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**Title:**

Press release: New Initiative on Eyre Highway Sealing

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PRESS RELEASE FROM THE PREMIER, MR. DUNSTAN.

NEW INITIATIVE ON EYRE HIGHWAY SEALING.

16.2.72.

The Premier, Mr. Dunstan, announced today that he has taken a new initiative to secure the sealing of the remaining sections of the Eyre Highway.

Mr. Dunstan's new proposals were outlined in a letter to the Prime Minister, Mr. McMahon, the text of which was released today.

Mr. Dunstan also had informal discussions on the proposal with Mr. McMahon during Monday's Premiers' Conference.

COPY ONLY.

The Right Honourable W. McMahon, M.P.,  
Prime Minister,  
CANBERRA. A.C.T. 2600.

Dear Mr. McMahon,

I refer to the considerable previous correspondence regarding completion of the sealing of the Eyre Highway. Your most recent letter of 31st August, 1971, declined at that stage to make a two-thirds contribution to the cost of the unsealed section.

The South Australian Government has re-examined its ability to contribute to the project, which it is estimated will cost a further \$7½-millions (present day money values) to complete after 1st July, 1972. Having regard to our commitments for other rural arterial roads in the State we are still convinced we cannot over the four years after the 1st July, 1972, reasonably contribute out of current roads moneys more than \$2½-millions or one-third of the requirement. It is, of course, desirable that the project be completed over this period, which is the reasonable minimum for effective and economic construction. Accordingly we still need \$5-millions or two-thirds of the requirement from other sources. Our other alternative, which is publicly quite unacceptable, is to spread the remaining work over twelve to fifteen years.

In the light of your earlier refusal of a two-thirds contribution we have examined whether a temporary diversion of State funds from some other function may be secured, and it now seems it may be practicable to ask one of our statutory authorities to forego \$2½-millions of its developmental loan allocations over the four years to June, 1976, provided that those moneys are made good to it out of current roads funds as required over the subsequent four or five years. As a consequence of such an arrangement two-thirds of the finance could be made available over the four-year construction period to be financed by setting aside current roads funds to the extent of \$5-millions spread over eight or nine years.

However two hurdles remain to be overcome, in both of which it is hoped you may be able to assist. Firstly, it would be necessary to have your acknowledgement that the extent of current roads funds diverted in the subsequent four or five years to repay with interest the moneys temporarily advanced from the statutory authority shall be regarded as spent upon rural arterial roads for the purposes of the Commonwealth Aid Roads arrangement. Secondly, it will be necessary to find the remaining \$2½-millions of the construction funds required during the four years to June, 1976. I now ask your further consideration of a grant to this extent for the purpose.

The prospective cost of \$7½-millions which I have quoted differs from earlier figures inasmuch as it leaves out of account work already done and work which will be accomplished by 30th June next.

I do not propose to repeat the considerations put before you in my previous letter of 7th April, 1971, nor those put forward by my predecessor and by other bodies. However some further details may be appropriate regarding the \$13.67-millions which you point out as available from Commonwealth funds for rural arterial roads under the Commonwealth Aid Roads Act over five years.

Already during the currency of the present Commonwealth Aid Roads Agreement (up to 31/1/72) we have spent \$5.5-millions of Commonwealth grant and \$11.7-millions from State resources on rural arterial roads. During the remainder of the period covered by the Agreement we are committed to spend a further \$31.4-millions (excluding expenditure on the Eyre Highway) while the remaining amount of Commonwealth grant available is \$8.2-millions.

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Works proposed during the remaining period of the Agreement include:-

|  | \$m. |
|--|------|
| <u>National Route 1.</u>   |      |
| Further extension of the South Eastern Freeway project (providing for the main traffic flow between Adelaide and the Eastern States)   | 10.4 |
| Replacement of the existing 90 year old bridge across River Murray at Murray Bridge (part cost)  | 1.6  |
| Replacement of a wooden bridge across Spencer Gulf at Port Augusta providing a link with the Eyre Highway (part cost)  | 1.5  |
| Other major improvements and deviations  | 1.5  |
| <u>National Route 20.</u>  |      |
| A major deviation and general improvements on the Sturt Highway  | 1.3  |
| <u>National Route 83.</u>  |      |
| Construction and sealing of the main road between Orroroo and Hawker to give improved access to the tourist areas and the Flinders Ranges and to the northern areas of the State (linking with the Birdsville Track) | 0.9  |
| <u>National Route 87.</u>  |      |
| Provision of a sealed all-weather road between Port Augusta and Woomera (Stuart Highway)   | 1.5  |
| <u>Flinders Highway.</u>   |      |
| Further improvement and sealing of this vital link connecting centres on Eyre Peninsula with the Eyre Highway (National Route 1)   | 1.0  |

These and many other smaller projects proposed to be undertaken during this period are considered essential to the economy of the State and the maintenance of a reasonable level of service on the principal interstate routes.

I would add to earlier submissions that there are, in the present circumstances, some special considerations particularly favouring expansion of these works. Not only are there gains in improving the employment situation and the tone of the economy generally by a discriminating and worthwhile expansion of capital works generally, but expanded works in the rural area of Eyre Peninsula would provide a significant relief to the difficulties of securing income and employment in this country district remote from the metropolitan area.

Yours faithfully,

PREMIER.