

PARLIAMENTARY STATEMENT BY THE PRIME MINISTER
ON THE ECONOMY AND EMPLOYMENT
THURSDAY, 14 NOVEMBER 1991

Mr Speaker,

Australia today is at a point of historic convergence: the hurt of the recession is at its point of maximum impact; yet, simultaneously, and by no means coincidentally, the gains and rewards of the long hard process of restructuring are within our grasp.

The immediate focus of this Statement is on the problem of unemployment. But through that prism, I want today to look ahead - to the prospects and promise for this nation.

In this Statement today I bring to the people of Australia a message of fundamental confidence. It is a message grounded firmly on the facts, not only the factual evidence of recovery, but upon the most important fact of all - that the work of this Government over the years, and the response of the Australian people, have brought us together to the threshold of a new era of achievement.

In the specific context of unemployment, let me begin with this unqualified assertion: this Labor Government has an unalterable commitment to preventing the present levels of unemployment from becoming a permanent feature of the Australian economy and the Australian society. I say to this House what I have said repeatedly outside: I have not spent the whole of my thirty-three years in public life in the Labor Movement of Australia to acquiesce in allowing the present high levels of unemployment to continue.

Mr Speaker,

Some weeks ago, I initiated an examination of what action the Government could take to respond to the current severe unemployment situation. In the same period, the Parliamentary Labor Party's Working Group on Unemployment under the Chairmanship of the Honourable Member for Page, Mr Harry Woods, has worked with great diligence to produce a constructive report. Further, in accordance with undertakings I gave in my address to the ACTU Congress in September, I met with representatives of the ACTU on 29 October to consider their proposals to alleviate unemployment. I have also had the benefit of consultation within the Economic Planning Advisory Council.

As an outcome of our analyses and these consultations, I shall be detailing, later in this Statement, measures related to the unemployment problem.

These measures build on the strategy for reducing unemployment already put in place by the Budget.

The measures include:

- initiatives in the post-secondary area to ensure that our young men and women have access to training, in the long-term, as well as in the short-term. High quality investment in additional training now will deliver a workforce better suited to the challenges of the future;
- a further expansion of labour market programs to assist the unemployed obtain and upgrade skills. This will not only help prepare for the recovery but will ensure a proper safety net is provided for those who have been most affected by the recession;
- the acceleration of infrastructure projects in the areas of road, rail, post-secondary education, and science, with benefits for our traded goods industries and for the quality of teaching and research in our educational and scientific institutions; and
- facilitation of the development of new industries and restructuring of existing industries.

These measures total some \$313 million in calendar year 1992. They are measures which meet the critical tests of advancing our economic strategy, while maintaining the integrity of the Budget.

Since the Budget, we have been carefully watching economic developments to ensure that the Budget strategy for sustainable recovery with low inflation is on track. It is on track, and we are determined that it stay on track. This Government will not be diverted from its fundamental economic strategy and its goals:

- sustainable recovery to provide sustainable job growth, and rising living standards
- and, above all, the goal of building an internationally competitive economy.

Mr Speaker,

There may be some who would argue that the Government, satisfied as we are that the fundamental economic strategy is on track, should pay no regard to the representations of the ACTU, and others, on the matters dealt with in this Statement.

Not only do I reject that argument, but I go further. The very fact that our strategy is on track - the fact that the great objective of creating a restructured, low inflation, internationally competitive, economy is now within our grasp - is in large measure a result of the constructive co-operation and restraint that has been practised by the working men and women of Australia. That is, precisely, a reason to listen to those who represent them.

Their members have experienced unemployment, not only through the recession, but through the process of long-term industrial restructuring we are pursuing.

Yet in the representations they have made to us they have not asked for this process to be slowed. They understand, accept and are committed to its continuation, in the knowledge that it is in the long-term interest of their country.

And, of course, Mr Speaker, the views of the union movement reflect the growing concern at all levels of the community, as the statistical projection of unemployment of more than 10 per cent, made in May, has become the harsh reality.

Nobody feels this concern more deeply than I. It is a concern fully shared by every member of my Government. That is why we accept it as our inescapable duty to take whatever action we responsibly can to restore sustainable job growth as soon as possible.

Given this Government's unsurpassed record of job creation since 1983, there can be no doubt about our commitment to this goal and our capacity to achieve it. This is a Government which from its inception has been absolutely committed to sustainable job growth.

Mr Speaker,

Budget-time forecasts were for growth of around 3 3/4 per cent through the course of 1991-92. The main sources of growth were expected to be business restocking, housing investment, and moderate growth in private consumption. Net exports were also expected to contribute to growth.

Indicators available since the Budget support those forecasts: we are coming out of recession. The early stages of recovery are clearly evident in the trend growth now apparent in the housing and retail sectors, and there are now positive signs pointing to recovery in other sectors. Building approvals for private dwellings increased by around 15 per cent in the September quarter. Retail sales have shown renewed strength, growing by 2.9 per cent in real terms in the September quarter. Indexes of consumer sentiment are significantly above their levels of a year ago. Business surveys indicate that the outlook for sales, profits, and investment is beginning to improve.

Our international trading performance has improved markedly. We are on track to record a current account deficit in the order of \$14 billion in 1991-92, considerably lower than in recent years both in absolute terms and as a proportion of GDP.

While unemployment has reached unacceptable levels, the level of employment has stabilised in the last four months, halting the falls in employment that have been occurring since mid-1990. The recent improving trend in full-time employment is encouraging.

All this is consistent with the view that the economy is in the early stages of recovery. This is not to deny that unemployment may rise further. But the essential point is that the evidence of the recovery has begun to appear.

Mr Speaker,

A central objective of the Budget strategy is to ensure that, as the recovery proceeds, the Budget will move back into surplus. This will free national savings for productive investment by the private sector. In this way, the current account will be safeguarded and the economy set on a sustainable growth path.

Since the Budget was drawn up, the immediate risk that private calls on national savings would grow faster than public calls were falling has lessened. This lessening is attributable to two main factors:

- first, the forecast reductions in inflation have been factored into community expectations more rapidly than we had hoped;
- and second, there has been a worsening of the drought, leading us to be less sanguine about prospects for the rural sector.

These domestic developments have taken place against the background of some uncertainties about the economic prospects for our major trading partners.

The changes have not been of a magnitude to cause us to revise the Budget forecasts for overall activity. However, they have reduced the risk that any supplementary measures would see the public sector's call on national resources become unsustainably high. This reduced risk is particularly true of measures targetted to the period immediately ahead.

In short, there is now some scope to do more to prepare for new jobs and opportunities.

But, Mr Speaker, we must continue to recognise the limits which responsible economic management imposes, at this critical point in the recovery.

To fail to do so would be to throw away the real gains which underlie the present economic situation, and which underpin the splendid prospects ahead for this nation, as a strong, competitive, low inflation economy, enmeshing itself in the economies of the world's fastest growing region.

To maximise the benefit to the economy at this stage of the cycle, the measures I announce today are concentrated in calendar year 1992, and wherever possible, in the first half of 1992.

EDUCATION AND TRAINING

Mr Speaker,

I have said that a major thrust of these measures is directed towards expansion of education and training programs.

In this area, I announce today proposals involving gross expenditure in calendar year 1992 of \$130 million.

Education and training are basic to the Government's strategy of building a competitive Australia. And they are basic to the more immediate hopes and aspirations of many thousands of individual Australians, especially among our young people.

Community demand for education and training is at its highest level ever. The proportion of our young people remaining to the end of secondary school has virtually doubled in a decade and student numbers at our universities have risen by over 50 per cent.

A different situation, however, applies in vocational education and training, including TAFE. While student demand for TAFE and training has continued to increase strongly, labour market conditions and budgetary priorities of State Governments, who have the responsibility in this area, have combined to limit the training opportunities made available in this essential sector. In consequence, the level of unmet demand for TAFE has risen steeply in recent years.

This situation demands urgent action. I may say, Mr Speaker, that one of the major disappointments arising from the Premiers' decision not to attend the Special Premiers Conference in Perth next week is that it will make resolution of these problems even more difficult.

The problem has been highlighted by the Finn Report on Post-compulsory Education and Training. The Finn Report poses major challenges for all Governments, State and Commonwealth. We must respond to these challenges. It is time TAFE took its rightful place within the education system of Australia.

The Government has decided to provide extra funding in 1992 to enable additional enrolments in post-school education, mainly in TAFE. In total, a sum of \$115 million will be provided for post-secondary education and training. A further \$15 million in higher education capital funding will be brought forward from 1994. This additional funding will be allocated mainly to provide additional TAFE places, and to meet urgent needs for equipment and building refurbishment in both TAFE and universities.

For 1992, the Government expects that these measures will provide an additional 40,000 students with opportunities to gain vocational skills. The States will be required at least to maintain their expenditure in real terms in 1992, pending the negotiation of longer term arrangements. They have also agreed to co-operate in maximising the number of places provided from the additional Commonwealth funding.

Looking to the longer term, the Commonwealth will continue to pursue its offer to the States of a new set of funding arrangements for vocational education and training, designed to upgrade the capacity and status of our TAFE and training institutions. I see this as an urgent national priority.

LABOUR MARKET PROGRAMS

Mr Speaker, the unemployed have borne the heaviest cost of the recession. Despite the economic recovery which is now underway, the number of long-term unemployed will continue to rise for some time to come. If we are to harness in full the opportunities provided by recovery, we must strengthen the skills of job-seekers and particularly the long-term unemployed. It makes economic sense to do so - by ensuring that skills shortages do not emerge during the recovery.

More importantly, social justice demands that we do so.

Today, I announce enhancements to the Employment Access Program, Skillshare and the Self-Employment Assistance program to enable larger numbers of the long-term unemployed to obtain the skills needed to take advantage of new job and business opportunities as these emerge from the recovery.

The enhancements will provide increased opportunities for some 56,000 unemployed people in 1992, including:

- . an increase in training places that will prepare an additional 31,000 people for labour market re-entry;
- . an increase in the JOBSTART program, providing an additional 15,500 job subsidy placements;
- . an increase in the Special Intervention Program to provide an additional 9,000 especially disadvantaged with assistance early in their period of unemployment.

With these enhancements, in addition to those announced with the implementation of the Newstart Program, at least 300,000 unemployed people will be assisted by the CES through labour market programs in 1992.

This additional assistance will involve gross expenditure of \$78 million in 1991/92, and \$124 million in 1992/93. This will raise total labour market program expenditure from \$400 million in 1990/91 to an estimated \$774 million in 1992/93.

ACCELERATION OF INFRASTRUCTURE SPENDING

We have identified areas where some major Commonwealth infrastructure spending could be accelerated - spending which would have occurred anyway because of its essential nature or high economic returns for the nation.

Today I announce expenditures totalling \$112 million in calendar year 1992 to improve our economic infrastructure.

Such improvements will bear directly on the competitiveness of our export sector.

The task of internationalising the Australian economy requires an internationally competitive transport infrastructure. This year, we have made major advances in this area with the establishment of the National Rail Corporation; the National Road Transport Commission; and continuing rapid reform of our shipping industry and dramatic developments in the reform of our waterfront industry.

We will bring forward \$82 million of roads expenditure on the National Highway System and Arterial roads, and provide \$20 million for what will become the rail network of the NRC. This spending will provide industry with a better, more efficient transport system. In doing so, it will support the continued expansion of our export sector. At the same time, it will provide a direct boost to employment and confidence.

I also announce today that we will provide \$10 million immediately to CSIRO to upgrade its facilities. These funds will be fully spent in 1992. This decision will ensure that CSIRO researchers will have the physical infrastructure necessary to maintain their vital work.

INDUSTRY DEVELOPMENT

The Government is acutely aware of the problems that are being encountered as the Australian economy undertakes its essential restructuring:

- our exporters are entering new, highly competitive markets;

- many of our traditional firms are confronting radical change and a requirement to make substantial new investments;
- new firms are struggling to establish themselves and often new technologies.

Today I announce measures designed to assist in each of these areas.

The Government will allocate an additional \$10 million to the Development Import Finance Facility (DIFF) in 1992. The funds will enable us to offer finance to Australian firms for significant new projects in China, India and South East Asia.

The decision will allow the DIFF to meet more of the demand on its funds. The existing backlog meant that projects in power, communications, transport and resource processing had been held over. In all those sectors, Australia is rapidly establishing international competitiveness.

Mr Speaker,

Since my March Statement, a number of companies in the textile, clothing and footwear industries have demonstrated their commitment to the Government's objective of creating strong and viable industries - industries which will be competitive and in which jobs will be secure.

To reinforce this commitment, the Government will bring forward \$15 million in calendar year 1992, to be available for restructuring purposes approved by the Textile Clothing and Footwear Development Authority.

The Australian Industry Development Corporation (AIDC) has recorded a profit of \$9.6 million for 1990-91. The Corporation has asked to retain this profit as additional capital to help meet the demand for equity in new project development. We recognise that additional capital is needed particularly for new investments in resource processing. The Government has therefore agreed that the profit should be retained by the Corporation.

The Government has also decided to extend the Commonwealth guarantee on the Corporation's liabilities to 1998. This recognises the importance of the Corporation's role in industry development, by enabling it to minimise its borrowing costs.

In the March Statement, I announced a major extension of sales tax exemptions available to business. The legislation is currently before the Senate. Allowing for the flow-on effects of reducing costs earlier in the production chain, the exemptions will provide a total benefit to business of more than \$1 billion in a full year.

Mr Speaker,

My Statement today focuses, and properly does so at this time, on the matter of most immediate concern to the people of Australia, the problem of unemployment. I do not seek to disguise the magnitude of the problem. And we should all acknowledge the fact that even when the recovery is fully underway, and job growth restored, substantial reduction of unemployment levels will take time. To grasp this reality, one only has to recall the post-recession experience last time. Even when this Government had achieved average job creation of 230,000 a year, as it did over the period to mid-1990, the associated fall in unemployment was gradual compared with the spectacular growth in jobs.

But in acknowledging that, let me say, Mr Speaker, it is time, beyond time, to stop talking down the Australian economy. The central fact is that the Budget strategy is on course. The economy is recovering. And we will emerge from the recession with a stronger economy than before.

Let me illustrate this truth by pointing to the results of the structural reforms we have already achieved.

Exports of manufactured goods have increased by 112 per cent in real terms since 1983-84. Within manufacturing, exports of manufactured metals have risen by 62 per cent and exports of the more complex non-metal manufactured goods have increased by 147 per cent. Over the same period, exports of services have increased by 77 per cent.

The official OECD statistics show that Australia's manufactured export performance in the past five years has been by far the best in the OECD. They show that, in real terms, annual growth of manufactured exports has averaged over 15 per cent in Australia compared with the OECD average of 6 per cent. Australia's rate of manufactured export growth has even outpaced that of the four Newly Industrialising Economies of Asia - South Korea, Taiwan, Singapore and Hong Kong. These trends emerged well before the recession and have continued throughout the recession.

These facts are a remarkable tribute to the drive and initiative of much of our business sector. It is a performance which presents an example and a challenge to the whole business community.

As I have indicated, the performance in many service areas, notably tourism, has also been strong.

Overseas tourist arrivals have more than doubled in just five years. The numbers are expected almost to treble again by the year 2000, to around 6 million.

These projections lend compelling force to the Government's decisions in relation to aviation.

Following yesterday's decision by Federal Cabinet to approve the construction of a third runway at Sydney airport, the Federal Airports Corporation expects preliminary work to begin within a month and major construction contracts to be let early next year.

As well as generating many thousands of sustainable new jobs at the airport and in directly related activities in the years ahead, the third runway will provide the capacity to meet the projected strong growth in tourist traffic.

In addition, the Government will shortly examine a proposal for the development of a general aviation airport at Badgerys Creek, Sydney's designated international airport. Based on preliminary design work already completed, it is envisaged that this new aerodrome would be operational in 1994.

Mr Speaker,

The strong performance in the manufacturing and service industries has been buttressed by the continuing strength of the mining sector.

My Government has recently announced a new process aimed at encouraging major development projects including mining and minerals processing, agriculture and forestry.

The process for approving major projects in these areas will be speeded up, although I emphasise that proper environmental standards and Aboriginal and heritage issues will not be by-passed.

The strength of the manufacturing, services and mining industries stands in sharp contrast to the current plight of the rural sector.

Many farmers have been hit by drought, compounding the severe downturn in farm prices, caused mainly by the trade war between the European Community and the United States.

As part of our commitment to easing the burden on the rural sector, the Government has massively increased funding for the Rural Adjustment Scheme - from \$62 million in 1990-91 to \$173 million in 1991-92. Further, we have just announced arrangements to link RAS assessments to social security benefits.

It has to be acknowledged, however, that enduring relief will not occur unless there is liberalisation of agricultural trade. The farmers of Australia can be assured that this Government will continue to do all we can, in the coming crucial weeks of the Uruguay Round, to ensure it reaches a successful conclusion.

Mr Speaker,

As I said at the outset, we now have an historic opportunity to move into the 21st century with a dynamic, reinvigorated, modern Australian economy. We have a unique opportunity to break the cycle of boom and bust. We have the opportunity to become one of the vibrant growth economies of the Asia-Pacific region.

To seize this historic opportunity, we as a Government and a nation must embrace a set of key objectives and policies, designed to reinforce and accelerate the internationalisation of the Australian economy.

Australia's course is clear:

We must lock in the gains of low inflation. We must keep our nerve and resist demands for artificial solutions to the recession.

We must ensure that new investment continues to flow into our competitive, international industries with the economic recovery.

We must continue the vigorous pursuit of micro-economic reform.

We must continue the thrust towards the "Clever Country".

We must continue to assert maximum possible pressure for a successful conclusion to the Uruguay Round of Multilateral Trade Negotiations.

We must, consistent with the commitment to growth, maintain in perpetuity our matchless environmental assets through policies for ecologically sustainable development.

That is this Government's national agenda for growth and reform. It is an agenda for jobs. It is an agenda for lasting, sustainable growth.

The measures I have announced today advance that agenda.

So today, Mr Speaker, I convey to the people of Australia a message of hope and confidence in the future of our great and unique nation. There is, simply, no nation in the world so well-placed by virtue of its inner resources - its material resources, certainly, but much more important, its human, social and political resources - to weather the present storms, at home and abroad, and emerge from them, not only secure, but strengthened. Now is a time for strength of purpose, to ensure that Australia emerges from the recession with resilience, assured of its abilities, confident that it can take its place as a leading competitor in a tough, competitive world.

For our part, we in the Labor Government will not falter. We owe that to those who have suffered through the recession. We owe it to all Australians. We owe it to the splendid future which is within the grasp of Australia, as we move towards the 21st century together.

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STATEMENT ON THE ECONOMY AND EMPLOYMENT

14 NOVEMBER 1991

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1. SUMMARY OF MEASURES

DESCRIPTION OF MEASURE	Calendar	Estimated effect on outlays			
	1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
OUTLAYS MEASURES					
1. Labour Market Programs					
- Expansion of Employment Access Program	110.3	61.4	97.7	-	-
- Expanded Self Employment Assistance Program	7.6	3.7	7.8	2.5	-
- Additional Skillshare Places	22.6	13.4	18.4	-	-
- less Unemployment Benefit Offset	-76.4	-44.2	-64.4	-	-
Total Labour Market Programs	64.1	34.3	59.5	2.5	-
2. Education and Training Programs					
- Initiatives in Post-Secondary Education and Training	115.0	57.5	103.8	94.1	96.9
- AUSTUDY to support additional places	18.5	9.1	18.8	19.3	19.9
- Additional higher education capital	15.0	6.9	8.1	-7.8	-8.1
- less Unemployment Benefit Offset	-46.7	-23.1	-47.6	-49.1	-50.5
Total Education and Training Programs	101.8	50.4	83.1	56.5	58.2
3. Transport Infrastructure					
- Roads expenditure	82.0	60.0	22.0	-41.0	-41.0
- Rail investment	20.0	6.0	14.0	-	-
Total Transport Infrastructure	102.0	66.0	36.0	-41.0	-41.0
4. Science (CSIRO)					
	10.0	4.0	6.0	-	-
5. Industry Development					
- TCF Development Authority	15.0	10.0	10.0	-10.0	-10.0
- DIFF	10.0	5.0	5.0	-	-
Total Industry Development	25.0	15.0	15.0	-10.0	-10.0
6. Australian Broadcasting Corporation					
	0.7	0.2	1.0	1.5	1.5
TOTAL OUTLAYS	303.6	169.9	200.6	9.5	8.7
	Calendar 1992 \$m	Fiscal 1991-92 \$m			
REVENUE MEASURES					
7. AIDC dividend not to be determined for 1990-91	9.6	9.6			
TOTAL REVENUE FORGONE	9.6	9.6			
TOTAL MEASURES	313.2	179.5	200.6	9.5	8.7

Notes: - zero
All costs are based on 1991-92 Budget parameters

2. DESCRIPTION OF THE MEASURES

OUTLAYS MEASURES

1. LABOUR MARKET PROGRAMS

Cost of measures:

	Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
(i) EAP	110.3	61.4	97.7	-	-
(ii) SEAP	7.6	3.7	7.8	2.5	-
(iii) Skillshare	22.6	13.4	18.4	-	-
OFFSETS	-76.4	-44.2	-64.4	-	-
NET COST	64.1	34.3	59.5	2.5	-

Additional funds for Employment Access Program (EAP), Self Employment Assistance Program (SEAP) and Formal Training Assistance (FTA) for the Skillshare program will increase the opportunities for unemployed persons, particularly the long-term unemployed, to access training and other programs appropriate to the current labour market conditions. The measures are additional to the \$210m increase in the Budget in allocations to this area for 1991-92.

Expansion of the Employment Access Program will allow greater numbers of jobseekers to undertake training to equip them with skills relevant to longer term labour market requirements. An increase in JOBSTART funds is also provided.

Increased funding of the Self Employment Assistance Program will allow 500 additional placements for supported self-employment opportunities for the unemployed in 1991-92 and 1992-93.

Additional Formal Training Assistance (FTA) for Skillshare provides for greater numbers of long-term unemployed to undertake training courses for which FTA is payable under the Skillshare program.

The costs of the above measures are partly offset by reductions in unemployment benefits outlays.

2. EDUCATION AND TRAINING PROGRAMS

Cost of measures:

	Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
(i) Post Secondary	115.0	57.5	103.8	94.1	96.9
(ii) AUSTUDY	18.5	9.1	18.8	19.3	19.9
(iii) Higher Education Capital	15.0	6.9	8.1	-7.8	-8.1
OFFSETS	-46.7	-23.1	-47.6	-49.1	-50.5
NET COST	101.8	50.4	83.1	56.5	58.2

Increased allocations for additional places and capital refurbishment in the post secondary education and training sectors will increase opportunities for school-leavers, from the 1992 calendar year. These increases are an initial Commonwealth response to the level of unmet demand for training, and the findings of the Finn Committee which identified the need for significant increases in the levels of training.

Normal income support associated with these places will be provided under AUSTUDY.

Additional funds will also be advanced from 1994 for small scale renovations in higher education institutions. These projects are funded on a dollar for dollar basis with institutions.

The costs of these measures are partly offset by reductions in unemployment benefits outlays from higher student numbers.

3. TRANSPORT INFRASTRUCTURE

Roads Expenditure

The Government has decided to bring forward into 1992, \$82m of funding for national highways and arterial roads.

Cost of Measure:

	Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
	82.0	60.0	22.0	-41.0	-41.0

The increased allocation of funds in 1991-92 and 1992-93 should enable an increase in construction and maintenance activity on a number of roads in all States and Territories in 1992. Approximately \$50m will be spent on the National Highway System, the balance being national arterials and other significant roads. The State distribution of funding is NSW \$21.0m, Victoria \$16.5m, Queensland \$16.0m, WA \$11.0m, SA \$11.0m, Tasmania \$3.5m, NT \$2.0m and ACT \$1.0m.

Rail Investment

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
20.0	6.0	14.0	-	-

An amount of \$20m is to be made available to NSW and Victoria to accelerate priority capital upgrading of the rail network which will underpin the operations of the National Rail Corporation (NRC). The Commonwealth will be seeking the agreement of the other participants in the NRC to these funds being recognised as part of the Commonwealth's equity contribution to the National Rail Corporation.

4. SCIENCE

CSIRO

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
10.0	4.0	6.0	-	-

To further accelerate the program to restore CSIRO properties, \$10m is allocated in calendar year 1992 additional to the \$10.7m announced in the Budget.

5. INDUSTRY DEVELOPMENT

Textiles, Clothing and Footwear Development Authority (TCFDA)

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
15.0	10.0	10.0	-10.0	-10.0

In the March 1991 Statement "Building A Competitive Australia" the Government recommitted itself to the provision of up to \$120m through the Industries Development Strategy for the TCF industries over the period to 30 June 1995. A number of companies have been in discussions with the Government and acceleration of the release of funds is warranted. (Currently \$15m per annum is provided in the Forward Estimates for 1991-92 and 1992-93.) Projects approved by the TCFDA to be assisted under this Strategy will be announced by the Minister for Industry, Technology and Commerce in due course.

Development Import Finance Facility (DIFF)

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
10.0	5.0	5.0	-	-

DIFF assists Australian exporters of capital goods and services to compete against aid supported foreign suppliers in developing countries for government-owned, developmentally sound projects. DIFF takes the form of an aid grant which is used to soften the interest and payment terms of an export credit loan provided by the Export Finance and Insurance Corporation (EFIC) to fund a development project. Projects are selected in consultation with the recipient developing country to ensure that they have the highest developmental priority.

6. AUSTRALIAN BROADCASTING CORPORATION (ABC)

Southbank Building Project (Melbourne)

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
0.7	0.2	1.0	1.5	1.5

The Government is to provide an interest subsidy to the ABC to enable borrowings of up to \$15m to be made for this project - estimated to cost \$44.5m. The subsidy (up to \$1.5m per annum) will cover delay in the rationalisation in the Corporation's property portfolio in Melbourne and will ensure that construction of the project proceeds immediately.

REVENUE MEASURES

7. AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION (AIDC)

Cost of Measure:

Calendar 1992 \$m	1991-92 \$m	1992-93 \$m	1993-94 \$m	1994-95 \$m
9.6	9.6			

The AIDC has determined its 1990-91 profit as \$9.6m. The Government has agreed that the profit be retained in the Corporation to expand its scope for supporting development projects, rather than returned as a dividend to the Commonwealth as occurred in the previous year. (The 1991-92 Budget estimated a return of \$8.8m.)

3. CHANGES TO THE 1991-92 BUDGET ESTIMATES

The following table presents an update of the 1991-92 and forward years estimates published at the time of the 1991-92 Budget. The purpose of the table is to reflect the effect of decisions taken by the Government since the 1991-92 Budget was brought down. The estimates are based on the parameters underlying the 1991-92 Budget time estimates.

CHANGES TO 1991-92 BUDGET AND FORWARD ESTIMATES (a)

	1991-92 Estimate \$m	1992-93 Estimate \$m	1993-94 Estimate \$m	1994-95 Estimate \$m
PUBLISHED BUDGET AND FORWARD ESTIMATES	101508	105705	109109	111102
<i>Real growth over preceding year (%)</i>	2.6	1.1	0.2	-1.1
<i>Outlays as proportion of GDP (%)</i>	25.7	24.9	24.2	23.2
Decisions Announced in Prime Minister's statement	170	201	9	9
Other decisions since the 1991-92 Budget (b)	131	173	262	421
TOTAL DECISIONS	301	374	271	429
Public Debt Interest (PDI) on all decisions since 1991-92 Budget (c)	7	49	83	120
TOTAL DECISIONS AND PDI	308	423	354	549
1991-92 REVISED AND UPDATED FORWARD ESTIMATES (d)	101816	106128	109463	111651
<i>Real growth over preceding year (%)</i>	2.9	1.2	0.1	-1.0
<i>Outlays as proportion of GDP (%)</i>	25.8	25.0	24.3	23.3

(a) Totals may not add due to rounding

(b) The more significant decisions are:

- Changed arrangements to the Medicare/GP reform package	58.9	104.7	89.6	90.9
- Increase in funding for the Rural Adjustment Scheme and income support for Farmers	40.7	24.6	11.6	3.7
- Growth in Higher Education	0.2	0.1	24.9	70.4
- Higher Education Capital funding	-	-	77.4	158.4

(c) The rise in the level of Public Debt Interest is due to the need to finance the increase in outlays

(d) Budget and Forward estimates published in 1991-92 Budget and updated for decisions taken since the Budget