

**Question on Notice
No. 281
Asked on 28 February 2008**

MR KNUTH asked the Premier (MS BLIGH) -

QUESTION:

With reference to flood assistance—

- (1) Why were Cyclone Larry victims offered relief low interest loans up to \$500,000 while landowners flooded in Central Queensland were offered only up to \$150,000 regardless of the amount of damage they incurred?
- (2) Will urgently needed additional relief funds be provided?

ANSWER:

I appreciate that many primary producers in Central Queensland have suffered significant damage and loss of infrastructure as a result of the floods and understand that many already have significant financial commitments, making recovery from this event a difficult and long process.

The Queensland and Australian Governments have jointly funded and made available a number of financial assistance and grants packages to those experiencing hardship as a result of the floods in Central Queensland. The majority of this assistance is provided under the Natural Disaster Relief and Recovery Arrangements and is made available to declared affected communities. Assistance has been provided for immediate hardship, essential household contents and structural assistance, aid to restore public assets, freight subsidies for primary producers and concessional loans to assist primary producers and small businesses.

The Prime Minister and I have also announced special non-repayable grants provided through the Special Disaster Flood Assistance Scheme under the Natural Disaster Relief and Recovery Arrangements to assist small businesses and primary producers in relevant affected areas. This additional assistance is aimed at helping small businesses and primary producers clean and restore their business to enable trading or production to resume.

These various financial assistance arrangements are not designed to meet the full cost of replacement or repair, or to replace insurance. They also do not compensate for loss of income as a result of the disaster. However, it is acknowledged that many people are not able to meet these costs on their own.

The concessional loans initially made available following the January and February 2008 flood events had an upper limit of \$150,000 which represents the level normally provided under the provisions of the Natural Disaster Relief and Recovery Arrangements following a major disaster. This level is consistent with most other jurisdictions.

Following the devastation caused by the recent flooding, the Queensland Government has reviewed the levels of concessional loans made available under the Natural Disaster Relief and Recovery Arrangements and has increased the total level of concessional loan from \$150,000 to \$250,000 and removed the distinction between concessional loans for carry-on and restocking. This is the highest level for concessional loans available in any Australian jurisdiction.

On 18 March 2008, I hosted a roundtable of leaders of agriculture, mining, business and finance to work with the Queensland and Australian Governments to fully assess the overall impact and develop strategies to re-establish business and industry in the region. This meeting provided an opportunity to consult first hand about levels of need in those areas most severely affected by the recent flooding.

It should be noted that following destruction of Cyclone Larry, concessional loans of up to \$500,000 were made available. This level of assistance was beyond that normally provided and took account of the broader economic impacts associated with the vast level of destruction associated with the cyclone.