



FOR PRESS :

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NEW ROADS AGREEMENT

Statement by the Prime Minister, Mr John Gorton

During the five years ending on 30 June this year, the Commonwealth Government has provided \$750 million towards the costs of roads in the States.

During the five years beginning on 1 July this year, the Commonwealth Government proposes to provide \$1,252 million towards these costs. The increase will be over half a billion dollars or 67 per cent.

The money will be divided amongst the States by a new formula. That is, the \$1,200 million will first be divided according to the existing formula of one-third-area, one-third-population, and one-third-motor vehicle registration. The \$1,200 million will then be divided by the scheduling formula suggested by the Bureau of Roads Report. The allocation for each State will be the mean of the two amounts so obtained.

This is because adopting the scheduling formula in toto would unduly disrupt the existing pattern of road expenditure and because of the operational and other problems that drastic, rapid change could create.

This proposal, if it were left at that, would lead to South Australia, West Australia, and Tasmania receiving inadequate increases during the next five years.

Therefore a further \$52 million is to be provided for those States, thus ensuring that no State will receive an increase less than 50 per cent of the amount received in the last five years.

As a result of these proposals, the amounts of money will be divided amongst the various States as shown below :

	<u>Last 5 years</u>	<u>Proposal for next 5 years</u>	<u>Increase millions</u>
N. S. W.	209.1	380.4	171.3
Vic.	146.9	254.4	107.5
Q'ld	137.0	231.6	94.6
S. A.	86.	129.	43.0
W. A.	133.6	200.4	66.8
Tasmania	37.5	56.25	18.75

The Commonwealth proposes that the money from the principal grant available to each State will be made in three separate grants -

- . One is to be spent on urban roads
- . One is to be spent on maintrunk and arterial roads
- . One is to be spent on other rural roads

Out of the basic grant to each State 1.5% is to be allocated to planning and research.

The sum to be allotted to urban roads throughout Australia, during the five year period, is to be \$600.69 million.

This is for construction and reconstruction of the cities' major traffic arteries, the throughways, expressways, traffic interchanges, and other types of urban road systems. It is not for ordinary street systems.

The sum to be allotted to national trunk roads will be \$186.76 million.

This is for the construction and reconstruction of such roads.

These are the roads outside the cities which provide for long distance movement of traffic, the highways that join the principal centres of population.

The sum to be allotted for "other rural roads" will be \$394.55 million.

This is for construction, reconstruction and maintenance of these roads.

The tables below show the amounts each State will receive for each of the three categories of roads.

#### URBAN ROADS

N.S.W.	201.01
Vic.	156.01
Q'land	99.24
S.A.	59.43
W.A.	62.41
Tasmania	22.59
	600.69

This is 50.06% of the principal grant.

MAIN TRUNK ROADS

N.S.W.	63.87	
Vic.	17.72	
Q'land	56.72	This is 15.56% of the principal grant.
S.A.	13.67	
W.A.	23.91	
Tasmania	10.87	
	<u>186.76</u>	

OTHER RURAL ROADS

N.S.W.	109.82	
Vic.	76.85	
Q'land	72.17	This is 32.88% of the principal grant.
S.A.	45.10	
W.A.	70.88	
Tasmania	19.73	
	<u>394.55</u>	

1.5% of the basic grant to each State is to be allotted to planning and research. This will total \$~~18~~ million.

(8)

In addition to the allocations shown in the tables above, which deal only with the division of the principal grant the States shown below will receive supplementary grants as follows.

Millions

S.A.	\$9
W.A.	\$40.8
Tasmania	\$2.25

These supplementary grants can be spent on any category of road according to the decisions of the State Government receiving them.

Each State will be required to increase their expenditure on roads from its own resources at a rate no less than the rate of increase in motor vehicle registrations in that State.

CANBERRA  
13 March 1969