

FINANCE FOR STATES - 1962/63STATEMENT BY THE TREASURER - RT. HON. HAROLD HOLT, M.P.

The massive programme of works, housing and special development projects agreed upon between the Commonwealth and State Governments undertaken in association with the improvement already appearing in production and employment should help to ensure a high level of economic activity throughout 1962/63. The amount of funds being provided for State Governments is £14 million greater than the high total to which provision for these functions was lifted by the measures of last February.

The ordinary State borrowing programmes for works and housing next year will be £250 million against the £247.5 million agreed in February for 1961/62, the non-repayable interest-free grant of £12.5 million which we will make to the States next year compares with a special £10 million grant made in February. We have already notified approval for expenditure of approximately £16 million on projects like the Mount Isa Railway, the Western Australian Standard Gauge Railway, coal handling Port facilities in New South Wales and Queensland and beef roads, on which expenditure this year was under £7 million. Total provision for these categories in 1962/63 is estimated to be £278 million as against £264 million in the current financial year.

But this is far from being the whole story. The provision by the Commonwealth Government for roads is likely to rise this year £4 million to £54 million. The approved borrowing programme for semi-governmental authorities - those seeking to borrow £100,000 or more - has been fixed at £105.15 million. This is higher than the exceptionally high figure of £104 million to which these programmes were raised, in three successive steps during 1961/62. It is 20% greater than the borrowing programmes of these authorities in 1960/61.

get the benefit of substantial increases in Commonwealth contributions to developmental projects like the Mount Isa Railways, beef roads and the Port of Gladstone. This is being done for two good reasons. One is the recognition that Queensland offers very considerable potential for export development. The second is that we believe that there is general public acceptance of the need to push <sup>on</sup> rapidly with worth-while development in the northern parts of Australia. Taken with **what** the Commonwealth is doing on those lines in the Northern Territory, and in conjunction with the State Government in the north-west of West Australia, the total programme is now assuming substantial dimensions.

Canberra 29th June, 1962.