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PRIME MINISTER

FOR MEDIA

15 FEBRUARY 1990

The Premier of New South Wales, Mr Greiner, and the Prime Minister today announced agreement to further assistance measures for Newcastle earthquake victims.

The special measures for Newcastle were required because of the extent of losses suffered by householders and business people as a result of the earthquake.

The measures are to be available as a "safety net" when people in genuine need are unable to be adequately assisted by the arrangements already in place.

The special assistance for Newcastle will apply as follows:

Householders

- . Government assistance will be available for those who had under-insured as well as those who had no insurance cover.
- . Grant assistance will continue to be available to assist those who satisfy the New South Wales Government's eligibility criteria based on income and assets.
- . Those who are ineligible for grants would previously have not been able to receive any disaster assistance. However, the Governments have now agreed to a "safety net" being introduced in the form of loans at the low rate of 6% per annum. This measure is in special recognition of the extent of damage to houses in Newcastle.
- . The safety net will apply to householders in the situation of being ineligible for grants but unable to afford to borrow through commercial channels. These people will now have access to cheap loans to restore houses to safe and habitable conditions.

Small Business

- . The New South Wales and Federal Governments have decided that a special assistance measure is needed in addition to the low interest loan scheme previously announced.

- . This special measure will be made available to those small business which are deemed to have been in a sound financial position prior to the earthquake but which are unable to take advantage of the existing concessional interest loan scheme due to an inability to service additional debt.
- . The assistance will be in the form of grants, and applications will be assessed by a committee comprising State officers from the Rural Assistance Authority, Business and Consumer Affairs, Treasury and the State Bank.

Cost Sharing

The costs associated with these special relief measures will be shared by the New South Wales and Federal Government under the \$ for \$ cost sharing arrangements previously agreed to.

Mr Hawke and Mr Greiner also took the opportunity to urge all Australians to ensure that they have a proper level of insurance cover for their homes and businesses.

While the relief measures being made available by our Governments will assist in alleviating the suffering of disaster victims, particularly those in most need, the schemes should not be regarded as an alternative to normal insurance arrangements.

Those who believe they may be eligible for the new or existing relief measures should submit claims at the earliest opportunity.

EARTHQUAKE RELIEF CONTACT POINTS:

Householders

DISASTER RECOVERY CENTRE AND EARTHQUAKE INFORMATION CENTRE

**406 KING STREET
NEWCASTLE**

Telephone: 296161

Small Business

BUSINESS AND CONSUMER AFFAIRS

**251 WHARF ROAD
NEWCASTLE**

Telephone: 295818