



PRIME MINISTER

FOR MEDIA

August 2, 1983

The Tasmanian Premier, Mr. Gray, must stop dissembling and playing politics over the Federal Government's decision to stop funding for the further construction of the Crotty Road.

Mr. Gray is quoted on Monday as claiming that "the first inkling" that he had of the Commonwealth's intention to pull out of the project came only on July 28.

He was quoted as saying that the decision to cut funding had been taken without consultation.

The facts are these:

1. The future of Crotty Road was raised by me in a letter to Mr. Gray on July 1 in which I suggested that construction work be continued "for the very immediate future" pending detailed consideration by the two governments.
2. Mr. Gray wrote to me on July 21. The relevant extract is as follows:

"I accept your assurance that for the very immediate future work continue on the Crotty Road. Work is in fact continuing on that road and the future direction of the road is of vital concern to my Government. I have already cautioned against the road being extended to Kelly Basin because of the dramatic consequential effects such an extension of the road would have on the economy and life of Strahan. I advise that State Cabinet considered this very matter on Monday, 11 July, and resolved to oppose any extension of the Crotty Road to Kelly Basin.

"You should be made aware of the fact that if the King River Power Scheme is built, the part of the Crotty Road, which has virtually been completed will be flooded. The area of the road presently being constructed will not be flooded."

3. As well as talks on the future of Crotty Road between officials, the project was raised at the meeting with me, requested by Mr. Gray, on July 25. At that meeting there was a clear indication that the State had no need of its own for the road to proceed, regarded it as inappropriate for it in fact to proceed and left it as a matter for Commonwealth decision.

Given the State Government attitude outlined on July 21, and reaffirmed at the July 25 meeting the Commonwealth believed that until the management plan for the wilderness areas was agreed to by both governments, there was little point in continuing to spend money on a road that was going nowhere and which could eventually be flooded.

I note that Mr. Gray has undertaken to bring forward the construction dates of the King River and Henty Anthony hydro schemes. The Federal Government was already considering the funding of these schemes as part of its overall compensation package for Tasmania.

Following the July 25 meeting, I wrote to Mr. Gray recalling that I had placed considerable emphasis for officials of the two governments to make early progress with studies of future power requirements.

"We see this question as central to the nature of future arrangements between our governments and Senator Walsh has already put in hand an examination of broad policy options for the Commonwealth. I understand that your government expects shortly to consider a paper dealing with future needs that is being prepared by the HEC, and I would expect that work on the proposed joint studies could proceed in earnest once that action has been taken", my letter said.

Mr. Gray has yet to formally advise that he is prepared to permit such a study.

Mr. Gray should know that I am becoming weary of his provocative, ill-founded and deliberate deception for his own miserable political purposes.

For its part the Federal Government does not intend to be distracted from the fundamental task of formulating a compensation package which will provide the maximum benefit for all Tasmanians.