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PRIME MINISTER

Press Statement No.536
25 July 1975

FINANCIAL ASSISTANCE TO THE STATES SPECIAL GRANTS

The Prime Minister announced today that the Australian Government had approved the recommendations of the Grants Commission on applications made by the Queensland and South Australian Governments for special financial assistance for the year 1975/76.

The amounts approved for payment in 1975/76 total \$36,300,000 for Queensland and \$2,500,000 for South Australia.

The Prime Minister said that special grants are paid to Queensland and South Australia to compensate them for such factors as lower capacity to raise revenue from their own resources and the higher costs of providing government services of a standard similar to those in the financially stronger States.

The grants are in addition to those decided upon at the Premiers' Conference in June 1975, when the Australian Government agreed that Queensland and South Australia should be provided with financial assistance grants totalling \$564.4 million and \$379.2 million respectively.

Mr Whitlam noted that South Australia withdrew from the Grants Commission at the end of 1974/75 and that the Australian Government had agreed to increase the State's financial assistance grant as from 1975/76 to compensate for loss of special grants. The grant of \$2,500,000 in 1975/76 is a final completion payment in respect of 1973/74.

The Prime Minister concluded by pointing out that the aggregate of over \$38 million in special grants represents a significant effort by the Australian Government to assist these two States.

CANBERRA. A.C.T.