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PRIME MINISTER

FOR MEDIA

SUNDAY, 20 DECEMBER 1981

PROPOSED PREMIERS CONFERENCE/LOAN COUNCIL MEETING

The decision by the Commonwealth to invite the State Premiers and the Chief Minister of the Northern Territory to Canberra for a meeting in January arose from the Commonwealth's understanding of the problems facing the States funding some of their authorities.

Some of the recommendations of the Campbell Committee are relevant to the consideration of the financing of capital works by these authorities, and the Commonwealth wants to sit down with the States and work through the issues in a positive way.

The decision to deny the investment allowance in cases where the real "end user" is a tax-exempt statutory authority is not aimed at preventing States from financing particular developments. The intent of the present law is that the investment allowance should apply only to plant from which the "end user" derives assessable income; it is a tax concession to tax payers and the States and their authorities are not usually tax-payers.

The January meeting is designed to examine these issues against the background of the Campbell Report.

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