared, in principle, to assist the Queensland Government in the Burdekin Project. At that time, the Prime Minister had foreshadowed discussions between Commonwealth and Queensland officials to report on options for financing the project. Today's announcement stems from the consideration of that report.

The Prime Minister went on to say that the Commonwealth Government has decided to offer to Queensland - outside the National Water Resources Program - assistance by way of grants for the complete cost of the Dam (\$84.5 million at June 1980 prices). This offer is on the basis that Queensland will finance, from 1 July, 1980, the initial works associated with the project (\$14.9 million) and will also bear the cost of the irrigation area development works (\$109.2 million) possibly through recourse to the special infrastructure borrowing arrangements of the Loan Council.

The Prime Minister stated that this decision to finance the Dam will not be at the expense of projects currently assisted in Queensland, or of projects with high priority for future assistance under the National Water Resources Program.

Mr. Fraser said that the dam, when completed, would have a storage capacity of 1.75 million megalitres. It will be utilised to supply water for existing population centres in the Burdekin basin and to meet the future urban water needs of Bowen and Townsville.

The dam will give rise to substantial benefits - it has been estimated that the project will generate an increased average annual gross value of production of some \$117 million, on the assumption of a sugar price of \$220 per tonne. The benefits will, of course, be even higher when current sugar prices are taken into account.

When the project is finished, it will provide an additional 45,125 hectares annually with irrigation water and will lead to the creation of about 660 new farms.

Mr. Fraser concluded by commenting that the Commonwealth's decision to participate with Queensland in funding the Burdekin project will provide a great stimulus to Queensland. It will produce substantial economic benefits and is a clear vote of confidence by the Government in the development of the North.

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