



12

PRIME MINISTER

PRESS STATEMENT NO. 558
16 September 1975

**AUSTRALIAN INCOME TAX DEDUCTIONS FOR MINERAL EXPLORATION
EXPENDITURE IN PAPUA NEW GUINEA**

The Prime Minister, Mr Whitlam, announced today that transitional provisions in the Income Tax Assessment Act 1975 relating to the allowance of deduction, for Australian income tax purposes, of mineral exploration expenditure incurred by Australian companies in Papua New Guinea would be extended.

Amendments to the Australian income tax law effected by the Income Tax Assessment Act 1975 provide that, subject to transitional provisions, deductions will not be allowed in Australia for mineral exploration expenditure incurred by Australian companies in Papua New Guinea after Papua New Guinea attains independence. When the amending legislation was being considered by the Australian Parliament the Australian Government indicated that it would be giving sympathetic consideration to a request for extension of these transitional provisions that the Papua New Guinea Government has foreshadowed it would make.

Extended transitional provisions now agreed would apply to Australian companies which, at 16 September 1975, held prospecting authorities issued by the Papua New Guinea Government. The extended provisions would also apply to Australian companies which at that date had entered into farm-in arrangements with holders of such authorities or had made arrangements with the Papua New Guinea Government giving them rights in respect of such authorities.

These companies will be allowed deductions in Australia for mineral exploration expenditure incurred by them up to 30 June 1978 in the areas covered by those authorities, on the same basis as applied to such expenditure incurred in Australia. Legislation to give effect to this extension would be introduced in the Australian Parliament as soon as practicable. There will be no cost to the Australian Government revenue in 1975-76 because of this extension.

CANBERRA, A.C.T.

✓