



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
ADDRESS TO THE COMMUNITY OF SUNRAYSIA, MILDURA SHIRE
COUNCIL CHAMBERS, FRIDAY, 6 MAY 1994**

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Shire President, Councillors Elizabeth Maffei and distinguished members of the Shire Council, could I also acknowledge the Mayor and distinguished members of the City Council, distinguished Parliamentary colleagues and guests, ladies and gentlemen, one and all. It is a great pleasure to be here and Mr Fitzpatrick, before I go on, as President of the Murray-Darling Commission. It is a very great pleasure for me to be in his company here today too.

I have had a most enjoyable morning and one knows about areas like the Sunraysia, you learn about them at school, I did where I went to school and the great irrigation areas of Australia because they are and were so much part of the ethos of rural Australia, particularly in the post-war years and in the case of Mildura, Mildura was even moving as an irrigation area before the nation federated.

There is a great sense of tradition as Mr Fitzpatrick said, of heritage about much of the area of the Murray-Darling catchment and for these particular irrigation areas. I think that one of the things that we are finding with the changed Australia, the new Australia, the open externally orientated Australia is that the things which we did in the past for our domestic consumption where we set up farm models and scales on European models for domestic demand, these things are changing and the regions of Australia have an opportunity now to participate in the new Australian economy, the more competitive, faster growing externally oriented one which opens up the prospects for a greater involvement by the people of regions and a greater sharing in the prosperity of the nation than that which they formerly would have been able to enjoy.

Part of the 'Working Nation' statement of a day ago was about giving regions a greater role in Australia, in the nation, in the governments of Australia and we've, in the reports which we did commission, principally that by Bill Kelty and his task force, the very extensive McKinsey research study and the Industry Commission Report all reveal one thing and that is that regions that know what they are doing, that have a sense of strategy about them, that have a sense of cohesion between municipal government, between employers, employees, trade unions, and other community bodies; generally have a higher economic performance than those areas that don't have that sort of coalescence of view or sense of leadership.

We thought one of the sensible things to do is to give regions a chance to be able to resource some of the things that they might do in mapping their own strategies. Give them a chance to see what they can do for themselves because whenever regions are given a chance to do something for themselves they always do better than something which drifts in from outside. That's not to say that outside, that is the footloose industries from time to time don't or won't change an area, it happens, but by and large most of the change comes internally. We want to see that those things could work.

So, in here we have got support for regional economic development organisations. We've got funding there to resource them, to see if they can refine their strategies and plans; we've got to change the tax treatment of some instruments such as infrastructure bonds, which could be important in some vital, if you look at an irrigation area - a vital piece of public community infrastructure, which can be provided privately if the tax system is set up properly; in pool development funds where one, for instance, might see the joint ownership of particular resources or even farms or production facilities and where those people, groups, companies or bodies need more capital through pool development funds they might have a chance now of raising it with a much more advantageous tax treatment.

There are a couple of important instruments, we think, there. Like all of these things one has to refine them. We've had a couple of goes at infrastructure bonds, but now we have got a 33 per cent tax rebate in there which will affect beneficially, say, super funds which are very low taxed and therefore a tax deduction doesn't mean anything to them, but a rebate does. So, some of these things are a case of seeing what the market will do with them, but anyway the chances are there and we're listening to see what the reactions will be. We do think they will help in regions.

The other thing is we've got a capital works program there for particular public works, community works which can be of special value to regions and it is from that pool that we will be funding some of these salinity control works which I have the pleasure of being involved with later on this afternoon, but more particularly, that being part of the general salinity control problem. In this case, in the Murray-Darling catchment system.

There are two approaches - there is the generic approach to regions and there is a specific approach to particular works. Where we think a region has

in a mature way or matured their plans so that some Commonwealth and in this case, State funding can go together to do something sensible because you know it is going to be money well spent.

One of the most impressive things we have seen in the last six or seven years is the collaborative work between the Commonwealth and the States in the Murray-Darling area and let me pay a tribute to the people in the Commission who have worked these plans up and produced a sense of co-operation and collaboration so that we are now making substantial strides in dealing with salinity problems and looking at the future of the Murray-Darling in the long term - Australia's greatest river system and it's one which we must nurture.

We have a much greater appreciation of the environment. We would now shake our heads in horror at the clear felling of trees which has gone on in this country really since European settlement and which has had now such a deleterious impact upon the landscape and upon, particularly, things like erosion and salinity et cetera. And approaching it in a co-operative, collaborative way is the only way because this system covers the various states - Queensland, New South Wales, Victoria, South Australia - and you need therefore a council, you need to think in national terms and you need to work with communities co-operatively and bring them along and let them see the point and purpose of it all.

This is, in fact, what has happened and a lot of progress has been made; much is yet to be done, but one thing is very clear: once people get to know about things they make the changes very quickly and at Mr Well's farm this morning I was just interested to learn some of the finer points about drip irrigation versus the sprays and that versus the gravitational irrigation and the quality it brings to the grapes and the diminished demands for water and the improved therefore salinity problem. All these things, no one group or individual can change these problems, it has to be a community thing. This is why, I think, with the Commonwealth involved with the States in the larger scheme of things like rural adjustment, the case of Victoria Farm-smart, all of these programs, Landcare, all these things help to make Australia better and more productive.

With all these export markets opening up to us with tremendous demands for horticultural products in this part of Australia and the tremendous demand in Europe and in Asia for the products of this country particularly in agriculture which we produce we have, I think, a great opportunity. So, sustainable development is a very important phrase for our country from here on in. I was very impressed with the advocacy of this in the Sunraysia by Mr Hewitt amongst others, over a long period of time and we've picked those themes up in the various task force reports and I'm very impressed indeed, with the general sense of community and notion of common problems that I'm seeing.

Thank you very much for doing me the honour of meeting me here today. I thank the Shire President for hosting this lunch and for the opportunity to look around the region and see what is capable of being done. I hope that with

the 'Working Nation' statement the more generic things on regional development and the specific thing here in the Sunraysia on this scheme of works for salinity control, we can just move the agenda of that commercial, community and environmental agenda just on that much further so that Australia is going to be a stronger and better place and the regions of Australia will have a greater role.

Let me conclude on this point. Unemployment is a big problem here, it is in many regional areas. It will be a test of a country's capacity to do things innovatively and maturely to see how they can work. We will be intensively case managing every young person under 18 years of age who is unemployed from here on. That is, anyone who has left school, is unemployed, they will have someone who is personally dealing with them and managing them, understanding them, their aspirations, their educational attainments, their aptitudes and trying to find things to do. Where work is limited in regional areas we have got a thing called the New Opportunities Programs where we are seeking community type works which we may be able to fund through the labour market programs and it will be, I think, a challenge for local government and other community bodies to come up with some of those things. Beyond that, in the greater scheme of things, the notion is going to be on education and training regarding the years 15 to 19 as a period of vocational preparation. We don't want kids dropping out of school only then to be picked up and then brought back in somehow into TAFE and other things, but to keep them there and then, of course, intensively case managing those people who have been unemployed for twelve months or more.

There is a great challenge there in that agenda, but at least a day ago we started moving on it decisively and, I think, we are doing things which Australia may again be doing some novel things that other comparable economies and societies are not doing in respect of employment.

Let me conclude again by thanking you for coming for the very warm welcome and I look forward to meeting you all. Thank you.

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