



PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
LAUNCH OF ILLAWARRA REGIONAL DEVELOPMENT STRATEGY
WOLLONGONG, 27 SEPTEMBER 1990**

Nearly two years have passed since the Illawarra community started the ball rolling on what has turned out to be a great reassertion of the confidence, strength and optimism that characterise this region.

In October 1988, on a visit to Wollongong, I was given a document that outlined a new plan for getting the Illawarra back on track.

You called for three things: the convening of a Regional Economic Summit, the formation of a Regional Consultative Council, and the development of a regional economic action plan.

At the time, that might have seemed an ambitious proposal.

But today we are celebrating the fact that, with the launch of this report, you have achieved each of those three goals you outlined to me two years ago.

The regional summit was held last July - and from the reports I received from the five Ministers of my Government who attended, it was a path-breaking success.

Out of that Summit came the establishment of a Consultative Council that would develop an economic strategy for the Illawarra. It was my pleasure to appoint Stephen Martin as its Chairman, and to see that the Federal Government could provide the financial resources to fund the Council's work.

This report is the product of the Council's work, and I can tell you at the outset that it is a very welcome report, both because of the obvious effort that has gone into preparing it and because of the breadth of community support that exists for it.

I want especially to thank Stephen Martin for his tireless efforts in bringing this project to fruition; in many ways his work has been a classic example of what a local member can do for his constituents through hard work, imagination and leadership.

I am not here just to pat people on the back for a job well done. But before I turn to the substance of the report, I want first to underline the significance of what you have done here.

The fundamental problem facing the Illawarra is its dependence on a narrow range of industries, particularly coal and steel. You don't need me to remind you of the difficulties the region as a whole faced when those two industries were hit hard in the early 1980s.

In this dependence on a narrow range of industries, and in your consequent vulnerability to economic fluctuations, you embodied many of the economic difficulties experienced by Australia as a whole.

As a nation, we have for too long relied for our prosperity on doing a few things well - a few relatively easy things such as shearing sheep or digging up minerals - while neglecting the harder job of building a diverse and competitive economy.

It's been the principal tasks of my Government to try and shake Australia out of those old complacent habits; to make us more efficient and more cooperative in our economic practices; and to encourage Australians to be more creative and energetic in looking for new industries and new products that we can sell on the increasingly competitive markets of the world.

And just as the Illawarra region embodied many of the economic problems faced by Australia, so you embody - as this report shows - our hopes as a nation for a more cooperative, diverse and productive future.

The way in which employers and trade unions cooperated with the Federal Government to put the steel industry back on its feet was an eloquent proof of that. The steel plan simply could not have succeeded without the commitment of each party to work together in the interests of ensuring the region, and the nation, retained a competitive and productive steel industry.

The results are on the board: increasing exports, strengthening productivity, and a dramatically improved industrial relations scene. Here at Port Kembla, hours lost through industrial disputes last year were just over five per cent of the levels of 1981 - a dramatic turnaround by any standards.

So it's crystal clear that there is a new spirit at large in the Illawarra - a new commitment to work together as a community so that the vast potential of the region can be fulfilled.

That's what makes this report such a welcome achievement, and that is why it provides such a firm foundation for the future of the region.

As you recognise in this report, manufacturing will always be important for the Illawarra, and there is a number of new industries such as marine engineering that could be natural complements to the strong base that has already been established. Some improvements could also be made to your transport infrastructure to sustain such developments.

Perhaps even more exciting are the prospects outside manufacturing - the new opportunities for employment and growth in tourism, finance, retailing and high-tech industry such as telecommunications.

Of critical importance to this is the expansion of the educational and skills base of the local economy.

The University of Wollongong is now the second-largest employer in the Illawarra. The Commonwealth has increased its funding for the University by 150 per cent in real terms since 1983. But equally significant for the future has been the way in which the university itself has embarked on cooperative projects with industry that have generated significant new revenues - the turnover from cooperative research programs has grown from \$300,000 in 1985 to \$14 million this financial year.

These changes have not by themselves solved the problems the Illawarra faces. But they do help diversify the local economy and so make it better able to cope with fluctuations and better able to offer satisfying jobs to the people of the Illawarra. They help the region, and the nation, generate new exports to earn new income abroad. And they help us build not just a lucky country but a clever country that can stay ahead of the constantly changing game in those critical activities of scientific research and development.

I don't pretend that I can give you an answer today to all the issues you raise in this report. I'm not here to announce new financial commitments on the requests made in this report. I can commit, and I do commit, my Government to look carefully at all the proposals made here and to provide a detailed response to it as soon as we can.

I notice in particular the report's emphasis on the need for better cooperation between different levels of government, since efforts to develop an effective regional approach have been hampered by a degree of duplication and lack of coordination. As you know, I am initiating a major effort, with the State Premiers, to improve the efficiency of our Federal system, and I will be chairing a Special Premiers' Conference at the end of October to address this very issue.

In this regard, I make the point that many of the projects suggested in your report would stand a much better chance of attracting Commonwealth funding under current programs if the State Government were to raise the priority it places on tackling the problems of the Illawarra.

I can only echo Stephen Martin's words: this is not a wish-list report; it is a hard-headed and sensible set of achievable solutions to the problems faced by the region.

I congratulate you on this report and I give you my commitment to continue working with you to ensure the best possible future for the Illawarra.