



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
ADDRESS AT THE FREMANTLE PORT AUTHORITY, PERTH
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Pam (Begg), Premier Carmen Lawrence, ladies and gentlemen.

I am very pleased to be here today. I have taken an interest in at least coming to the port site of the various ports around Australia to get a better minds eye view of exactly what is happening, where developments are, where they need to be and how to make our port system more competitive. And because we have as a theme of the 'One Nation' package, linking the ports to the rail system and as Pam says creating a rail highway around Australia, a standard gauge highway and the big link of course in that being from Adelaide to Melbourne and then improving the track from Melbourne to Sydney through to Brisbane. That such a system does provide opportunities for Western Australia, for Fremantle for a landbridging operation across Australia through Melbourne and up through to Sydney or if you like, as well through Broken down to Sydney.

We're still going through an important phase of the great post-war change in Australia which began with the removal of exchange controls and the floating of the exchange rate in 1983. The things which started to peel back the layers of management and protection of Australia so that the areas of comparative advantage were able to excel themselves in this economy and where the focus was taken off the areas of comparative disadvantage.

I've said over the last day or so in Western Australia and I'll say again, that in the areas of comparative advantage in mining and agriculture and services in commodities where we clearly have an advantage, national economic policy has favoured those areas so it's therefore not a surprise that the two states which have a great preponderance of these industries - Western Australia and Queensland are

now recovering more quickly and growing more strongly than some other regions of Australia. But to really make it all work, we've got to break the major economic barriers down and improve the efficiencies of the country and that includes from the port side right through to plants and services and it means in this case, trying to lift the value of the port/rail interface, the quality of the port, the efficiency and productivity of ports and at the same time try and rejuvenate the rail systems so we've got a better balance between sea freight, rail and road so that there's a more mature system out there to service the country as a trading entity.

I've said before and it's worth saying again, we are always criticised by the Coalition for the speed at which these changes were occurring and I make the obvious point, if they were so urgent why did they leave them for forty years? My colleague John Hewson who was advising John Howard, I don't remember him running any rear guard actions along port productivity or port reform or manning levels or ship crewing levels or fixing up the run-down rail infrastructure of Australia or repairing and putting competition into the road trade system with rail or in the telecommunication system or any of these things. It has been left to the Labor Party to try and crack all these micro-economic nuts and we're in the process of trying to crack this one now. And in relation to the rail freight system, that is the national railway, we are trying to conclude a greenfields industrial agreement with the trade unions for the National Rail Freight Corporation so that we can start to see the 'One Nation' money flow from next week. From the beginning of the financial year in the course of the next couple of months, to start to see the rail improvements around Australia in a system which is fundamentally going to be more competitive and where we can see the yield coming from those efficiencies as we improve the infrastructure that where we have efficiency in staffing across the rail system of Australia.

So that's why I think the Fremantle landbridge project study is important. That is the government of Western Australia has undertaken the study as to the prospect of landbridging in the new rail system across the continent and particularly accessing Melbourne and Sydney via Melbourne as well as via Broken Hill. This study is conclusive in the sense that it believes that such a system that Fremantle can succeed as a landbridging port and a landbridging policy can operate effectively from Western Australia across Australia as the first port for much traffic from the region near Western Australia and where for cargoes in demand that have time constraints and the rest on them that there is a real possibility of cutting down sea freight times and also port clearance times in the larger ports by landbridging out of Fremantle.

One of the things that Western Australia is now doing and will continue to do is get that balance into its primary exports sector with a larger service sector. And the city of Perth largely is a service city and it serves the great agricultural and mining industries of this State and we want to see it develop and proliferate as a service centre also in things like freight. And in doing so it provides more ballast to employment in Perth and hopefully by getting an efficient transportation system

it will mean that Western Australia can play its role as a service centre to South-East Asia, to Indonesia, to Malaysia, to Singapore and all the countries in the region where the sophistication of Australian services can be provided from the city of Perth and from Western Australia generally.

I'm hoping that as we pull the threads of this great change in the rail system together under the 'One Nation' package and get the greenfields agreement in place and start the reconstruction of the Adelaide-Melbourne line, cleaning up the access through the hills, lifting the bridges out of Fremantle all the way to Kalgoorlie so that we can put double stacked containers on rail, that we can start to bring up the efficiencies that makes the rail system competitive with other forms of transport, shipping included. That may not be designed to gladden the heart of shipping companies, but at least it will mean that there may be opportunities and probably be more opportunities for shipping and landbridging across Australia for cargoes in demand.

So, can I say that I'm very pleased that the Western Australian Government has taken the issue up and now have plans in place to spend the 'One Nation' money to fulfil the commitment to landbridging and that this study which is part and parcel of that which concludes in favour of landbridging that we will see it come to pass and that the efficiencies which we are seeing coming from the changes to the waterfront productivity levels to crew manning on the coast to improvements in the efficiency of the rail system will lead to a kind of transportation system in Australia which reflects what it should have always been - a more efficient one for the kind of trading country we are.

So it is with much pleasure that I launch the project, announce the study, publish the study and conclude by congratulating Pam as the Minister, but particularly the Premier for the farsightedness of the Western Australian Government in finding a place for Western Australia in the great freight network of Australia and calling Fremantle first in the great long run across the continent.

Thank you.