



PRIME MINISTER

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

ANNUAL CONFERENCE OF REGIONAL DAILIES
DUBBO - 30 SEPTEMBER 1986

Chairman, Directors, ladies and gentlemen.

First, let me thank you for the invitation to Hazel and me to be with you tonight at this celebration to mark the 50th Anniversary of the Regional Dailies Association of Australia.

This is not, of course, my first involvement in one of the Association's annual conferences, having previously been with you during my ACTU days and again two years ago at your meeting in Canberra.

I assume, by the way, that there is no particular significance intended in the zoological surroundings tonight - either that you regard your industry as an endangered species or that I should regard this captive audience as fair game.

Of course the relationship between politicians and the media is as close as it is uneasy. There are cynics on both sides.

Samuel Butler once said that the most important service rendered by the press is that of educating people to approach printed matter with distrust.

Whereas the American journalist Frank Simonds replied, there is but one way for a newspaperman to look at a politician, and that is down.

Seriously, however, it is a pleasure to be here tonight, away from Canberra and the State capitals, and in the company of professional newspaper people who are in close touch with the ordinary men and women of Australia.

In a continent as large and with such a scattered population as Australia, the regional dailies serve a vital role. Your papers do much more than just offer a news service. They foster a sense of community and identity.

At last count the 36 member papers of the Regional Dailies Association, I am told, had a combined circulation of well over half a million, with a readership of around 2 million.

Aside from promoting co-operation between its members, the Regional Dailies Association has an important industrial relations role, as well as sponsoring research and promoting the industry.

It is a measure of the group's effectiveness that the Association remains strong and viable some 50 years after its establishment. This is a credit to the leadership of the organisation.

The strength of the regional dailies is based on the provincial cities and towns of Australia. Although Australia is regarded as one of the most urbanised countries on earth, this overlooks the fact that almost one in three Australians lives outside the capital cities.

Only a small percentage of these non-metropolitan Australians live on the land, in the sense of being farmers or residents of very small country towns. Most of them live in large provincial towns and cities of the kind represented by your newspapers - places like Burnie, Ballarat, Bathurst, and Bundaberg.

Although the farm crisis and Australia's related balance of payments difficulties have recently focused much attention on provincial Australia, the fact is that for well over a decade now - indeed, since its inception at the turn of the century - the Australian Labor Party has had strong regional roots and policies.

In the early 1970s the ALP was the first major political party to articulate a coherent policy of regional development. Many of those innovative programs were suspended in the years following 1975. But the philosophy remained part of Labor's thinking.

The principle of popular participation - of grassroots democracy, if you like - has always been one of the distinguishing characteristics of ALP philosophy. Those of you who follow the Labor Party's vigorous internal debates would be aware that in practice this democratic spirit is at times overproof.

This participation principle has become, and remains, a touchstone of governmental practice in the 1980s. When I launched the Labor Government's re-election platform, I said:

"The needs of the four and a half million people who live and work outside the major cities are at the forefront of our Government's concerns. We recognise that distance in this vast country can create problems for country people and as we implement our policies during our second term in the fields of health, education, transport and communications, the special needs of country people will have a high priority."

These priorities have become enshrined in the platform and principles of the Australian Labor Party. They are reflected in the ALP Platform of 1986 which, among other things, calls for a national recognition of employment and unemployment imbalances. Here in Dubbo, for instance, the unemployment rate (12 per cent) is higher than the rural average (10.3 per cent). And the proportion of Aboriginal people in the ranks of the unemployed (12 per cent) is double their share of the population (6 per cent).

The 1986 ALP platform acknowledges three inter-dependent aims that are central to the principles of efficiency and equity, namely:

- . facilitating economic growth in areas possessing natural development potential and comparative advantage,
- . assisting the adjustment of urban and regional communities to the stresses and opportunities associated with change, and
- . promoting equity and access in the regional provision of social facilities and services.

As a party and as a Government we appreciate that in order to give effect to these aims we need to fashion policies that:

- . are tailored to the specific circumstances of regions,
- . involve local communities in their design and implementation,
- . are adaptive to change, and
- . are consistent with agreements between the Government, trade unions and the private sector on strategies for development.

When I articulated the priorities of the second Hawke Labor Government, I said that we would aspire to, and be judged by, our commitment to a more equitable society.

More precisely, we recognise the restricted access of many country people to a range of community facilities and services. We had in mind such areas as education, training, retraining, transport, health, housing, children's services, communications, and the delivery of benefits and welfare services.

In the area of telecommunications, to take a topical example, the Government's policy of uniform charges for similar services - a policy of far-reaching social and economic benefit to the less densely populated areas of the country - is made possible through a system of cross subsidies. Some half a billion dollars a year in such subsidies is directed towards Telecom's 1.5 million rural consumers.

In the Labor Party Platform we undertake to give attention to the specific characteristics of rural and isolated areas, to seek to overcome disadvantages in access to community services, and to develop specialist institutions and programs where required.

These are grand aspirations, fine words, but they are not hollow phrases. To translate them into reality requires the practice as well as the spirit of co-operative endeavour.

As I said in the John Curtin Memorial Lecture, exactly three years ago this week, with the election of Labor Governments throughout Australia, "it should now be possible to devise a pattern of relationships, in a spirit of co-operation and consultation, which is most attuned to the circumstances of our time - a set of relationships which more effectively matches the capacities and responsibilities of the respective levels of Governments (including local Government) than we have ever known in Australia."

You might rightly ask, how has this commitment been translated into tangible expression for the one-in-three Australians who live in non-metropolitan Australia.

I am pleased, in fact proud, to say that the runs are on the board.

Financial assistance to local Government was increased by more than 50 per cent during the first three years of Labor Government. This reflects a recognition of local Government as an important provider of services.

The 1986-87 Budget saw the allocation of \$586 million in Commonwealth general purpose funding to local Government authorities throughout Australia.

This was the first allocation under the new Local Government (Financial Assistance) Act.

Under these arrangements the level of funding in real terms is guaranteed for the next 2 years, combined with greater emphasis on assistance to disadvantaged councils - a further tangible expression of equity in practice, of restraint with equity.

These untied grants represent only part (slightly more than half) of Commonwealth assistance to local Government authorities. They do not include earmarked grants for Community Employment Projects, for roadworks, for country town water supplies, and so forth.

Nor do they reflect the heightened recognition of local Government in the counsels of our federal system, such as the priority accorded local government in the economic and tax summits and in the Economic Planning Advisory Council.

To some extent, however, it is misleading to treat regional Australia as a coherent unit, universally different from metropolitan Australia. Ballarat is as different from Bundaberg as is Perth from Sydney.

This diversity is as much a strength as it is a challenge, helping us to survive and benefit from the swings and distortions in the product markets that influence the national well-being.

Regional economies need to establish a wider range of activities in order to insulate themselves from fluctuations in certain markets. This is already happening in many of our regional centres.

Using the natural advantages of cheaper land, large open spaces, a relatively stable labour supply, a less stressful lifestyle, often first class education, welfare and cultural facilities and unique local resources, regional centres have obvious advantages in attracting specific industries away from metropolitan areas.

Tourism is one area in which many regional centres have undertaken substantial development. Stimulated by the depreciation of the Australian dollar, tourism has continued to grow at more than 10 per cent p.a. since 1984 when the number of tourists visiting Australia, and the number of Australians choosing to holiday at home, first exceeded one million. This trend is accelerating.

When I visited Cairns recently it was very apparent that tourism development was providing the city with an economic alternative in the difficult times being experienced by the local sugar industry.

Here, too, in Dubbo and the central west generally there is evidence of the community diversifying its economic base. In place of an almost total dependence on agriculture, we now see light manufacturing industry and a growing tourism industry, including such outstanding attractions as the Western Plains Zoo.

In order to promote the development of robust, diversified regional economies the Commonwealth and the States are collaborating on the Country Centres Project, a pilot scheme operating in eleven country areas. Working in conjunction with the local community and private sector interests, its purpose is to develop local self-help strategies based on realistic economic and community development opportunities.

Such initiatives have assumed increased importance and urgency as the historical rural base of many provincial cities has been eroded. I hardly need remind you that world prices for most of Australia's major agricultural and mineral products have plummeted to despairingly low levels.

In the case of agricultural commodities a large part of the reason is to be found in the excess production artificially stimulated by the subsidising practices of Europe and the United States.

The price-depressing effects of these absurd policies has contributed to a 20 per cent decline in the export income of our farming community. In my visits to towns like Canowindra, Moree and Cowra, I have witnessed the human dimension of this crisis.

Because agriculture constitutes 40 per cent of Australia's total exports, however, the consequences are felt not just in rural Australia, but in the metropolitan areas as well. These reduced returns are slicing \$6000 million off our national income. The nation has had to tighten its belt as a result.

We have responded to the changed international environment with a number of strategies. We have attacked the most important cause of the problem - the agricultural subsidising practices of Europe and the US - not only through bilateral representations, but also through the multilateral system, the General Agreement on Tariffs and Trade (the GATT).

The Minister for Trade, John Dawkins, recently organised the fair trader alliance, a group of 14 like-minded, efficient agricultural producing countries that had suffered from the policies of the major trading nations.

Less than a fortnight ago, at the historic GATT Ministerial meeting held to launch a new round of multilateral trade negotiations, Australia and the new alliance enjoyed an astonishing victory - we overcame formidable EEC resistance in having the problems of agricultural trade and subsidies effectively included in the negotiating agenda for the new round.

This is the first time that the GATT has addressed itself to agriculture.

The recent sale of heavily subsidised wheat by the EEC to the Soviet Union underlines the importance of getting meaningful multilateral trade negotiations underway as soon as possible, now that the new round has been launched. Although fundamental and absolutely necessary, this multilateral strategy is a long-term one. Therefore it is being supported by a range of domestic initiatives aimed at providing immediate assistance to the rural sector.

If we cannot increase world prices in the short term, we certainly can reduce costs through productivity and efficiency gains in our rural industries. Recent decisions concerning the diesel fuel rebate for primary producers, fertiliser subsidies, and bounty instead of tariff assistance for farm machinery, have all reduced the cost of farm inputs.

In the case of the hard-pressed Queensland sugar industry we have sought to raise productivity by encouraging the removal of various restrictive regulations imposed under State legislation. This could reduce industry costs by some \$130 million.

On the broader rural front, in the face of declining world prices, we have sought to increase Australia's market share. This year has seen several new initiatives, including the start of a four year program of marketing innovations for the meat industry; a \$10 million market promotion program for the horticultural industry; and \$25 million over 5 years to develop innovative marketing methods for agriculture generally.

Our efforts have not been confined to the farm sector. The minerals industry is an important part of provincial Australia. It also supplies 40 per cent of our export income. It too is suffering the price-depressing effect of oversupply and new technologies.

The Government for its part has sought to ease the regulatory burden on mineral exports. By easing controls on the export of coal and crude oil, alumina and bauxite, we have increased the capacity of mineral exporters to respond flexibly in what has become an intensely competitive international market.

All these rural initiatives would be of only limited benefit, however, if they were not complemented by a sound general economic strategy - that is, a coherent set of economic policies directed towards addressing Australia's externally induced economic difficulties. Such a strategy is firmly in place.

As a result of the very difficult decisions of the last Budget, the Government has been able to reduce substantially its borrowing requirement in the coming year. This will feed through ultimately to lower interest rates and easier finance in the private sector.

On the wages front we have signalled the fundamental importance of further restraint. We will do whatever is necessary in order to maintain Australia's newfound competitiveness and to control inflation.

Both the Budget and wages policy will contribute to the easing of the burden currently borne by regional Australia. I was heartened, Mr Chairman, to read the editorial in your own paper, the Bundaberg News-Mail, following the Budget. As you said,

"The federal Government has lived up to its promise and given Australia the tough Budget it feels will lead us out of the economic quagmire ... it looks good and hopefully will work towards bolstering the economy."

Mr Chairman, regional dailies like the Bundaberg News-Mail play an important role in the economic life of provincial communities.

They assist in the promotion and success of business in the local area, often providing local business with information that is more focused and relevant to regional needs. News of local stock markets or the results of agricultural research relevant to the area are often most effectively conveyed through regional media.

When I say media, however, I also encompass regional television (as well as radio, of course). As a Government we are committed to offering a better level of services to regional areas, a level of service comparable to that enjoyed in the cities.

Already through the AUSSAT satellite, some remote areas are receiving ABC television for the first time. A more far-reaching expression of that principle will be the equalisation of commercial television services. This involves the most significant change to the production and distribution of television in this country in the 30 year history of the industry.

Before the end of this decade - even by 1988 in many cases - most country television viewers will have access to second and third commercial channels.

Our decision on equalisation favours fair competition between stations, and thus a better deal for consumers.

I know it has been said that equalisation will lead to a loss of local programming and identity, with the spectre of regional stations becoming mere slaves to the networks.

We do not share that view.

There are two guarantees. First, there are the regulatory provisions of the Australian Broadcasting Tribunal concerning local content.

The second and, in my view, greater guarantee is the established and legitimate demand for local news and programming. Those stations that express and identify with the interests of the local community will be better able to resist their new competitors and hold their viewers.

Indeed, what we could see is an even stronger local flavour in regional television. Some stations may gain more than others, but people living in non-metropolitan Australia will benefit most of all.

After all, somewhat similar circumstances have not deprived regional radio or newspapers of their local identity. Indeed, as each of you would well know, it is the cultivation and expression of a regional perspective that underpins your viability and popularity. Without such a strong sense of local identity you would not be here tonight celebrating the 50th anniversary of your Association.

Once again, I thank you for the opportunity to be here tonight, to enjoy this occasion with you, and to share a few thoughts with you.

Our country faces difficult economic circumstances imposed on us from outside. The Government is very conscious of the fact that nowhere is this more clearly felt than in regional Australia.

I can assure you, however, that we are on the right track in solving the underlying problems.

But sound policies alone are not enough. The period ahead requires an active spirit of co-operation and restraint by all parties. It is not a time for confrontation or divisiveness.

I believe that, by helping bridge the gap between metropolitan and provincial Australia, the regional press can contribute much to fashioning that necessary mood of shared endeavour and a determination to succeed.

I congratulate the Regional Dailies Association on the achievement of your 50th anniversary and wish you well for the future.
