

COMMONWEALTH CONTRIBUTION TOWARDS THE COST OF
COAL LOADING FACILITIES AT THREE N.S.W. PORTS

Statement by the Prime Minister, the Rt. Hon. R.G. Menzies

The Prime Minister, Mr. Menzies, said that he was pleased to announce that the Premier of New South Wales had accepted, on behalf of the New South Wales Government, the Commonwealth's offer of financial assistance towards the cost of installing new coal loading facilities at the ports of Newcastle, Port Kembla and Balmain. As the Commonwealth Treasurer mentioned in his Budget Speech, there are good prospects of a substantial increase in coal exports from New South Wales, but these prospects will be enhanced if improvements are made to existing port facilities for handling coal.

The New South Wales Government has undertaken to ensure that its programme of work on these three harbours, estimated to cost some £10 million over about three years, is carried out with the maximum possible expedition, and that the funds necessary for this purpose will be provided as required.

The Commonwealth has agreed to provide financial assistance to New South Wales in respect of the provision of coal loading plant and equipment (including wharfage, storage and associated rail facilities, but excluding the provision of deep water berths) at Newcastle, Port Kembla and Balmain. This assistance will be provided on a £ for £ matching expenditure basis with the State and will be up to individual maximum amounts of £1,500,000 at Newcastle, £1,070,000 at Port Kembla, and £80,000 at Balmain.

Of the total Commonwealth contribution of up to £2,650,000, an amount of up to £1 million will be by way of grant and will be provided from the Coal Industry Fund held by the Joint Coal Board. The credit balance in this Fund arose as a result of the Board's activities using moneys provided by the Commonwealth. It has been agreed that the remaining Commonwealth assistance of up to £1,650,000 will be provided by way of advances, each of which will be wholly repayable, together with interest at $5\frac{3}{8}$ per cent, by the State within ten years from the date on which each advance will be made. Repayments by the State to the Commonwealth will not be subject to any sinking fund contribution by the Commonwealth.

Having regard to the uncertainties concerning the volume of coal trade that will develop and the costs of handling it, the Commonwealth decided to make part of its assistance by way of grant. This grant element will be applied to reduce the coal loading charges that would otherwise be levied for the use of the new facilities at the three ports.

The Prime Minister said he was satisfied that both the Governments have good reason to be confident that the new handling facilities will stimulate the development of our coal export trade. Not only will the prospective improvement in this trade benefit the workers in our coalfields, but the additional export income will be of significance to the whole economy.

CANBERRA,
31st August, 1961.