

FOR PRESS:

P. M. No. 104/1968

PREMIERS' CONFERENCE

Following is the text of letters exchanged by the Premier of New South Wales (Mr. Askin) and the Prime Minister:-

Mr. Askin's Letter (dated 19 December)

Dear Mr. Gorton,

The State Premiers met yesterday in Adelaide to consider further the matters which they discussed in Sydney in October last and which have since been the subject of correspondence between us.

With regard to the impact of recent wage changes on State finances, you did suggest that our Treasury officers should meet to establish the facts. In point of fact our respective Under Treasurers have met, and it seems to us that the information they have collated and which forms the basis of the statement which I am submitting with this letter, is quite straightforward and that there is no real necessity for Treasury discussions.

The submission attached is on behalf of all the Premiers and shows that the impact of the National Wage Case on State finances for the present financial year will total \$23 million. After allowing for the assessed effect of these increases on the tax reimbursement grant for this year, the net burden which the States must meet is roundly \$14 million. As against this we have also been given figures to show that after meeting its own costs and allowing for the increase in the tax reimbursement grant under present formula arrangements, Commonwealth revenue will show a substantial net gain this year as a result of this wage decision.

The attached statement also shows the costs in which the States have been involved in respect of their recurrent expenditure because of other award changes since the June Conference, and with the national wage case costs the figures aggregate \$48 million for this year alone.

At the unanimous request of all Premiers and with a sense of great urgency, I now ask that you meet us to discuss the information which I am now submitting and to consider how our problems can be met.

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While naturally we would prefer these discussions to be with you personally, if it should be that your commitments preclude you from doing this we would be prepared to talk with the Deputy Prime Minister and the Treasurer.

What I have said does not cover the major issue of Commonwealth-State financial relationships generally. We also desire to discuss this problem with you as soon as it can be arranged.

Yours faithfully,

R. W. ASKIN
Premier and Treasurer.

Prime Minister's Letter (dated 27 December)

Dear Mr. Askin,

I am writing to acknowledge the receipt on 23 December of your letter of 19 December. I note that you have attached to it information collated by the Under Treasurers of each State and that it seems to you that there should be no real necessity for discussions between our Treasury officials and those of the individual States. I have referred the information you supplied to my colleague, the Treasurer, as clearly we must have it examined by our own Treasury officers. I assume that if they are unable to agree with your figures you would not, speaking for New South Wales, object to their communicating and discussing with your Treasury officers any queries they may have?

It is my intention to propose a Premiers' conference in the New Year to discuss the financial arrangements, as from 1 July 1969, concerning roads. This could also provide the opportunity you request for you and your colleagues to discuss with us the problems, and the submitted information, mentioned in paragraph 5 of your letter. Having regard to my commitments arising from the Commonwealth Prime Ministers' Conference, I suggest that we meet in Canberra on Thursday, 13 March, continuing as necessary on Friday, 14 March. Our new Parliamentary sittings are to begin on 25 February and the dates I mention will be the first recess in those sittings.

Yours sincerely,

J. G. GORTON.