Air C. Yen...

PRIME MINISTER

DROUGHT RELIEF - ASSISTANCE TO QUEENSLAND

The Commonwealth Government has agreed to further measures requested by the State Government to assist primary producers and country people in Queensland who are experiencing difficulties arising from the current severe drought.

The Commonwealth has agreed:

- to changing the existing arrangements to allow the Queensland Government to grant carry-on loans on a per property basis, subject to the conditions that properties must be operated as discrete and separate entities before qualifying for assistance and that loans are to be applied to the properties in respect of which they were granted;

- to keep under review the maximum limits for carry-on loans;

- to defer interest payments and capital repayments on concessional loans provided to councils for augmentation of town water supplies to the same extent as, and subject to the same conditions as currently apply to, carry-on loans provided to Queensland primary producers;

- as a once only special measure, to regard the cost of a shipment of molasses to southern Queensland as expenditure qualifying for Commonwealth assistance on a $3:$1 basis under the drought relief arrangements;

- again as a special measure in respect of the present drought, to increase the subsidy for the cost of cartage of town water from 50% to 75%, subject to the same eligibility criteria currently applying to the subsidy.

I believe that these measures, supplementing those agreed earlier, will prove of significant assistance to primary producers and country people in the drought affected areas of Queensland. They also provide a further demonstration of the Commonwealth Government's understanding of the severity of the drought in Queensland and elsewhere in Australia, and its readiness to meet its obligations in the provision of financial support to the States to ameliorate the drought's adverse effects on primary producers and other people living in those areas.

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