



PRIME MINISTER

FOR MEDIA

SUNDAY, 29 JUNE, 1980

ELECTORATE TALK

The State Premiers and the Commonwealth, meeting in Loan Council in Canberra last Thursday and Friday took major decisions relating to Australia's national development.

I want to tell you tonight about those decisions and what they mean for the future of Australia.

While the oil crisis poses difficulties for all countries, it has also presented great opportunities for Australia.

The doubling of the price of oil in less than 18 months has increased the demand for our resources of coal and has made Australia an attractive location for energy-intensive manufactures such as aluminium smelting.

Some \$17 billion worth of announced private sector investment projects that are planned to take place over the next few years are ample evidence of interest in Australian development.

New figures will be released shortly that will significantly upgrade this total.

This investment obviously requires investment by governments in power generation, in transport and export facilities.

The oil crisis has affected the need to accelerate development in another way.

It has made it imperative for us to reduce our dependence on supplies of imported crude oil.

I therefore wrote to the Premiers in November 1979 asking them to submit proposals to accelerate the development of coal-fired electricity generation capacity in Australia.

We have been pleased with the response to our invitation.

There is no way the States could have provided from their own resources the investment that is needed for development and to take advantage of the opportunities provided to Australia.

Governments must invest in electricity generation, railways, coal loaders, telecommunications and in other facilities to provide the basic strength and support for resource development and processing and for private investment generally.

So two years ago we agreed on a special borrowing programme to underwrite Australia's national development.

At last week's Loan Council meeting we approved new projects, and major revision to previous projects, involving borrowings of \$1.5 billion.

This brings the total value of borrowings approved under the programme to \$4.7 billion over a number of years.

In addition there are a number of other projects which are still under examination.

\$1.3 billion of the new borrowings approved at our recent meeting were for electricity generation.

They include large additional investments at Loy Yang in Victoria and at Bayswater in New South Wales.

10,300 megawatts of generating capacity will be added to Australian grids as a result of the programme.

And there is almost another 5,000 megawatts of capacity in the projects from New South Wales, Queensland and the Northern Territory that are still being examined by the Loan Council.

Railway electrification offers another way of reducing our dependence on petroleum fuels.

At the Loan Council meeting, the Commonwealth indicated its support for the electrification of three lines in Queensland which are essential to resource development - Norwich Park to Hay Point, Blackwater to Gladstone and Collinsville to Abbott Point.

Electrification of the Gosford-Newcastle line in New South Wales had been agreed by the Loan Council at an earlier meeting.

Another electrification project - Waterfall to Port Kembla in New South Wales - is being actively considered by the Loan Council.

The Commonwealth has said that it will support the electrification of three other resource railway lines, two in New South Wales and one in Western Australia, if and when proposals are lodged by the States.

The Commonwealth has also offered to fund half the cost of electrifying the Sydney-Melbourne railway line.

Unfortunately New South Wales was not in a position to commit itself to this project.

It is my intention to talk to Premier Wran at the first opportunity and I hope that this will resolve the matter.

All these projects are a dramatic illustration of our commitment to Australia's national development, and of our desire to channel Government spending into directions that will build the basic strength of Australia.

But we have not forgotten that the development will not occur unless we continue the firm economic policies that we have consistently followed during the past five years.

We are concerned to maintain a steady pace of economic development, and not to place too sudden a demand on the resources of skilled labour and the capital market, in a way that would add to inflationary pressures.

Because of this, and because of the size of these new projects and the need to proceed in an orderly and carefully integrated manner, the Commonwealth and the States have agreed to look further at the borrowing proposals to make sure that there is an even flow and that the investment programmes expand carefully.

Australia has entered an exciting decade during which we will see development and investment unparalleled in our country.

With our supplies of minerals, our vast reserves of energy - along with the quality and calibre of our people - we have opportunities that are second to none.

INFRASTRUCTURE PROJECTS - TYPE

		*NEW PROJECTS	\$ MILLION
NSW	GOSFORD/NEWCASTLE RAIL		131
QLD	BRISBANE RAIL ELECTRIFICATION		68
QLD	NORWICH PARK - HAY PT. RAIL ELECTRIFICATION		NOT AVAILABLE
QLD	BLACKWATER (MINES) - GLADSTONE RAIL ELECTRIFICATION		NOT AVAILABLE
QLD	COLLINS-ABBOT POINT RAIL ELECTRIFICATION		NOT AVAILABLE
<u>ELECTRICITY GENERATION PROJECTS</u>			199
NSW	ERARING ELECTRICITY		264
NSW	BAYSWATER ELECTRICITY		135
VIC	LOY YANG A POWER STATION		383.3
QLD	POWER STATIONS		460
SA	NORTHERN POWER STATION		145
WA	PILBARA REGION POWER SUPPLY INTEGRATION		138.7
WA	KWINANA POWER STATION CONVERSION		39.1
TAS	HYDRO-ELECTRIC POWER DEVELOPMENT		112.8
NSW	BAYSWATER EXTENSION*	375	375
VIC	LOY YANG A POWER STATION (REVISION)	200	200
VIC	LOY YANG B POWER STATION*	492.6	492.6
WA	ADDITIONAL POWER GENERATION FACILITIES*	236.3	236.3
		1,303.9	2,981.8

* = NEW INFRASTRUCTURE PROPOSALS, JUNE 1980 MEETING, COMPRISING SUBSTANTIAL REVISIONS AND EXTENSIONS AND NEW PROJECTS.

ASSOCIATED WITH RESOURCE DEVELOPMENT

		<u>NEW*</u> <u>PROJECTS</u>	<u>\$ MILLION</u>
N.S.W	COAL EXPORT FACILITIES, PORT KEMBLA		122
QLD.	COAL EXPORT FACILITIES HAY PT		106
S.A.	REDCLIFF		228
W.A.	DAMPIER-PERTH PIPELINE		553.3
W.A.	WORSLEY RAIL AND WATER		42.6
W.A.	NORTH WEST SHELF GAS -- INFRASTRUCTURE		38.6
W.A.	NORTH WEST SHELF GAS -- JERVOISE BAY*	7.1	7.1
VIC.	PORTLAND TRANSMISSION LINE*	122.8	122.8
		129.9	1,220.4
 <u>OTHER</u>			
VIC.	WORLD TRADE CENTRE		70.3
VIC.	WURDEE BOLUC PIPELINE		13.1
TAS.	WATER SUPPLY		40
COMWLTH	TELECOMMUNICATIONS*		70
COMWLTH	ADELAIDE-CRYSTAL BROOK RAILWAY		
	STANDARDISATION*	62	62
VIC.	GRAIN ELEVATORS*	55.9	55.9
		117.9	311.3
	<u>TOTAL</u>	1,551.7	4,712.5

= NEW INFRASTRUCTURE PROPOSALS, JUNE 1980 MEETING, COMPRISING SUBSTANTIAL REVISIONS AND EXTENSIONS AND NEW PROJECTS.

NOTE : SCHEDULE EXCLUDES MELBOURNE-SYDNEY RAIL ELECTRIFICATION