



# PRIME MINISTER

FOR MEDIA

SUNDAY AUGUST 23 1981

## JOINT COMMONWEALTH-STATE REVIEW OF ASSISTANCE TO TASMANIA

A review of the Callaghan Special Assistance Plan for Tasmania is to be undertaken by the Commonwealth and State governments. The Prime Minister, Mr Fraser, and the Tasmanian Premier, Mr Lowe, said today the review would seek ways of improving the scheme and its benefits for the State.

The review follows a request by the Premier to the Prime Minister, and subsequent discussions on detailed arrangements between the Premier and the Minister for Administrative Services, Mr Kevin Newman.

Mr Lowe indicated that while both governments remained firmly committed to a joint assault on Tasmania's special problems, he believed present arrangements could be improved.

Mr Fraser and Mr Lowe said the ten point plan of Special Assistance to Tasmania was adopted by the Commonwealth from recommendations by Sir Bede Callaghan in his 1977 report on Tasmania's industry and employment structure. They said that since then, action had been taken under a variety of the ten points. Assistance by way of grants and loans amounting to \$10.02 million has been approved, with the full amount payable over a period of years.

Mr Fraser and Mr Lowe said work on the review would begin in August and should be completed by the end of 1981. They said the proposed terms of reference for the review would comprise:

1. An assessment of the operation and impact of the present arrangements.
2. A re-assessment of Tasmania's disabilities and development opportunities. This would include the present and projected situation of other States, and the implications of accelerated resource development.
3. Consideration of the broad strategies and particular kinds of projects that would seem to be best suited to alleviate the disabilities and exploit the opportunities identified in the reassessment.
4. Evaluation of the appropriate policy framework and associated arrangements for assistance in the future. This would incorporate the most efficient and cost effective forms of providing assistance.

Mr Fraser and Mr Lowe said the review would be carried out for the existing Commonwealth-State Official's Committee on Tasmania by senior State and Commonwealth officers. They would possibly seek technical assistance from the Centre for Regional Economic Analysis which was recently established by the University of Tasmania with assistance under the Callaghan programme.

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COMMONWEALTH SPECIAL ASSISTANCE TO TASMANIA

• This paper summarises progress on implementing the Callaghan 10 Point Plan

• Action has been taken under eight of the ten points. Assistance amounting to \$10.02 million has been approved. Actual payments to 30 June 1980 totalled \$2.06 million whilst payments to 30 June 1981 totalled \$4.08 million. Details are summarised below:

	Total Approved \$	Payments To 1979/80	To 1980/81
\$136,000 per annum for five years under the <u>Native Forestry Program</u> with additional assistance of \$100,000 for four years (Point 1)	1,080,000	272,000	608,000
\$234,400 for the establishment of education facilities at the <u>Tasmanian Fish Centre</u> (deferred) (Point 2)	234,400	-	-
\$200,000 for the development of the <u>Legana Industrial Estate</u> (Point 4)	200,000	-	195,000
\$343,000 loan for the re-equipment of the <u>Launceston Precision Tool Annexe</u> (Pt. 5)	343,000	-	323,000
2:1 Assistance for the restoration and development of <u>Port Arthur</u> estimated at \$6 million over 7 years (Point 8)	6,000,000	400,000	1,200,000
\$1,802,000 for six Tasmanian projects under the <u>Commonwealth Regional Development Program</u> (Point 9)	1,802,000	1,389,000	1,549,000
\$200,000 for a program for the <u>acceleration of mineral and coal exploration</u> *	200,000	-	200,000
\$40,000 per annum for four years commencing in 1980/81 for the establishment of a centre for <u>Regional Economic Analysis at the University of Tasmania</u> *	160,000	-	-
	<u>10,019,400</u>	<u>2,061,000</u>	<u>4,075,000</u>

\* These proposals were not part of the 10 Point Plan; they were approved by the Government in the context of the 1980/81 Budget following requests from the Tasmanian Government.

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Other decisions under the Plan not involving payments to Tasmania are:

- Relocation of the CSIRO Division of Fisheries and Oceanography (initial estimated cost of \$25 million)
- Airlink between Christchurch and Hobart.