



## PRIME MINISTER

22 August 1983

The Prime Minister today sent the following letter to the Tasmanian Premier, Mr Gray.



PRIME MINISTER

CANBERRA

22 August 1983

The Hon. Robin Gray, MHA  
Premier of Tasmania  
HOBART TAS 7000

My dear Premier

I am writing to advise you of a number of further decisions the Commonwealth has taken regarding assistance to Tasmania consequent on cessation of work on the Gordon-below-Franklin scheme.

You will recall that in his discussions with you in Hobart on 11 August, Senator Grimes mentioned the development of tourist facilities in the South-West, and the Queenstown sewerage project, as two areas in which the Commonwealth would be willing to provide assistance to your Government. I understand that you indicated that such proposals would be acceptable to your Government. In respect of tourist facilities, the Commonwealth is prepared to offer to provide funds of up to \$2 million in 1983/84 and a further \$3 million in 1984/85, on the basis that the State undertakes to provide at least 110 man-years of employment. The initiative in proposing particular projects would of course be primarily a matter for the State, with individual projects subject to Commonwealth involvement to the minimum compatible with its responsibilities.

For the Heritage Area itself it is clearly most important that we should press ahead with the development of appropriate arrangements, including the preparation of a management plan, and the Minister for Home Affairs and Environment, the Hon. Barry Cohen, will shortly be bringing proposals to Cabinet for this purpose. There are a number of ways, however, in which tourist facilities in the region, particularly outside the Heritage Area, could be developed quickly. Such facilities could include construction of new visitor information centres, campgrounds, picnic and toilet facilities, jetties and wharves, and it is for such proposals that the Commonwealth is now offering assistance.

For the Queenstown sewerage project, the Commonwealth offers to provide up to \$1.7 million to Tasmania subject to the State undertaking to provide at least 30 man-years of

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employment. This project has been suggested to us as a means of providing some early employment opportunities in the South-West, given that plans have already been completed. We would normally have taken the view that the Commonwealth should not be involved in such a proposal, since it is essentially one for State and local government consideration. Having regard to all the circumstances, however, we believe that it is appropriate for the Commonwealth to offer assistance in this particular case.

In respect of both these matters the appropriate course would presumably now be for your Government to put forward detailed proposals which would provide the basis for formal agreement between our Governments.

As a further Commonwealth initiative to provide employment opportunities, we have decided that tenders should be called immediately for strengthening aircraft pavements for unrestricted B727-200 operations at Hobart Airport, at a cost of \$3 million. You will be aware that these works had been deferred on the recommendation of the Parliamentary Standing Committee on Public Works. I am advised that the runway pavements are still satisfactory in terms of aircraft operations, although they are now showing some signs of stress.

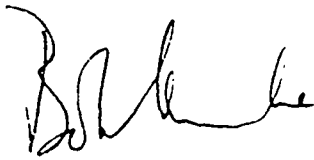
In terms of overall priorities in the aviation field and the need to exercise the firmest restraint in public expenditures, the Commonwealth seriously considered further deferral of these works. In the circumstances flowing from the High Court decision, however, we have taken the view that it is an appropriate project to bring forward at this time.

We have also given careful thought to the various proposals for the upgrading of Wynyard Airport, having regard particularly to such factors as passenger traffic trends and the availability of airport facilities in Northern Tasmania generally, as well as to the potential of the project for employing resources formerly engaged on the Gordon-below-Franklin project. The overall position we have reached is that the major expenditures involved in the development proposals for Wynyard Airport cannot be justified at this time. The matter will, of course, be kept under review.

We will continue to give consideration to the possibility of other Commonwealth initiatives. It would seem, however, that when the proposals I have outlined above are added to those that have already been agreed between us, and taking into account other proposals being developed by the State, we are well on the way to providing for all the job opportunities that are required in 1983/84.

As to the funding of other works to be undertaken by the State, I advised you in my letter of 29 July that the Commonwealth was considering the provision of a quantum of funds (block funding) that could be applied to projects of the State's choosing. We have given this matter further thought, and as a result have asked Senator Grimes to seek an early meeting with you to discuss a possible approach.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'R.J.L. Hawke', written in dark ink.

R.J.L. Hawke