



13

PRIME MINISTER

REVITALISING THE HUNTER REGION - A NATIONAL PRIORITY

My visit to the Hunter region has been an opportunity to observe at first hand how the region is coping with BHP's recent decision regarding the steelworks and to demonstrate through practical measures the Commonwealth's commitment to the region and its future.

While the changes to BHP steelworks will not take place for some time, these changes have caused uncertainty and anxiety which must be addressed sooner rather than later. Employees and local businesses can then plan with greater certainty and confidence for the future. I have been struck, however, by the realistic and optimistic outlook of the various groups I have met today.

When the BHP closure was first announced I pledged that the Commonwealth would not rush in with band-aid measures but would listen to the local community and formulate an appropriate strategy after consultations. A number of Commonwealth Ministers have already visited the Hunter to consult the various stakeholders.

I reiterated that message in my meeting with community leaders and explained the principles that will underpin Commonwealth assistance to the region.

The meeting provided valuable direct feedback on the region's development prospects and priorities.

As part of our commitment to the Hunter we have allocated \$10 million in cooperation with the NSW state government and BHP to finance projects that will generate longer term economic and employment opportunities in the region.

In the Commonwealth's view these funds should be pooled and allocated if possible to one major project with long term economic potential. The Combined Steel Unions have also endorsed that approach. I will be raising the issue with Premier Carr in the next 24 hours.

This funding commitment is in addition to a number of specific measures that I am announcing today. These measures are outlined in the attachment.

After meeting with a delegation of union officials and workers from the Hunter in May I established a Prime Ministerial Taskforce to advise me on the social impact of BHP's decision. The Taskforce jointly chaired by Maurie Rudd, Secretary AWU Newcastle and Northern Regions Branch, and Robin Chenery, former manager, Newcastle Steel

Works. The first meeting of the Task Force today was an opportunity to hear at first hand the social challenges which the Hunter is facing in adjusting to the BHP closure.

The Commonwealth has already taken a number of measures that will assist the Hunter Region.

The Minister for Employment, Education, Training and Youth Affairs announced in May a \$2 million jobs package, including \$1.2 million for the creation of new small businesses through the New Enterprise Incentive Scheme and the balance for business incubators, skill audits and skill upgrading. More recently, we have allocated \$1.9 million for 174 extra training places under the Special Employer Support programme.

In June, the Minister for Industry, Science and Tourism announced funding for two tourism projects in the Hunter (\$250,000 for a convict Lumberyard Heritage Project and \$200,000 for a dolphin interpretive centre at Port Stephens).

The Minister for Defence also announced last month the preferred tenderer for the new Lead-in-Fighter/Trainer for the Australian Defence Force which will generate new economic activity and jobs in the Hunter region.

British Aerospace (BAe), the preferred tenderer will construct a major new assembly facility at Newcastle airport which will involve 150 jobs in aircraft assembly. The project will inject approximately \$60 million into the regional economy during the first phase of support to 2007. There is also the prospect of more jobs in the Hunter. BAe is seeking to develop the facility as a support and maintenance base for the Hawk aircraft supplied to other regional airforces.

These initiatives across a number of sectors reflect the extent to which the economic base of the region has diversified in recent years. The inherent economic strengths of the region and its tenacious community spirit makes me very optimistic about the future.

16 July 1997

ATTACHMENT

RESOURCE RECOVERY CENTRE FOR THE HUNTER REGION

This \$850 000 project will be based at the existing Summerhill Waste Management Centre and will be conducted over four years.

The centre will help establish local recycling businesses.

It will also investigate new markets for a range of reusable material.

The centre will provide businesses in the Hunter Valley region with engineering expertise and information on appropriate technologies, product testing, market development and assistance in obtaining finance.

Local Government and industry will be approached to contribute to the project.

The centre will be based on the successful Clean Washington Centre in the United States which has generated some 16 000 jobs over six years, of which 13 000 are blue collar jobs in secondary manufacturing.

The Hunter Valley centre will work closely with the Clean Washington Centre, drawing upon their expertise.

LAKE MACQUARIE REHABILITATION

At four times the size of Sydney Harbour, Lake Macquarie, near Newcastle, is Australia's largest salt water lake.

Urban and industrial development within the lake's catchment have had a significant detrimental impact on the lake's environmental values.

A grant of \$500 000 will support this four year project to reduce water pollution from surrounding urban areas entering the lake.

The project will involve the installation of stormwater treatment facilities, sedimentation basins and wetlands in strategic locations around the lake and its catchment.

This course of action has been identified as a priority in the draft Lake Macquarie Estuary Management Plan.

HUNTER REGION TOURISM DEVELOPMENT STRATEGY

An additional \$1 million will be provided to the Hunter Regional Tourism Organisation to continue its highly successful development strategy. The focus will shift from its effective export strategy to raising the region's profile in key domestic markets. This will involve consumer advertising and promotions, publications and information distribution, attracting convention and incentive travel and a media relations programme.

SPECIAL EMPLOYER SUPPORT PROGRAMME

\$1 million for a further 125 SES places to be given to existing providers. Places to commence in September/October.