

FOR PRESS:



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PREMIERS' CONFERENCE JUNE, 1967

FINANCIAL ASSISTANCE GRANTS FOR 1967-68

Statement by the Prime Minister, Mr. Harold Holt

For purposes of calculating the financial assistance grants for 1967-68 (and for future years) the Commonwealth has offered, and the States have accepted, the inclusion in the 1966-67 formula grants the amount of \$5.0 million paid to the States in 1966-67 as a special addition to the formula grants for that year.

The reduction in the time lag before movements in average wages are reflected in the grants has made it much more difficult than previously to estimate next year's formula grants at this point of time. However, after taking account of the addition of \$5 million in the base for determining the 1967-68 grants, it is tentatively estimated that the formula grants payable to the States in 1967-68 will be about \$900 million. This would be an increase of about \$73 million, or about 8.9 per cent. on the total grants actually paid in 1966-67.

The final figure of the formula grants will depend on the movement in average wages for the twelve months ended March, 1968 and on the increase in each State's population between December, 1966 and December, 1967. These will not be known until towards the end of the 1967-68 financial year.

The attached table shows the approximate estimated distribution of the \$900 million as between the States.

CANBERRA.
29th June, 1967.

FINANCIAL ASSISTANCE GRANTS

\$ million

1966-67 Actual

1967-68 Tentative Estimate

	<u>Formula</u>	<u>Non-recurring Addition</u>	<u>Total (a)</u>	<u>Formula Grant (Old basis)</u>	<u>Effect of adding \$5 million to Base</u>	<u>Total</u>	<u>Increase on 1966-67</u>	
N.S.W.	275.1	1.7	276.8	298.0	1.8	299.8	23.0	()
Vic.	207.5	1.3	208.8	225.3	1.3	226.6	17.8	
Q'ld.	124.7	0.8	125.5	137.6	0.9	138.5	13.0	
S.A.	93.8	0.5	94.3	102.1	0.6	102.7	8.4	
W.A.	85.9	0.5	86.4	94.4	0.5	94.9	8.5	
Tas.	<u>34.6</u>	<u>0.2</u>	<u>34.8</u>	<u>37.3</u>	<u>0.3</u>	<u>37.6</u>	<u>2.8</u>	
TOTAL	<u>821.6</u>	<u>5.0</u>	<u>826.6</u>	<u>894.7</u>	<u>5.4</u>	<u>900.1</u>	<u>73.5</u>	(8.9%)

(a) To be used as base for determining 1967-68 grants.