

COMMONWEALTH FINANCIAL ASSISTANCE - GRANTS TO STATESStatement by the Prime Minister, the Rt. Hon. R.G. Menzies

At the Premiers' Conference today, the Premiers accepted a Commonwealth offer to pay financial assistance grants to the States in the present financial year as follows :

New South Wales	£99,249,000
Victoria	73,015,000
Queensland	43,730,000
South Australia	3,225,000
Western Australia	30,085,000
Tasmania	<u>12,836,000</u>
	<u>£292,140,000</u>

These grants include special payments to Victoria (£1,024,000); Western Australia (£339,000) and Tasmania (£97,000). These amounts represent the difference between the grants those States expected to receive on the basis of estimates of their population before the census results were known, and the Statistician's official determination of the grants payable for this year on the basis of the census results. The Commonwealth, in offering to make up these amounts this year, took account of the fact that these States had based their Budgets for the current financial year on the estimated, and not the finally determined figures.

Under the Statistician's final determination, the other three States receive more than the grants estimated in relation to them at the beginning of the current financial year, as follows -

New South Wales	£175,000
Queensland	£1,003,000
South Australia	43,000

In effect, the Commonwealth's offer was on a "no loss" principle, each State being offered either the full amount of its new entitlement under the census results, or its full expectation under the earlier estimated population figures.

The States regarded this offer as eminently fair.

As the census result showed that estimates of Victoria's population had been considerably overstated, the application of the Statistician's final determination for 1961-62 to the formula grant for Victoria over the remaining three years of the 1959 Agreement would have caused a considerable reduction in the grants payable to that State for those years. It was agreed that, for the purpose of calculating Victoria's grant for the next three years, a new "base amount" of £72,730,000 should be adopted.

CANBERRA,

16th February, 1962.