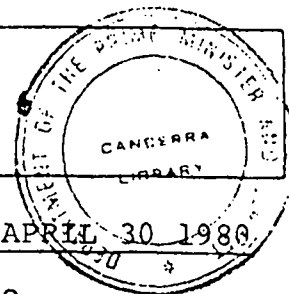


**PRIME MINISTER**FOR MEDIAWEDNESDAY, APRIL 30 1980NEW SOUTH WALES DROUGHT - ASSISTANCE TO
PRIMARY PRODUCERS

The Commonwealth Government has decided to provide further drought assistance to New South Wales.

The following extensions to the Natural Disaster Assistance Arrangements have been agreed:

- . road transport concessions for the carriage of both fodder and stock over distances exceeding 30 km be determined at 50 per cent of approved standard rates for total distance travelled or 50 per cent of the actual cost, whichever is the lesser;
- . "carry-on" loans limit be increased from \$5,000 to \$10,000, and
- . the payment to primary producers for the slaughter of helpless and unsaleable cattle be increased from \$10 to \$15 per head.

This assistance will be of great value to the hard-pressed primary producers of New South Wales. The State, of course, is responsible for the administrative arrangements for distributing this assistance.

On April 14, I announced Commonwealth initiatives on taxation concessions to assist primary producers to ensure water supplies and to encourage them to increase their capacity to withstand drought.

This taxation decision extends the concession beyond what was available before the concession was terminated by the Labor Government in 1973. It does this in two ways. First, items of plant - in addition to structural improvements - that were not subject to the pre-1973 concession, will be subject to the new one. Second, an investment allowance will be available in respect of plant and equipment, the cost of which is completely deductible in the one income year. At no time since the investment allowances were granted - in 1962 for manufacturing and mining, in 1963 for primary producers, in 1976 for plant generally, and this year for energy conversion - has an investment allowance been available in these circumstances.

In relation to New South Wales the Commonwealth Government has now agreed to the extension of the Natural Disaster Assistance Arrangements to include the provision of subsidies:

- . to Councils and other organisations, as approved by the State, able to provide emergency water supplies based on existing facilities and on reasonable additional special costs (excluding major capital items) incurred in providing emergency supplies to primary producers;
- . to primary producers to assist them in meeting special costs incurred in the transport of emergency water supplies to their properties on the following basis:
 - (i) where water is carted in the primary producers' own vehicles, 50 per cent of assessed vehicle operating costs, as agreed between the Commonwealth and the State, for the journeys necessary; or
 - (ii) where it is established by the State that a primary producer has no suitable vehicle for water cartage, a subsidy would be paid equivalent to 50 per cent of approved standard freight charges for the journeys involved if the cartage contractor is engaged.