

HOBART PRESS CLUB
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OPENING STATEMENT BY THE PRIME MINISTER

Mr President, Ladies and Gentlemen.

Thank you for giving me an opportunity again, directly and personally, and in these hospitable surroundings, to speak to the representatives of the Tasmanian Press. There's one particular point I want to make to you today: that is that the Australian Government is determined to remove the handicap of isolation which Tasmania suffers as Australia's only island State. Of necessity this is a long-term aim. It will not be achieved by temporary measures. Our policies are therefore designed to redress the basic handicap of separation from the mainland by attacking the fundamental problem on the basis of the best available advice and information.

This has been a difficult year economically as you all know. Our economic problems - the problems which Australia shares with every comparable country - have not made our task in Tasmania any easier. Our Budget last month recognised the need for a steady, continuing attack on inflation. We therefore decided that a sharp reduction in the growth of Government expenditure was needed. I emphasise, however, that in cutting back this rate of growth the Australian Government has been generous, and will remain generous, in its outlays to the States. While we have imposed restraints on our own spending we have been reluctant to compel the States to do likewise, though naturally we expect that the same spirit of restraint will be observed by them. In point of fact, as Mr Hayden said in his Budget speech last month, we estimate that the financial assistance grants payable to the States this financial year will total about \$3,185 million, an increase of \$811 million, an increase of 34.2 per cent over the grants paid by the Australian Government to the State Governments last financial year. This is on the basis of the improvements in financial arrangements which we undertook at the Premiers' Conference in June. So while no State Government may get as much from the Australian Government to spend as it would like they will all enjoy a much bigger increase in their expenditure than the Australian Government has sought or allowed for itself.

Now to come back to Tasmania. We recognise that the chief problem is in transport. I undertook in November 1972 that an Australian Labor Government would ensure that surface freight between Hobart and Melbourne would cost no more per ton mile, no more per tonne per kilometre than the surface freight between Melbourne and her other neighbouring capitals on the mainland, Sydney and Adelaide. Because previous Australian Governments had allowed the Inter-State Commission ordained in the Constitution to expire and had not persevered with proposals to reestablish it, the Government didn't have the necessary information available to it. We accordingly appointed Mr Nimmo as a Royal Commissioner to inquire into and report upon the whole subject. We expect his report in December or January. He commenced writing it earlier this month. The Commissioner has indicated that the issues

are so complex and inter-related that an interim report on any one aspect of his inquiries would serve little purpose. It's an enormous inquiry. Mr Nimmo has collected information from more than 140 firms, he has received 84 written submissions, he has interviewed 185 individuals and representatives of organisations. Evidence was given by 87 witnesses at the public hearing. He has inspected ferry services between the Eastern provinces of Canada-to Prince Edward Island and Newfoundland from the mainland-and also ferry services across the North Sea and the Baltic Sea. The Government will be considering his report as soon as it is received.

Meantime, the Australian Government has made and will make no increases in northbound ANL freight rates. This policy and the subsidy on ANL passenger services across Bass Strait will cost Australian taxpayers \$6 to \$7 million this financial year. Now, I know people constantly say, not enough. Therefore allow me to make at least this political point. The previous Liberal Federal Governments gave no financial assistance to these services at all. My Government is levying from Australian taxpayers as a whole \$6 to \$7 million this year for this purpose.

Incidentally, nobody prevents other lines providing a service. It's completely legal to do so. But it's increasingly being left to the ANL.

In one respect, the price of wheat, Tasmania has for long been placed on the same footing as the mainland States. The taxpayers, however, are paying more than they should to support this policy because no Tasmanian port is equipped to service an adequate ship for the wheat trade. The matter has now come to a head. The ship hitherto used to deliver the wheat to Tasmania, the North Esk, has reached the end of its life. It is coming up for its survey and all the indications are that the survey will disclose so much would have to be done to it that it wouldn't be an economic proposition. The Tasmanian Government has been advised by Pak Poy and the Australian Government has been advised by ANL that a bulk ship is the proper ship for this trade. The ANL has several suitable bulk ships already. There is however, no Tasmanian port which can so far handle such a bulk ship. It's urgent to equip one of the Tasmanian ports to handle a wheat ship, a bulk ship, a modern ship; presumably it'd be Bell Bay. In fact, Bell Bay should logically be the focus of Tasmania's sea, rail and road links with the mainland.

The real significance of the acquisition of the Tasmanian Government Railways by the Australian National Railways lies in this context of better transport links with the mainland. With the responsibility for rail services within the State and the responsibility for most sea services across the Strait reposing in the national Government there will for the first time be a real effort to coordinate and dovetail these two essential modes of transport. With the national Government also accepting its constitutional responsibility to upgrade roads to the ports - what the Constitution says is, that the Federal Parliament can pass

with respect to trade and commerce including trade and commerce by road, with other countries and among the States. Accordingly the national Government has always had the responsibility, although mine is the first Government to accept the responsibility, to upgrade roads between States and the ports. Now with us accepting that responsibility Tasmanians can at last expect their basic handicap of isolation to be removed. I'd better say something about the railways in another context, the financial context.

The transfer of financial responsibility for your railways to the Australian Government came into effect last July on the basis of agreements between Mr Neilson and myself. In addition to getting a more modern and efficient railway service and better standards of track and rolling stock and signaling equipment there will be significant financial advantages for Tasmania. The State will be relieved of the burden of losses - and inevitably with the equipment which State Governments seem to be able to get for their rail services. Those losses will mount every year. In New South Wales the losses are well over \$200 million this year and in Victoria they're approaching \$200 million. Now with the State being relieved of those losses, it will also receive an additional \$3.3 million in financial assistance and on top of that we pay \$5 million as a first contribution in consideration of assets.

Another area where the Australian Government can give particular and much needed help to Tasmania is in urban and regional development. In the current financial year \$1.8 million has been provided to Tasmania, if I may mention it here, for sewerage programs; \$840,000 has been provided for the North-West Tasmanian Water Supply Scheme - the first allocation of funds for this purpose. We have allocated the maximum possible amount of \$500,000 to set up the Tasmanian Urban Land Council. And this Council will administer the land acquisition and development programs for which generous Australian Government funds will be available.

As you already know well, the Australian Government is concentrating all its Antarctic Activities in Hobart and is establishing the Australian Maritime College on the Tamar; the legislation for that will be introduced next month.

The apple and pear industry - one of the pillars of Tasmania's economy hitherto - has received assistance on an unprecedented scale. You don't know how lucky you are having Senator Wriedt as the Minister for Agriculture. We have continued the fruitgrowing reconstruction scheme and the stabilisation scheme for growers' returns on exported apples and pears. The Australian and Tasmanian Governments have agreed jointly to provide supplementary support for apples exported on an "at risk" basis to the United Kingdom and other European markets. The purpose is to sustain the viable sector of the export industry until the Australian Apple and Pear Corporation - established by my Government - can develop alternative markets. I am confident that the Corporation

will bring new drive and expertise to the promotion of this industry. In addition, \$950,000 has been paid so far to Tasmanian fruitgrowers in post-revaluation adjustment assistance. The Industries Assistance Commission will be reporting later this year on apple and pear and other fruitgrowing reconstruction schemes.

Finally I want to give you some account of our response to the Tasman Bridge disaster. The social dislocation caused by the disaster was so great that remedial measures will necessarily take longer than at first seemed likely. Our response has been prompt and generous. The Australian Government was in no way obliged to rectify the destruction of the bridge but that hasn't stopped us from doing everything in our power to do so. People take all these things for granted now. No suggestion was ever made under previous Federal Governments that there should be assistance for the West Gate Bridge for instance in Melbourne. Now the Australian Government - a joint Tasman Bridge Restoration Commission has been established by the Australian and Tasmanian Governments. A very great Tasmanian, Sir Roland Wilson, you remember him as Secretary to the Treasury, and then chairman of Qantas and of the Commonwealth Bank he acts as my personal adviser on this matter. A sum of \$6 million was appropriated by the Australian Parliament for the period up to the end of last June; a further \$13.9 million has been appropriated for reconstruction, restoration and ancillary works in the present financial year. The Australian Government will finance the widening of the bridge during restoration to provide for five traffic lanes. You will get a very much better Bridge than you had before.

The Australian Government has undertaken to meet all the costs of designing and constructing a second bridge and its approaches over the Derwent River between Dowsings Point and Cleburne Point. This bridge is estimated to cost \$21 million and will have 4 traffic lanes. It will have a vertical clearance above the river of 15 metres.

In the meantime we have undertaken a range of relief measures such as the financing of a permanent community health centre at Bellerive, assistance with additional ambulance, fire-fighting, road safety, law enforcement and judicial services on the eastern shore, and assistance with emergency river crossing facilities. There has been virtually no limit to our readiness to cooperate with the Tasmanian Government and that cooperation will continue until community life in Hobart on both shores is restored to normal. From the ruins of the Tasman Bridge incomparably better metropolitan communications will arise. The capital of Tasmania will obtain better town planning and better civic services because for the first time there is a national Government which is involved in urban affairs.