



PRIME MINISTER

FOR MEDIA

TUESDAY 23 September, 1980

ASSISTANCE TO QUEENSLAND LOCAL AUTHORITIES

The Prime Minister, Mr. Malcolm Fraser and the Premier of Queensland, Mr. Joh Bjelke-Petersen, today announced agreement on assistance to Local Authorities in Queensland, where the current drought had placed the availability of normal water supplies at risk.

Mr. Fraser and Mr. Bjelke-Petersen said that the special initiatives, which would only apply for the duration of the current drought, would be of particular benefit in Laidley, Thallon and Mount Morgan where the situation is particularly difficult.

The arrangements decided on today will enable Local Authorities to augment existing water supplies on a permanent basis and will also subsidise the purchase and the transport of water from the nearest available source to the local water supply system.

To be eligible for assistance, the local Authority will be required to demonstrate that existing water supplies are adequate under normal conditions, that the present supply difficulties are a direct consequence of the current drought, and that the proposed remedial action is the most practical and economical way of supplementing the town's water supply.

Mr. Fraser and Mr. Bjelke-Petersen agreed that the State would make a non-repayable grant of one-third of the cost of approved facilities. The remainder would be provided by Queensland, in the form of repayable loans, on repayment terms and at interest rates similar to those applicable to loans and to primary producers experiencing drought conditions, with such expenditure being eligible for Commonwealth assistance in accordance with the established Natural disaster relief arrangements.

In relation to the purchase and the transport of water, the Prime Minister and the Premier agreed that this should be eligible for a dollar for dollar subsidy. The Commonwealth and the State would meet 50 cent of the costs under the Natural Disaster Assistance Arrangements. The remaining 50 per cent would be met by the Local Authority from its own resources.

.../2

Mr. Fraser and Mr. Bjelke-Petersen expressed concern at the severity of the drought in Queensland and agreed that those measures were well designed to ensure that adequate water supplies were available in areas where shortages were developing. The generosity of the measures provided tangible evidence of the concern felt by both Governments.

The State, of course, will be responsible for the administrative arrangements associated with distributing these further assistance measures.

---000---