

REGIONAL AUSTRALIA: LEADING THE WAY

STATEMENT BY
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OVERVIEW

The prosperity of Australia's regions — and the well-being of people who live in regional Australia — will depend on their continued ability to participate successfully in the national and international economies.

The Government recognises that regional Australia has particular needs, and is committed to ensuring that these needs are addressed in a coordinated and effective way. To support development of regional Australia, the Government has built on last year's achievements, with a further package of measures to benefit our regions.

The Government is systematically improving the economic and employment potential of regions by improving the outlook for their industries.

In addition to the specific initiatives outlined in this statement, the Government is pursuing a government-wide approach to maximise the impact of its policies and programmes on regional Australia. At the centre of this strategy is the **Ministerial Working Group on Regional Affairs**, chaired by the Minister for Transport and Regional Development. Reflecting the Government's commitment to generating lasting jobs, the focus of the Working Group is on the economic development needs of regional Australia.

This statement develops the initiatives contained in *Rebuilding Regional Australia*, released in conjunction with the 1996-97 Budget, and brings together key Government initiatives that will provide lasting benefits to regional Australia.

The Government is creating the economic climate that will allow business to invest with certainty, which is the only way to generate **real and lasting jobs**. It is making lasting reforms to benefit small business, is transforming our industrial relations system, improving our transport systems, making regional industries more competitive, introducing a Business Plan for Australian Agriculture, and providing targeted employment assistance for those regions most in need.

The \$1.25 billion **Natural Heritage Trust** is the most important package of conservation and natural heritage initiatives that has ever been introduced in Australia. It will lay the foundation for the sustainable management of our land, water, native vegetation and biodiversity, resulting in the best possible balance between preserving our unique natural heritage and giving certainty to our resource-based industries.

The Government is also **improving telecommunications services for regional Australia**. The Regional Telecommunications Infrastructure Fund will provide \$250 million to help regional communities and businesses take advantage of technologies that metropolitan users have come to take for granted, and provide a real impetus for business and employment.

Continued **investment in transport infrastructure** will also prove to be of enormous benefit to regional Australia. Not only is 90 per cent of the roads budget being spent in rural areas — generating thousands of jobs — but the improvements to our road network will give regional businesses faster access to markets and provide regions with better and safer links to our cities.

Through these initiatives, the Government is delivering on its commitment to regional Australia.

PROTECTING OUR NATURAL ENVIRONMENT

Natural Heritage Trust of Australia

Australia's unique natural environment is a source of enormous wealth, not only for rural industries and the growing eco-tourism industry but also as a national treasure that must be preserved for future generations.

More jobs and rising living standards

The Government aims to achieve a balance between the environment and development. It is committed to strategies that will produce jobs and rising living standards while looking after our natural heritage — economic development that is environmentally sustainable. The Government's policies are aimed at achieving the right balance between providing certainty for our primary industries — which continue to generate 58 per cent of our export income — and protecting the environment.

A \$1.25 billion investment in our future

The Government will invest \$1.25 billion over the period 1996-97 to 2001-02 on the most integrated and far-reaching package of conservation and natural resource management initiatives this country has seen, through the **Natural Heritage Trust of Australia Reserve** (the Trust).

Following passage of the legislation allowing the partial sale of Telstra and the establishment of the Trust, it will be used to fund five capital projects:

- a **National Vegetation Initiative** to reverse the long term decline in the extent and quality of Australia's vegetation cover, with funding of \$329 million over six years;
- the rehabilitation of the Murray-Darling Basin through the **Murray-Darling 2001 project**, with funding of \$163 million over six years;
- a **National Land and Water Resources Audit**, with funding of \$37 million over six years;
- a comprehensive **National Reserve System** to protect Australia's biological diversity, with funding of \$80 million over six years; and
- a \$106 million **Coasts and Clean Seas** initiative comprising widespread activities over four years to protect coastal areas, complementing the first ever national oceans policy.

In addition, 11 other environment, sustainable agriculture and natural resource management initiatives are to be funded from the Natural Heritage Trust drawing on Budget funding and interest earned by the Trust. Most significant are:

- an expanded **National Landcare Programme** (\$264 million) with a focus on on-ground implementation;
- a new **National Rivercare Initiative** (\$97 million) which will make a significant contribution to the sustainable management, rehabilitation and conservation of rivers outside the Murray-Darling Basin;
- funding for a **World Heritage Area Management Programme** (\$40 million) to improve management of Australia's 11 World Heritage properties;
- programmes to address **nationally significant weeds** (\$24 million) and **feral animal pests** (\$16 million);
- additional funding (\$22 million) for the **Farm Forestry Programme**; and
- funding for an **Endangered Species Programme** (\$16 million) and a **Wetlands Programme** (\$11 million).

\$187 million will be made available in the Budget in advance of the partial sale of Telstra, subject to passage of the *Natural Heritage Trust of Australia Reserve Bill 1996*, to ensure that Trust initiatives can get underway in earnest in 1997-98.

At the end of six years, \$300 million will be retained in the Trust to create a continuing income stream for additional environmental and sustainable agriculture projects.

Murray-Darling Basin Initiative

\$18 million for a more productive environment

The Murray-Darling Basin is one of Australia's most important agricultural regions, with output valued at over \$8 billion annually. Resources in the Basin have suffered from agricultural and urban development. Reduced river flows, problems with algal blooms and water quality, expanding areas of dryland salinity and other forms of degradation reduce productivity, damage environmental values and reduce the quality of life for families living in towns and on farms in the region. In addition to the Murray-Darling 2001 initiative, funded through the Natural Heritage Trust, the Government will provide some \$18 million in 1997-98 for capital works and other activities in the Basin.

BUSINESS, INVESTMENT AND EMPLOYMENT

The generation of real and sustainable jobs is the Commonwealth's major priority. This is particularly important for regional Australia.

An economic climate to create investment and jobs

It is the private sector — not governments — that will create jobs for our young people. Therefore the Commonwealth is creating the economic climate where the private sector can invest with confidence, to create these jobs. The results of the Government's policies are already apparent:

- inflation has fallen sharply over the past year, and is now at levels comparable with the average inflation outcome of the 1950s and 1960s;
- apart from the bottom of the recession in the early 1990s, business interest rates are at their lowest levels in 20 years; and
- business investment expectations and business confidence are high.

Stronger economic activity

Economic activity is expected to strengthen in 1997-98, underpinned by strong investment growth, low inflation and supportive international conditions. This is particularly the case for Australia's major trading partners, especially Japan, East Asia and the United States which will assure growing export opportunities for Australia's regions.

1% drop in interest rates - \$170 million extra for farm sector

Lower interest rates are particularly important for our rural industries, with a 1 per cent drop in interest rates providing \$170 million extra income to the farm sector.

Reduced pressure on interest rates

The Government's strategy to reduce the budget deficit will achieve its medium-term objective of having the budget in balance, on average, over the course of the economic cycle. This strategy should, over time, lead to improved current account deficits and help take pressure off market interest rates. This will assist in lifting economic growth, benefiting all sectors including rural and regional industries.

The Government's budgetary strategy will also ensure that we avoid a further ratcheting up of net debt which would constrain economic growth, burden future generations with paying for current spending, and reduce the Government's flexibility to use fiscal policy to alleviate unexpected downturns in the economy.

BOOSTING REGIONAL ECONOMIC DEVELOPMENT

Forests

The Government recognises the importance of Australia's forests, both for the environmental benefits that they provide and as an important source of jobs in regional Australia. To resolve the long standing conflict between conservation interests and the forest industry, the Government has commenced a systematic, scientific study of Australia's forests. These studies will examine the environmental, heritage, social and economic values of Australia's forests, and will lead to **Regional Forest Agreements** (RFAs) being established between the Commonwealth and State Governments. These agreements will ensure that the important environmental values in Australia's forests are protected through a comprehensive, adequate and representative reserve system and ecologically sustainable forest management practices. Importantly, the RFAs will provide a secure basis on which people can invest with confidence in the forest industry.

*\$48 million for
Regional Forest
Agreements*

The Government has committed a further \$48 million over the period 1996-97 to 1998-99 for studies leading to RFAs. The first RFA was signed between the Commonwealth and the Victorian Government for the East Gippsland region in February 1997. The long-term arrangements put in place by the RFA provide a much greater degree of certainty for industry and conservation interests, creating an environment that will stimulate economic and employment growth for the region.

*Up to 400 jobs in
regional Australia
from the first RFA*

The Government expects that the East Gippsland RFA will provide a boost of up to \$140 million to the local economy and has the potential to create up to 400 new jobs.

*Making exporting
easier*

A new woodchip export regime was established in 1996 to alleviate difficulties faced by exporters. Regulations have been made to remove export controls on wood harvested from regions covered by an RFA. From the year 2000, exports will only be allowed from those regions covered by an RFA.

In addition, separate export regulations for unprocessed wood now allow the removal of export controls on plantation grown wood where State codes of practice protect environmental and heritage values. Controls have already been lifted for Victorian and Tasmanian plantation grown wood, removing a significant impediment to plantation expansion. Action in relation to the other States is proceeding.

\$100 million to assist adjustment

The Government has committed over \$100 million under the **Forest Industry Structural Adjustment Package** (FISAP) to assist native forest industry businesses and workers in regional Australia adjust to changes as a result of RFAs. The FISAP provides significant assistance to the forest industry to move to higher value-adding production, promoting a more efficient and economically viable forest and forest products sector.

Wood and Paper Industries

The timber industry impacts on many Australian regions. The Government recognises that plantations and farm forestry have the potential to provide substantial environmental and agricultural productivity benefits to landholders and the broader community. The Government is working closely with the States and industry in developing a National Plantations Strategy, endorsing the industry's goal of trebling the plantation estate by 2020.

More competitive wood and paper industries create jobs

The Government has committed more than \$30 million over four years to the **Wood and Paper Industry Strategy** to improve the competitiveness of the industries and therefore increase job opportunities. Under the Strategy the Government will encourage greater industry innovation, value adding and downstream processing, remove investment impediments, open export markets and encourage expansion of the resource base. Under the Strategy, the Government has already provided \$17 million to the **Farm Forestry Programme** and the **Community Rainforest Reforestation Programme** to promote commercial farm forestry. In addition, the Government will expand the Farm Forestry Programme with a further \$22 million from the Natural Heritage Trust.

To improve the competitiveness of firms in the wood and paper sectors, client managers are being appointed (initially in New South Wales, Victoria and Tasmania) to provide firms with business planning, training and support for innovation. As part of the AusIndustry network, they will also help companies, particularly those in regional areas, to access the range of services provided by Commonwealth and State Governments.

Minerals

More investment in mines means more jobs

Mining is a significant industry for regional Australia, providing infrastructure, investment and jobs. Increased mining investment will provide significant economic opportunities for regional Australia. The **Regional Minerals Programme** provides a coordinated regional approach to encourage development of new mines, mineral processing and related infrastructure. Through the programme, the Commonwealth and State governments and industry work together to identify the mineral resources and processing potential of selected regions, coordinate planning of infrastructure and government services and streamline approval processes.

The programme began with previous assessments of the Carpentaria-Mt Isa region of Queensland and the Northern Goldfields Region of Western Australia. The Commonwealth has allocated \$1.2 million over four years to assess other regions, with funding to be matched by equal contributions from State governments and industry. Regions being examined at present are the Gawler Craton region in SA, North West Tasmania, the Central West of NSW and the Surat Basin/Dawson Valley Region of Queensland.

Rail Transport

Efficient rail means more investment and jobs

Lower transport costs are vital to lifting investment and jobs in regional Australia. Greater involvement by the private sector in interstate rail operations will provide users with cheaper, higher quality services. The Government's objective is to ensure the rail sector's long-term future by making rail transport more competitive with road. The productivity of government-owned railways in Australia remains well behind world's best practice, as represented by private sector north American systems, which are up to four times more efficient. The Commonwealth will sell its equity in National Rail and the Australian National Railways Commission (AN). The private sector has shown considerable interest in the sales. Lower freight costs will provide benefits for miners, farmers, business and the wider community.

New opportunities for rail businesses

Under the new arrangements, existing AN businesses, such as the workshops, will be able to bid for non-rail contracts, for example in the mining industry, providing substantial economic and employment opportunities. Prior to these new arrangements, they were prevented from seeking these opportunities.

\$20 million in transitional assistance

While the Government's reforms will bring substantial benefits, there is likely to be a transitional impact on those regions most affected. The Government has therefore introduced a \$20 million **Rail Reform Transition Programme** to help alleviate the impact of the changes in South Australia and Tasmania. The Programme is being managed in partnership with the South Australian and Tasmanian governments, with the support of regional and State-based consultative arrangements. The Programme will support projects that will generate sustainable employment growth.

\$175 million for rail improvements

In a major boost to rural industries heavily reliant on rail transport, the Government plans to set aside \$175 million to upgrade Australia's inefficient mainline rail tracks, starting in 1997-98. This will enable rail to compete more aggressively with road transport in the vital inter-capital sector, providing significant benefits to regional industry.

Investment in Transport Infrastructure

90 per cent of direct Commonwealth roads funds spent in rural areas — 19,000 jobs in 1997-98

The Commonwealth roads programme addresses the commercial, travel and social needs of regional Australia. In 1997-98, more than 90 per cent of funding for the National Highways and Roads of National Importance will be spent in rural areas. A primary objective is to support regional development by providing improved links from rural and provincial centres to cities and major ports. Commonwealth roads expenditure is expected to create or sustain around 19,000 jobs in 1997-98.

Improving the links between regions and their markets

An estimated 15 per cent of all vehicle travel is served by the **National Highway**. It carries a high proportion of heavy freight vehicles and serves one third of all road journeys in rural areas. In addition to the capital cities, it joins 75 towns with a population greater than 10,000 people and numerous smaller communities. The Government will spend \$696 million on the National Highway in 1997-98, with major projects including:

- duplicating the Goulburn Valley Highway southern approaches to Shepparton (Vic);
- eliminating the remaining single-lane sections of the Victoria Highway (NT);
- continuing the Eyre Highway widening programme across the Nullarbor (WA);
- an upgraded Newell Highway bridge and road widening programme (NSW); and

- extending the Hume Highway duplication between Yass and Gundagai (NSW).

Roads of National Importance

The Government will also allocate \$112 million to **Roads of National Importance**, including the Pacific Highway in New South Wales and Queensland, the Calder Highway in Victoria, the Mitchell Freeway in Western Australia and the Devonport port access road in Tasmania. These are among routes of major economic importance for Australia.

In addition to these funds, the Commonwealth will provide over \$370 million to local government in identified, untied roads grants and \$391 million to State governments in addition to their spending on major intra-state freight routes not part of the National Highway.

\$1.3 billion saving to industry

Many of Australia's bridges are ageing and need repair. In 1997-98 the Commonwealth will contribute to an \$11 million **national survey of bridge requirements**. Focussing initially on major freight routes, the survey is necessary to permit eventual introduction of increased mass limits for heavy vehicles fitted with 'road friendly' air suspension systems. The Commonwealth supports increased mass limits as it will mean less heavy vehicles on the road for a given quantity of freight. The reduction in transport costs is expected to increase Gross Domestic Product by up to \$1.3 billion annually. Rural industries will become more competitive, leading to more jobs and the final cost of goods sold in local communities will be lower.

Black Spot road funding for regions

In 1996-97, the Government established a **Road Safety Black Spot Programme** and will spend over \$36 million a year, maintained in real terms, to reduce the road toll through cost-effective, safety-oriented projects.

The programme relies on widespread community consultation to ensure that local concerns are addressed. Community groups, motorist associations, industry organisations, councils and others are invited to nominate Black Spot sites around Australia to be considered for improvement. The Government has ensured that 50 per cent of Black Spot funding will be directed to rural road projects.

Regional Telecommunications Infrastructure Fund

\$250 million on regional telecommunications

Over the next five years, the Commonwealth will provide \$250 million for the new Regional Telecommunications Infrastructure Fund. The Fund will:

- assist the economic and social development of rural and regional Australia by funding projects which enhance telecommunications infrastructure and services;

- reduce the gaps in quality and cost of telecommunications services between metropolitan and rural and regional Australia; and
- contribute to funding telecommunications-related projects that will complement relevant initiatives by other tiers of government.

The funds will be allocated on the basis of the share of that State's population which is found outside that State's capital city. The State allocations are: New South Wales — \$37.4 million; Victoria — \$28.5 million; Queensland — \$53.1 million; Western Australia — \$26.5 million; South Australia — \$26.5 million; and Tasmania — \$58 million. A separate \$20 million has been reserved for the two Territories: Northern Territory — \$16 million; and Australian Capital Territory — \$4 million.

Regional and rural Australians will be encouraged to identify their particular communications needs and propose solutions for funding. Applications are expected to be invited from mid-1997 with the first funded projects beginning from mid to late 1997.

Infrastructure Investment

\$75m programme to boost private investment in infrastructure

The Infrastructure Borrowings Taxation Concession will be replaced by the **Infrastructure Borrowings Tax Rebate** programme (up to \$75 million per annum including running costs). The new programme, designed to promote private sector investment in certain new public infrastructure, will provide successful applicants with a tax rebate for interest which has been incurred.

Of particular importance to regional Australia, the programme is available for new road and rail projects and their related facilities and, as a transitional measure, for project proponents that had made applications for the Infrastructure Borrowings Taxation Concession at the time the concession was terminated, and for extensions of projects that had previously been certified to use the concession. The rebate will apply to a select number of projects that satisfy a range of criteria (see *Budget Paper No. 2*).

Investment Promotion and Facilitation

Promoting new investment in regional Australia

The **Investment Promotion and Facilitation Programme** has a strong focus towards regional Australia, particularly through its Major Project Facilitation role. There are currently 22 projects under facilitation worth an estimated \$22.7 billion with the majority in regional areas. In addition to the Programme's facilitation role, proposals are under development to strengthen investment promotion activities to increase support for regional Australia.

The Prime Minister has added a special adviser, Mr Bob Mansfield, to his staff to work on major projects facilitation.

In many regions of Australia, there is a lack of understanding about how to obtain private sector finance for infrastructure proposals.

Linking regions and investors

The **Institutional Investor Information Service (IIIS)** was established by the Commonwealth in partnership with States and Territories to facilitate private sector financing of infrastructure projects in regional Australia. The three components of the IIIS are: an educational element of workshops targeted at project proponents; a register of 'investor-ready' projects; and a promotional element to inform private sector financiers of the investment opportunities in regional Australia. The Government is providing \$500,000 over two years to the IIIS, with additional funding being provided by the participating States and Territories.

Research and development

The **R&D Start Programme**, introduced in November 1996, provides a range of assistance programmes to encourage business to invest in research and development and innovative activity, particularly by assisting small to medium enterprises which have limited capacity to fund R&D. R&D Start will provide funding of around \$500 million over four years.

Assistance will be provided in the form of grants and loans. Firms in regional Australia will be given the opportunity to participate in research and development programmes to assist them to develop internationally competitive products, processes or services.

Local Government

\$1.2 billion for local government

In 1997-98 the Commonwealth will again provide in excess of \$1.2 billion in local government financial assistance grants. For councils in regional Australia, these grants can be up to half the council's expenditure. Grants are distributed to councils according to recommendations of the Grants Commissions established in each State and the Northern Territory. There are two components: a general purpose component and a local road component. The grants are untied, which means that they can be spent according to local priorities. In 1996-97, around two out of every three dollars of the financial assistance grants went to regional and rural councils and a similar outcome is expected in 1997-98.

The Government is continuing to support projects and strategies targeting regional Australia. Over \$1 million has been provided to assist with the development of regional strategies incorporating such things as housing, the environment, land use, community services, resources sharing, town planning, water usage and social planning. Over \$2 million has been made available throughout Australia to assist local governments and Aboriginal and Torres Strait Islander communities with service delivery and community relations.

Defence Initiatives

New jobs through capital investment

Government expenditure through the Department of Defence will also have a significant impact on regional Australia. By way of example, in 1997-98, Defence will undertake \$400 million capital investment in regional centres such as Darwin, Newcastle, Weipa, Albury, Exmouth and Katherine. Defence also has a \$120 million materiel procurement programme that will provide substantial benefits to regional Australia. In addition, Defence has major on-going operating and repair and maintenance expenditure on regional infrastructure.

Understanding Regional Economic Performance

Helping regions plan for the future

Commonwealth agencies hold significant sources of information on the economic performance of regions, but there are often difficulties in accessing data at the regional level. Relevant agencies within the Commonwealth are developing strategies to make information available at the regional level to enhance economic assessments, performance benchmarking and strategies to support investment growth. The improved availability of these data will help regions improve their understanding of their own economies, and hence help them to develop and implement economic development strategies.

BUSINESS SUPPORT AND DEVELOPMENT

Farm Business

Trained farmers do better

A cultural change is needed from family farming to family business. Research has identified direct links between agricultural education and training and farm profitability, as well as with the likelihood of farmers changing their practices to improve long-term profitability and viability.

<i>\$265 million on rural programmes</i>	The Government has decided to develop a new Integrated Rural Policy Package in response to recent major policy reviews. The package will address rural adjustment, drought, risk management, farm family welfare, farmer skills development and training, and rural community development. The new package will remove poorly targeted and ineffective assistance measures and replace them with initiatives to encourage greater self reliance and business acumen in the rural sector. Funding for initiatives under the integrated package will be some \$198 million over four years. Total expenditure on rural programmes, including existing commitments and transitional arrangements, will be \$265 million, similar to previous funding levels for the Rural Adjustment Scheme and the Rural Communities Access Programme.
<i>A Business Plan for Australian Agriculture</i>	The Government will be consulting with states and farm groups over the next few months to finalise the details of the package as part of consultation processes associated with the Business Plan for Australian Agriculture . Details of the package will be announced in the second half of 1997. The Business Plan will outline a broad vision for the sector and set goals for the next decade based on reforms which must be achieved if Australian agriculture is to improve its international competitiveness and realise its significant growth potential. The Business Plan will also identify the roles and responsibilities for industry and other stakeholders, including governments, in creating an environment in which Australian agriculture will prosper in the twenty-first century.
<i>Extra drought assistance</i>	The Government has also maintained its commitment to provide assistance to those farms continuing to experience severe drought conditions in Queensland and New South Wales. Existing Drought Exceptional Circumstances assistance measures, including Drought Relief Payment and interest subsidies under the Rural Adjustment Scheme, will remain available for the duration of the drought and the 12 month post-drought recovery period.
<i>\$11m for rural partnerships</i>	The Rural Partnership Programme (RPP) is continuing to address nationally significant agricultural, resource management and social issues. Strategies are currently being implemented in South-West Queensland, the Eyre Peninsula of South Australia, the Western Division of NSW, and the Loddon-Torrumbarry region of Victoria. Some \$4.6 million will be spent in RPP regions in 1996-97 with a further \$11 million allocated for 1997-98. Community-based strategies are being developed in a number of other areas including Atherton Tablelands (Qld), Sunraysia (Vic), North East Valleys of Victoria, Gascoyne — Murchison (WA), Riverina (NSW) and Riverland (SA). The RPP will be further developed as part of the integrated rural policy package.

Quarantine

Reform of the meat industry is imperative for jobs and growth in regional Australia. It is vital to Australia's interests that we have an industry that is a cost-competitive supplier of safe, high quality meat to world markets. The meat industry is presently experiencing difficulties largely because of unresolved inefficiencies and excessive costs of meat processing, which have reduced its ability to compete, particularly against the United States and New Zealand, in key markets.

Extra \$75 million for quarantine

The Government has committed an additional \$75 million to the **Australian Quarantine and Inspection Service (AQIS)** over the next four years to upgrade Australia's quarantine system and provide the resources necessary to adequately protect the nation's unique environment and important agricultural industries worth around \$29 billion. Of the additional funding, \$25.3 million will be provided through industry and cost-recovery operations.

The Government's decisions are a clear expression of its commitment to restore the domestic and international reputation of its national quarantine systems by substantially upgrading its scientific and technical capacity and boosting its border inspection and surveillance systems.

Lower costs to industry

The Government will reform the AQIS meat inspection programme over the next three years. The reform strategy will involve trials of Government supervised quality assurance systems to enhance food safety in the meat industry, while at the same time boosting the industry's competitiveness by lowering inspection costs.

As part of these reforms, AQIS is developing and trialing Hazard Analysis and Critical Control Point based Quality Assurance systems at a number of export registered meat establishments. The trial of this system places Australia at the forefront of meat processing control, inspection and certification systems.

Supermarket to Asia

Food exports to Asia

The **Supermarket to Asia Strategy** announced last year is the cornerstone of efforts to achieve the Government's vision of a globally competitive Australian agri-food industry. The Government is contributing \$11.8 million to the Strategy over three years, to help Australian food exporters take advantage of the enormous opportunities in the growing Asian markets.

The Supermarket to Asia Council, chaired by the Prime Minister, brings together government and industry leaders to provide the leadership and to drive necessary reforms to achieve success in export markets. The Council's mission is to remove barriers to export, develop a more competitive export culture amongst the Australian agri-food industry and to promote the benefits of Australian food products in Asian markets.

The Strategy will provide long-term benefits to regional Australia through increased export opportunities and further growth, investment and jobs in regional areas.

*Better access to
export markets*

Recent initiatives include the appointment of two new quarantine experts, one in Japan and one in Korea, with the aim of removing the significant technical barriers to exporting food to these countries and neighbouring regions. The Government is also providing \$1 million in 1997-98 to assist rural producers diversify into food products for high value niche markets in Asia.

New Export Markets

*New markets for
primary producers
means regional
economic growth*

Australia's capacity to create new jobs, and to raise the living standards of all Australians, relies more and more on increasing our natural wealth through trade. The Government's trade policy is aimed at securing the best possible conditions for Australian exporters, particularly market access. The Government has been able to secure improved access to key markets such as China, Korea, India, Mexico and the United States, for exports as diverse as sugar, wool and wool products, processed foods, and services. These successes will bring substantial long-term benefits to businesses in regional Australia, and to regional communities. For example, an improved market access package with Taiwan will result in an additional \$30 million in exports this year and in excess of \$500 million following Taiwan's accession to the World Trade Organisation. Australia has also maintained its share of the Canadian beef tariff quota, worth \$103 million annually.

Industrial Relations

*More flexible
industrial relations*

Major reforms to the industrial relations system are promoting business development and investment in regional Australia. The new Federal *Workplace Relations Act 1996* supports a more direct relationship between employers and employees, with a much reduced role for third party intervention and greater labour market flexibility.

The award system is to be simplified, providing a safety net of fair and enforceable minimum wages and conditions. Actual wages and conditions and working arrangements will be determined as far as possible by agreement of employers and employees at the workplace level. A range of options for making more effective agreements is now available under the new Act. The options include: collective agreements or certified agreements which may be made with unions or directly with employees; and individual employment agreements or Australian Workplace Agreements made between an employer and an employee. These agreements will allow employers and employees to make genuinely innovative and flexible agreements. However, businesses that do not wish to pursue formal arrangements will continue to have access to informal over-award arrangements.

*Unfair dismissal
system simplified*

A new unfair dismissal system applies to the federal jurisdiction, based on the principle of a 'fair go all round' for both employers and employees. It is less legalistic and costly, with an emphasis on conciliation. New regulations to be introduced under the Act will further reduce the burden on small business by excluding from federal unfair dismissal laws new employees of small businesses with fifteen or fewer employees who have less than one year's continuous service.

*Harmonising the
industrial relations
system*

The Government is also seeking to harmonise federal and State systems of industrial relations, through complementary legislation and through a cooperative approach to administrative arrangements and service delivery. Following the referral of industrial relations powers by Victoria to the Commonwealth, from 1 January 1997, Victoria now has a single industrial relations system. Complementary State legislation has been passed in Queensland and the services provided by the State and the Commonwealth have been co-located to provide a single telephone enquiry service and an integrated regional advisory service. Discussions are underway with other States and the Territories on the integration of services through similar one-stop-shop arrangements.

Waterfront Reform

*More efficient
shipping means more
jobs*

The Government is committed to improving the efficiency of Australia's waterfront. A high cost waterfront costs jobs in other industries and sectors, including in regional Australia. A more efficient waterfront will mean that regional exporters will be able to get goods to international markets quickly and more competitively, with enormous benefits not only for exporters but also for regional communities.

The proposed removal of cabotage — thereby opening Australia's coastal shipping industry to international competition — will also improve the industry's efficiency. The report of the Shipping Reform Group found that high shipping costs in Australia are an impediment to development in some industry sectors, for example in the downstream processing of natural resources, a critical industry for regional Australia. The Shipping Reform Group has estimated that the removal of cabotage could lead to reductions in freight rates of between 20 per cent and 25 per cent, or \$120 million to \$150 million on current figures.

Small Business

Small business—less regulation and more jobs

Small business is vital to the economic well being of regional Australia and is a major source of new jobs. The **More Time for Business** package launched by the Prime Minister in March 1997 will give regional small businesses greater opportunity to expand and create jobs. The package provides initiatives to cut red tape and regulation. Regional small businesses and primary producers will be assisted by a number of measures, in particular:

- reduced record keeping for Fringe Benefits Tax and further initiatives involving Capital Gains Tax, such as the exemption on the sale of a small business, will cover people who operate their business through a private company or trust;
- exemption from unfair dismissal laws for businesses with less than 15 employees until the employee has had one year's continuous service; and
- review of regulations covering food and Agricultural and Veterinary Chemicals.
- a single registration process for the Australian Taxation Office, Bureau of Statistics, Securities Commission and Insurance and Superannuation Commission which ends the duplication of requirements;

Information for small business

The More Time for Business package includes the comprehensive **National Business Information Service** which will provide business licensing and regulatory information across all three levels of government, including relevant information for small business (such as employer obligations and taxation guides), from a single point by June 1998. \$21.8 million has been allocated to this over four years from 1997-98.

This means that businesses in regional Australia will have much better access to business related information without having to deal with a multitude of different government agencies or have to travel large distances.

Wallis Report

Improving the financial system

The final report of the Financial System Inquiry (the Wallis Report) has made recommendations with implications for regional communities.

A central thrust of the report is to increase competition and efficiency in the financial system. This is likely to benefit all Australians, including those in regional areas, as services become better tailored to meet the specific needs of customers. Of particular relevance is the proposal to put building societies and credit unions, many of which have strong regional associations, on a more equal standing vis-a-vis banks in terms of common regulatory and prudential framework.

Rural Women

Rural women are vital participants in agricultural industries and rural communities. It is essential that the needs, perspectives, skills and talents of rural women are included in developing policies and programmes which will help revitalise the rural sector.

The Government initiated and jointly funded a **National Forum on Women in Agriculture and Resource Management** in Canberra in March 1997. The Forum examined ways in which governments, industry and farmer organisations in partnership with rural women can engage the skills and perspectives of women in the sector to more effectively bring about profitable and sustainable primary industries and viable rural communities.

National Action Plan for rural women

As a result of the Forum all major stakeholders in agriculture and resource management are contributing to the **National Action Plan** which will be implemented with organisations throughout the sector over a period of five years. The Plan will, for example, include ideas for enhancing the leadership skills of women, increase their representation in decision making fora and ensure programmes are more effectively targeted to women.

Assistance to Indigenous Business

Indigenous business assistance

A new three-year, \$30 million **Indigenous Business Incentive Programme** within the Aboriginal and Torres Strait Islander Commission will create indigenous employment through sustainable enterprises and joint partnerships. The new Programme will:

- provide funding support for new enterprises in rural and remote areas;
- facilitate enhanced outcomes from the Community Development and Employment Projects scheme;
- assist communities in finding ways for more effective use of indigenous assets; and
- provide businesses with mentoring support, networking, and necessary training in business skills in conjunction with programmes administered by the Department of Employment, Education, Training and Youth Affairs.

Immigration

New businesses in regional Australia

Australia's immigration programme will continue to emphasise skilled and business migration, and includes initiatives to encourage migrants to consider settling in regional Australia. These initiatives include the **Regional Sponsored Migration Scheme**, under which employers in regional Australia are able to nominate skilled workers for migration from overseas. The new migration category **Regional Established Business Class of Australia** comes into effect from 1 July 1997, providing an incentive for potential migrants to establish businesses in regional Australia and generate jobs. This allows temporary residents holding a business long-stay visa and who have owned and operated a business in a designated area of Australia for two years or more to obtain permanent residence without having to apply outside Australia.

EMPLOYMENT INITIATIVES

Work for the Dole

Work for the Dole

The Government will provide over \$21 million for the **Work for the Dole** initiative, which is based on the principle of mutual obligation: that it is fair and just that people be asked to work in return for payment of unemployment allowance. Work for the Dole will have a strong regional focus, with the programme to be piloted in those areas with the highest levels of youth unemployment, and an emphasis on non-metropolitan regions. Around fifty projects will be allocated to these regions, with another twenty projects to be available both in regional and metropolitan centres. It is expected that up to 10,000 people will participate in the initiative, with the first projects expected to start later this year.

Projects will be for a minimum of three and a maximum of twelve months and be selected on the basis of the benefit of the project to the wider community and not to a private sector interest. There will be no minimum size for projects.

Green Corp — training and jobs for young Australians

The Government is providing more than \$41 million over the next three years for the **Green Corps**. This will allow 3500 young Australians to have the opportunity to take part in projects that will develop their own career prospects and help restore the environment. Young Australians aged between 17 and 20 years will work full time on projects for 26 weeks with an option to extend for a full year.

Employment Assistance for Regions

Access to training and employment assistance is crucial to the economic advancement of all regions. Reforms to labour market assistance being implemented nationally will simplify arrangements and ensure higher quality service for job seekers, employers and employment assistance providers.

Special assistance for regional Australia

A dedicated **Assistance to Depressed Regions Programme** will commence in July 1997, to support strategies to improve the skills base of regions experiencing adjustment pressures, high levels of unemployment or that are disadvantaged by their remoteness. Funding under the programme will assist initiatives which:

- assist regions to adapt to structural change, diversify their industry base or respond to major retrenchment activity;
- consult young people and employers in identifying strategies for increasing opportunities for youth employment and training;

- foster entrepreneurship and the establishment of new small businesses; and
- provide local unemployed job seekers with the skills to compete for emerging job opportunities.

Special assistance for forest industry

The **Forest Industry Labour Adjustment Package** will continue until 30 June 2000, as part of the Government's strategy to assist the forest industry and rural communities. The programme was developed for workers displaced from the native forest industry as a result of Government decisions affecting the industry.

Jobs in regions

Area Consultative Committees (ACCs) advise the Minister for Employment, Education, Training and Youth Affairs on employment issues and on ways to improve job and training opportunities in their regions. ACCs will consult with regional employer and community interests regarding the Government's reforms to employment and training services both during the transition period and after the commencement of the employment services reforms in March 1998.

ACCs are well placed to provide early warning of changes in the economic and employment conditions of their regions, particularly if these are structural in nature.

Tasmania

Investing in jobs and the environment

The Government is delivering on its commitment, outlined in the 1996-97 Budget, to achieve equality for Tasmanians in developing opportunities for their State. Initiatives that are being implemented include:

- \$7 million over three years for the redevelopment of the **Inveresk railyards** in Launceston to transform the disused railyard into a business, educational and cultural facility in the centre of Launceston;
- \$1.7 million for the **Tamar River Environs Project**;
- \$35.2 million for the **Tasmanian Freight Equalisation Scheme** in 1997-98;
- \$10.9 million for the **Bass Strait Passenger Vehicle Equalisation Scheme** in 1997-98. It is expected that in comparison to last year, some 20,000 more vehicles will make the trip across Bass Strait during 1997-98, clearly providing further significant benefits to Tasmanian tourism;

- \$8.8 million over three years for Tasmanian Water Quality Initiatives which will improve the water quality and social amenity of the Derwent, Tamar, Huon, King and Queens Rivers and Macquarie Harbour;
- \$725,000 for waste water conversion measures at Orielton Lagoon;
- \$150,000 over three years for the Australian Axemen's Hall of Fame; and
- \$2.5 million over three years for the International Antarctic Centre.

Tourism

Regional tourism jobs get a boost

The tourism industry is a major employer in regional Australia. The Government has allocated \$10.4 million over two years, including \$5.2 million in 1997-98, for a **National Tourism Development Programme**, to stimulate the new tourism products and facilities throughout regional and rural Australia. Funding has been made available on a competitive basis for initiatives to build domestic and international tourism potential, and focus on job creation and spreading the economic benefits of tourism to regional and rural Australia.

The programme guidelines support projects in the following broad areas: Regional and Rural Tourism Infrastructure Development; Managing Tourism in Natural Environments; Indigenous Tourism Enterprise Development; and National Industry Development and Coordination.

Tourism research—a better industry

The Government is providing \$14.72 million over seven years to establish a **Cooperative Research Centre for Sustainable Tourism**. This Commonwealth assistance, combined with cash and in-kind contributions from industry and participating universities, will create an investment of close to \$60 million in travel and tourism research over the next seven years. The Centre's research focus will be to enhance the economic and ecological sustainability of the Australian tourism industry, which will bring substantial benefits to regional tourism operators and resulting economic benefits to regional communities.

SUPPORT FOR FAMILIES

The Commonwealth is committed to supporting the family unit. The Government has already delivered on its **Family Tax Initiative**, delivering over \$1 billion in additional assistance over a full year to almost 2 million families.

In this Budget, the Government has introduced further initiatives to provide support to families in regional Australia.

Drought Assistance

Drought relief to rural families

In 1996-97, the Government will provide around \$123.3 million through the **Drought Relief Payment** (DRP) for farm family income support with a further \$21.1 million expected to be provided in 1997-98. DRP assistance will help provide basic necessities to farm families whose incomes have been severely reduced by drought. The Government has also extended the recovery period following the end of drought exceptional circumstances during which the DRP continues to be available to 12 months.

In November 1996, concessions to means tests under **AUSTUDY**, **ABSTUDY** and the **Assistance for Isolated Children** (AIC) scheme were extended for farming families living in **exceptional circumstances drought affected areas**. This extension provided additional concessions for drought affected families to those concessions announced as part of the former Government's drought relief package.

Education Assistance

More education assistance for rural families

In the Budget, the Government decided to increase the AUSTUDY parental income test dependant deduction for families with more than two tertiary students who need to undertake study away from home from \$3,700 to \$7,400 per child. Students who currently get AUSTUDY may receive up to \$925 a year more. Some students who currently do not receive AUSTUDY because their parental income exceeds the current cut out point for AUSTUDY will qualify under the new concession. These initiatives were specifically designed to meet the needs of larger families in rural areas.

Better services for regional families

Family Service Centres

The Government is piloting **Family Service Centres** in fourteen locations across Australia. The Centres will make it easier for families to access payments and services provided by the Commonwealth, State and local governments and community agencies in surroundings suitable for families with children.

Four of the Family Service Centres are located in rural or semi-rural areas. These are:

- Caboolture, Queensland (opened in February 1996);
- Ballarat, Victoria (opened in August 1996);
- Launceston, Tasmania (opened in August 1996); and
- Mount Gambier, South Australia (commencing June 1997).

The Mt Gambier Family Service Centre will be a mobile service providing innovative and responsive services to rural families. The Centre will operate from a purpose built caravan which will travel from Mt Gambier to surrounding districts. The mobile Centre will visit shopping centres, schools, agricultural shows and agricultural field days.

Health Care Services

Help for older regional Australians

Older Australians will receive more assistance to live in their own communities. This Budget includes the following initiatives for **Aged Care Facilities and Multi-Purpose Services**:

- funding in excess of \$8 million over four years for the continuation of carer information and support and for Carer Respite Centres in regions across Australia to coordinate **respite care for carers**.
- in excess of \$10 million over four years will be provided to **Aged Care Assessment Teams** and lead agencies, mainly in rural areas to enable them to assess people with dementia and provide essential education and support to them and their carers

The Government is continuing the **Commonwealth/State Multi-Purpose Service programme**, valued at over \$13 million in 1997-98, bringing a range of aged care, health and community services to rural communities.

*More childcare
facilities in regional
Australia*

Childcare

For too long, regional Australia has suffered from a shortage of childcare facilities. A **National Planning System for the Commonwealth Childcare Programme** will ensure that services are established in areas of need. Funding has been provided to enable community centres and more Outside School Hours Care services to target family needs that are not being met by private providers, particularly in rural and regional Australia.

Family Day Care will be expanded to target rural needs, with an additional 2500 places in the period 1997-98 to 2000-01.

School aged care reforms will improve affordability for low and middle income families while retaining benefits for those already in the system.

A 20 hour limit on access to Childcare Assistance for non-work related care will target subsidies to the programme's primary objective of work-related care. Exemptions will support the needs of children at risk and families in crisis, with a limited number of services being exempt to ensure that families, particularly in rural and remote areas, do not lose access to care.

SERVICES TO REGIONAL AUSTRALIA

Many regional communities do not have access to the same level of service—from both the public and private sectors—that people in major metropolitan centres take for granted. The Commonwealth takes seriously its responsibility to provide all Australians with equitable access to Government services. It is also working with the private sector to improve the availability of basic financial services in communities that no longer have access to banks or similar financial services.

Financial Services

Financial services in regional Australia

To facilitate the provision of financial services in rural Australia, the Government has extended funding for the **CreditCare** programme with \$2.8 million for a further three years. CreditCare is a cooperative joint venture between the Commonwealth Government and the Credit Union Services Corporation (Australia) Limited to work with local communities to maintain financial services and infrastructure in rural and remote Australia. CreditCare has been extremely well received by rural communities affected by the withdrawal of financial services and facilities, and more than 29 communities now have access to financial services as a direct result of the CreditCare initiative.

Rural Communities Access Programme

Helping rural communities to help themselves

The **Rural Communities Access Programme** (RCAP) was recently reviewed and found to be an effective programme meeting a strongly felt need for assistance for rural Australians to access information and services.

A key finding of the evaluation is that RCAP has empowered rural and remote communities to develop innovative solutions and overcome adjustment barriers. The evaluation recommends a revised programme (which builds on the successes of the current RCAP) that fully integrates all the programme elements allowing small rural and remote communities to tailor the available services to best meet their needs.

The recent RCAP Review Report provides the basis for consideration of a range of options for service delivery to rural areas. This will be taken up in the context of the Government's new **Integrated Rural Policy Package**.

Higher Education

Assistance for regional universities

Over the next four years, \$26 million will be provided to universities for rationalisation and restructuring. This special assistance will be complemented by advances to operating grants to assist universities with the cash flow implications of restructuring. Regional universities will receive particular consideration under this package, recognising their special needs and the significant contribution they make to their local economies. Assistance under the package will be structured to the individual needs of institutions.

The Government is committed to ensuring that the needs of regional universities are considered by the Review of Higher Education Financing and Policy.

Service Delivery Issues for Government Agencies

Better Government services for regional Australia

The Government's objective in reforming service delivery arrangements is to achieve the highest possible standard of service to clients. It recognises that people in regions have a right to expect good service and access to Commonwealth assistance, and under the Government's reforms all regions will benefit from more effective and efficient services.

The creation of the **Commonwealth Services Delivery Agency** within the Social Security portfolio is a major reform. The Agency will commence operations in the second half of 1997, delivering Commonwealth services as a 'one-stop shop' (primarily for income support) and a first-stop shop (particularly for referral to employment services).

Initially, the Agency will deliver a range of services for the unemployed (including referral to expert labour market assistance), a child care service on behalf of the Department of Health and Family Services, as well as all existing Social Security payments and services (support for the retired, those with disabilities, the unemployed, families with children and those in special circumstances).

Integrated national network of offices means more services

The Agency will be focussed on, and specialise in, customer service. It will simplify and streamline service delivery through an integrated national network of offices. This will comprise the current DSS regional network, Teleservice Centres, Family Service Centres, Retirement Centres, and some offices that are now part of the CES network, including all Student Assistance Centres. A number of regional towns will have direct access to a wider range of services than under previous arrangements.

The operation of the Agency will reflect the Government's commitment to provide services to regional Australia. As part of this commitment, Teleservice Centre operations are being significantly expanded—new Centres will be opened in Port Macquarie, Wendouree, Traralgon and Launceston, while Centres in Townsville, Toowoomba, Gosford and Geelong will be expanded.

The Government's aim in establishing the Agency is to put the needs of people for high quality service above the boundaries of Commonwealth departments and agencies.

Health Services

Improving health services for regional Australia

Health issues facing people living in rural, remote and regional Australia are unique for both consumers and providers of health services. The Government has introduced a range of strategies in the 1997-98 Budget to meet its commitment to improving health care access support programmes and medical workforce initiatives in regional and rural Australia:

- additional funding in excess of \$17 million over four years to target major **rural and remote health priority areas**, including the extension of specialist medical training in rural areas and the development of innovative models of service delivery;
- the creation of a **rural and remote health support programme** to provide greater flexibility in addressing changing priorities, and which will bring together a number of existing programmes, including funding for the Royal Flying Doctor Service, the Rural Health Support, Education and Training Programme, training and support arrangements for nurses and locum arrangements for specialists;
- \$5 million will be allocated to a one year pilot study to develop alternative funding arrangements for **rural obstetrics services**, aimed at improved access in identified rural and remote communities;
- electronic **lodgement of Medicare claim forms** directly from doctor's surgeries, to particularly benefit many people in rural and remote areas;
- around \$6 million per annum, commencing in 1998, for a dedicated **prescriber decision support service** to advise and service the needs of doctors in all regions to achieve rational prescribing through educational activities; and

- in excess of \$28 million over four years to continue the **national framework on mental health** policy and service provision, including for services in rural Australia.

Rural Public Health Forum

A major **Rural Public Health Forum** will be held in Adelaide, between 13-16 October, 1997. This forum will focus on key health differentials, health promotion and the prevention of illness and injury in rural and remote communities.

Aboriginal and Torres Strait Islander people

The **National Sexual Health Strategy for Aboriginal and Torres Strait Islander People** provides a comprehensive approach to preventing the spread of HIV and other sexually transmitted diseases (STDs) in Aboriginal and Torres Strait Islander communities. The strategy responds to evidence that comprehensive primary health care is a key to reducing STD rates and HIV infection. It places particular emphasis on addressing the needs of Aboriginal and Torres Strait Islander people living in remote and rural areas of Australia. It provides for funding in the order of \$12 million over the years 1996-97 until 1998-99.

Services for Veterans

Better services for veterans in regional Australia

The Government is taking a number of initiatives to improve assistance to veterans in rural and remote areas. These include: using the Australian Country Information Service and networks of other agencies to provide information to veterans; using community organisations to undertake regular telephone contact with veterans who are alone and at risk of accident or sudden health deterioration; promoting self-help and independence among the younger veteran community through Veterans' Local Support Groups; enabling veterans in rural and remote areas to receive home assessments by occupational therapists; and extending to other regions the Home Safety and Security Assessment pilot project to identify and reduce hazards likely to cause accidents or injuries in the home.

Commonwealth Financial Counselling Programme

Improved access to financial counselling

The Commonwealth Financial Counselling Programme provides financial counselling to disadvantaged low income people and small business operators experiencing serious personal financial difficulties. Under the Programme grants are available for community organisations, including in regional and remote areas, to deliver accredited financial counselling services to the community.

In 1997-98, the Government is providing approximately \$2 million to the Programme, of which about \$850,000 will be directed towards assisting communities in regional and remote Australia.

The Arts

The arts in regional Australia

Through the cultural access programmes, **Playing Australia** and **Visions of Australia**, Australians outside capital cities are able to experience the best in Australian performing arts and exhibitions. In the 1997-98 Budget the Government has allocated \$3 million to ensure the continuation of Visions of Australia following its first four years. The **Regional Touring Fund** assists Playing Australia and Visions of Australia by subsidising travel costs to regional areas. The **Festivals Australia** programme provides support for increased cultural activity at regional festivals.

The **Travelling Film and Sound Show** is touring regional areas, presenting Australia's audiovisual history. The tour takes in 20 locations including Geelong, Mt Gambier, Kalgoorlie, Launceston, Alice Springs and Dubbo. Videos of historical footage from these regions are being released to coincide with the visits.

National Science and Technology Centre

Learning about science

Touring exhibitions and science based activities to regional Australia are vital parts of Questacon — The National Science and Technology Centre. Questacon aims to expose the Centre's work to people who are unable to attend exhibitions and science centres in capital cities.

Questacon operates a **travelling exhibitions programme**, attracting audiences ranging from school children and families through to community and special interest groups. Questacon also operates an **outreach programme**, touring regional and remote Australia using combinations of hands-on activities, presentations, interactive exhibits and supporting publications. The 1997-98 touring schedule for these programmes includes Wollongong, Launceston, Wangaratta, Newcastle, Warrnambool, Coffs Harbour, the Pilbara, WA, western and central NSW, western Victoria, and coastal and rural Queensland.

National Gallery of Australia

The National Gallery comes to regional Australia

As part of the National Gallery of Australia's programme to facilitate access to the National Collection, during 1996-97 twelve travelling exhibitions have visited forty-one venues in regional Australia. Four new **travelling exhibitions** were released for tour during the 1996-97 financial year, with the launch of three of these national tours commencing in regional centres, namely Bendigo, Dubbo and Launceston. During 1997-98 ten travelling exhibitions, including five new exhibitions, will be displayed at 27 venues across Australia.

Remote Area Broadcasting Services

Digital television services

Remote Area Broadcasting Services (RABS) are available to viewers in most areas of Australia beyond the reach of normal terrestrially-delivered television and radio services. They comprise ABC TV, SBS TV (in some areas) and one remote commercial television service in each remote mainland zone, together with associated satellite-delivered radio services.

Reflecting global trends and the plans of its satellite competitors in Australia, Optus is currently negotiating with the RABS operators to convert their services to digital transmission. Optus, in cooperation with the broadcasters, is looking to commence a public information programme shortly, with digital conversion of RABS currently planned over the period November 1997 to May 1998.

Telstra's Completion of its Digital Network

Better telecommunications for regional Australia

The **Integrated Services Digital Network** (ISDN) is an all-digital telecommunications technology that simultaneously allows digital, voice, data and video information to be transmitted using the same network facilities. It is also faster, more flexible and a more reliable form of transmission because, unlike analogue, it is not subject to interference such as static and other line problems which may corrupt data. ISDN is more cost effective, faster and more reliable than the system it replaces.

The Government recognises the importance of rural and remote areas gaining better access to advanced information services. The rollout of ISDN technology is part of Telstra's Future Mode of Operation programme and should enable the majority of rural customers to gain high speed access to the delivery of digital information services. 93.4 per cent of customers will be able to obtain an ISDN service within 90 days of requesting it from 1 July 1997, and similar access should be available to 96 per cent of customers by the end of 1998.

The Government has received commitments from Telstra to complete digitisation of its network and improve access to ISDN services. ISDN roll-out commitments are being legally imposed on Telstra through its carrier license.

NATIVE TITLE

Amendments to Native Title Act

Native Title has had its greatest impact in regional Australia, in particular on the mining and pastoral industries. The High Court's decision in the Wik case that native title and pastoral leases can coexist has increased the uncertainty about the extent of native title in Australia. During the election campaign the Government gave a commitment to retaining the *Native Title Act 1993* (the NTA) but reserved the right to propose amendments to ensure its workability while respecting the provisions of the *Racial Discrimination Act 1975*. To this end, the Government introduced amendments to the NTA into Parliament in June 1996, and released an Exposure Draft of amendments on the right to negotiate and representative Aboriginal and Torres Strait Islander bodies in October 1996.

Difficulties with the Act

These proposed amendments, which were developed before the Wik decision, are intended to overcome many of the operational difficulties currently being experienced by those who have to work with the Act and the lack of real results. By way of example, as at 22 April 1997 there had been 510 claimant applications lodged for a determination of native title and only one determination of native title made. The amendments reflect a balance between the continued recognition and protection of native title and the economic development of the nation.

In brief, the amendments proposed in 1996:

- provide a higher registration test which must be satisfied before claimants have a right to negotiate about some future acts by governments over the claimed area;
- reduce the likelihood of more than one native title claim over one area;
- reduce the impact of the right to negotiate on mineral exploration and mining and other future land use;
- streamline the processes for determinations of native title by the courts;
- clarify the future role of the National Native Title Tribunal; and
- facilitate greater use of agreements between parties under the *Native Title Act*.

Statutory framework

These proposed amendments also strengthen the responsibilities of the representative bodies by establishing a statutory framework which will improve their accountability and consistency of performance. These amendments had not been passed when the Wik decision was announced, and have been put on hold while the Government considers its response to that decision. The Government may revisit some of the 1996 proposed amendments in the course of delivering its response to the Wik decision.

The Wik decision has overturned one of the fundamental assumptions of governments when the legislation was passed: that the grant of a valid lease extinguished native title. The implications of this change have a major impact on the operation of the Act and may also affect the day-to-day operation of the pastoral and mining industries as well as State and Territory land management.

Detailed consultations have been held with all interests affected by the Wik decision, including Premiers and Chief Ministers, mining and pastoral industry representatives and indigenous leaders. The Government remains committed to its policy of producing a resolution that is fair to industry, respects native title and which promotes the national interest.

Table 1: Outlays Measures

	Effect on Outlays			
	1997-98	1998-99	1999-00	2000-01
	\$m	\$m	\$m	\$m
Rural Adjustment Scheme	-46.3	-43.7	-50.3	-55.3
Integrated Rural Policy Package	44.7	46.3	52.4	55.4
Australian Quarantine and Inspection Service - Implementation of the Review of Export Meat Inspection (redundancies)	13.1	11.1	12.9	7.2
Australian Quarantine and Inspection Service - Implementation of reports into quarantine and imported fish and fish products	15.0	20.2	20.3	20.5
Supermarket to Asia - The Delicatessen	1.0	0.0	0.0	0.0
Work for the Dole Initiative	16.8	4.8	0.0	0.0
More Time for Business - Government Small Business Statement	6.8	8.8	5.4	4.8
Aboriginal and Torres Strait Islander Affairs Agencies funding arrangements - guaranteed funding with an increased base	15.0	15.2	15.5	15.8
Continue funding for the Family Service Centre and Retirement Service Centre pilots	1.9	0.0	0.0	0.0
Higher Education restructuring and rationalisation package	10.2	7.3	4.3	4.4
Targeted support for people with dementia and their carers	2.5	2.5	2.6	2.6
Continuation of funding for the National Road Transport Commission	0.6	1.2	1.2	1.2
Funds for Roads of National Importance in WA	10.0	10.0	10.0	10.0
Realignment of Tasmanian Freight Equalisation Scheme assistance rates	-3.0	-3.0	-3.0	-3.0
Regional assistance - Impact of Australian National Railways Commission restructuring*	10.0	0.0	0.0	0.0
Re-phasing of funding for the National Rail Infrastructure Authority	-15.3	-27.0	-19.0	-18.2
Funding for capital works at Orielton Lagoon in Tasmania	0.7	0.0	0.0	0.0
Regional Telecommunications Infrastructure Fund*	50.0	50.0	50.0	50.0
Savings from Natural Resource Management Programmes	-5.0	-5.1	-5.2	-5.3
Savings from the Rural Communities Access Programme	-2.4	0.0	0.0	0.0
Natural Heritage Trust of Australia Reserve	161.9	265.4	272.7	254.9
Increased AUSTUDY for families with two or more tertiary students living away from home	1.6	1.5	1.6	1.6
Improved targeting of ABSTUDY	-5.0	-10.9	-11.2	-11.6
Additional accommodation support places for people with disabilities and their families	5.9	11.8	18.0	18.3
Additional funding to the Visions of Australia programme to continue the provision for touring of cultural exhibitions	1.5	1.5	0.0	0.0
Referral to the Commonwealth of the Victorian industrial relations systems	2.2	2.3	2.3	2.4

This table reflects changes to outlays as a result of decisions taken in this years Budget; for details of total expenditure against these items refer to *Budget Paper No. 2*.

Note: Figures in the table are rounded.

* These decisions were announced prior to the 1997-98 Budget