



**PRIME MINISTER**

FOR PRESS

13 AUGUST 1977

ADDRESS TO TASMANIAN STATE COUNCIL, ULVERSTONE, TASMANIA

It is twenty months to the day since the Government was so resoundingly elected to office, and when all five Tasmanian seats in the House of Representatives were won by Liberals.

I am very mindful of the magnificent contribution which Tasmanian Liberals made to our election victory - people like Senator Reg Wright who is leaving Parliament in June next year after a long career in politics. Senator Wright is determined, sometimes irascible, a dogged fighter for those values important for the Liberal cause - a man independent in mind and action. If sometimes he is judged wrong, the integrity of his support for the Tasmanian cause can never be denied.

The Liberal Party won the 1975 election because we were committed to a new direction in government, because we were committed to increasing people's independence, and their ability to achieve a better society. We rejected the view that the way to solve Australia's problems was more Government spending, and bigger, more intrusive government. Labor believed this and it almost stifled Australia, almost suffocated the creativity and energy of the Australian people. And after the Perth Conference, it is clear that Labor would do it again.

We have made a beginning in fulfilling our commitment to create a better Australia. We have halted the growth of big government. Estimates indicate that the Government's share of gross national product has fallen, and the number of Commonwealth employees has been reduced by 12,000. This is 31,000 less than it would have been under Labor's policies. We have fundamentally reformed the taxation system. Tax indexation now prevents taxes rising simply because of inflation. Our reforms of company taxation are preventing businessmen being taxed on the illusory profits produced by the effect of inflation on their stocks. We have provided greater protection for individuals. The Ombudsman and the Administrative Appeals Tribunal have commenced work. The Federal Court system has been reformed. Procedures for the review of administrative decisions have been simplified.

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We have provided aid to those who are in real need, in ways increasing their independence and providing greater opportunities for choice. Our Family Allowance Scheme makes a direct cash payment to all mothers and benefits the poorest sections of the community most. The concentration of power in the hands of the Government has been reversed. Our policies have given greater financial independence and responsibility to the states and to local government.

The Government has done much to help the rural sector which has suffered so acutely from falling real incomes and decreasing competitiveness in overseas markets. We have introduced a number of measures to provide essential short-term assistance, including carry-on loans at concessional rates of interest to beef and dairy producers; abolition of the Meat Export Levy; underwriting of prices for certain dairy products; drought and other natural disaster relief. At the same time we have reintroduced the super-phosphate bounty, and are assisting longer-term structural adjustments under our new Rural Adjustment Scheme.

We have introduced Income Equalisation Deposits to help farmers cope with the problem of sharply fluctuating incomes. We have secured improved access to overseas markets for many of our agricultural products. Sales have been concluded for more beef to the United States, the Soviet Union, Eastern Europe and the Middle East, more wheat to China, more cheese to Japan, more lamb and live sheep to the Middle East.

Last weekend, during my meetings with ASEAN Heads of Government, I had extensive discussions with Japan's Prime Minister Fukuda on beef and sugar. I pointed out to him that the present arrangement of negotiating beef quotas every six months was disruptive to the beef industry's ability to operate effectively. An industry which has to plan for the long term cannot be properly based on a six months decision-making process. I put it to Mr. Fukuda that our officials should work together closely to devise a system which would better serve the needs of stability. He agreed. We shall shortly be sending a team of officials to Japan. We will be arguing for stability of access, for example, a base quota together with a growth factor related, say, to beef consumption in Japan.

With respect to the current negotiations on sugar, I stressed that the security of long term contracts as bankable documents should not be comprised in any way, and as a result of my conversations with Mr. Fukuda we agreed that the commercial parties should continue their negotiations. I emphasised to Mr. Fukuda that I considered that C.S.R. had made concessions enough, and that any changes which are made in the contract relating to sales up to 1980 must be compensated for by advantages to our sugar industry after 1980. I believe that our talks laid the foundation for commercial agreement between the parties, including what happens after 1980. The Australian Government continues to give very strong support indeed to C.S.R. as the holder of a valid contract. I am sure that this is understood and there is a strong desire on the part of Japan and Australia to have the matter settled by commercial negotiations.

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At home, the Government has paid particular attention to Tasmania. Tasmania relied heavily on a small number of businesses, and on the shipment and sale interstate and overseas of a few major commodities. This dependence makes Tasmania acutely vulnerable to changes in demand for those products. High costs and uncertainty in transporting goods to the mainland have meant all too often that Tasmanian goods suffer first when buyers cut the level of their purchases.

Last year, Mr. Justice Nimmo reported that Tasmanian shippers suffered a cost disadvantage. In response to this finding, the Government introduced the Freight Equalisation Scheme. In the financial year just ended, the Government paid \$16 million in subsidies under the Scheme for goods shipped to the mainland. This assistance has enabled many Tasmanian producers to compete in mainland markets and is providing a strong boost to the state's economy. In addition, an estimated \$3 million per year will be payable for the southbound subsidy. The subsidy will be payable with respect to certain Tasmanian imports of non-consumer materials and equipment from the mainland where producers suffer a transport disability. The benefits to the state of the southbound scheme will be widespread. Major mining and manufacturing firms will benefit; farmers can claim assistance on tractors and other major items of capital equipment; those engaged in forestry operations can claim on heavy equipment; manufacturers of furniture and other timber products can claim on capital equipment; and food processors and a variety of other small industries will benefit. Assistance to all primary producers and most businesses engaged in manufacturing and mining will be retrospective to 1 July last year. This means that over the next twelve months, Tasmanian producers will receive about \$6 million in south bound subsidies.

Even more importantly, the Government has allocated to Tasmania, in recognition of its special difficulties, a far higher amount per capita than for any other state. During the financial year just ended, grants and loan funds to this state amounted to over \$1,000 for every Tasmanian. This is one and three quarter times the amount per person allocated to my own state, Victoria, and higher than for any other state. The Government has also adopted a deliberate policy of locating appropriate Commonwealth-funded organisations in this state. We are locating the main site of the Australian Maritime College at Newnham. We are committed to moving the centre of our Antarctic operations from Melbourne to Kingston. This will inject over \$7 million into the local economy, and the Secretariat to the Advisory Council for Inter-Government Relations is being established in Hobart.

Numerous other capital grants have been made - for the Tasman Bridge, the Launceston General Hospital for the Inveresk Urban Redevelopment Scheme, and the total of all these grants, when work is completed, will be over 100 million. We have also given substantial financial support to the softwood, dairying, fruit growing and tourist industries.

We commissioned the Callaghan Enquiry to establish what more might be done to help Tasmania's positions. The Government has recently received the report from that enquiry and we are considering its recommendations.

Like all Australians, Tasmanians have benefitted from our success in reducing inflation. Inflation is corrosive of our society. It harms the weak, it undermines confidence and security, it stifles business. In the first half of this year, excluding hospital and medical services, the annual inflation rate was 10.4%. In the last half of 1974 by comparison, inflation was running at 19.3%. In 1976, private investment for plant and equipment rose in real terms by 6.8%. Company profits were up 27% in the March quarter compared with the preceding year, and we have restored real growth to the economy. But there is still much to be done. Inflation must be reduced further and unemployment must be reduced.

A number of innovative schemes have been introduced to alleviate youth unemployment, with encouraging results. The Community Youth Support Scheme now involves some 15,000 young people. The NEAT Scheme has been expanded to cover 18,000 people, three quarters of whom have found a job at the end of their term under the Scheme. NEAT's special youth employment training programme is particularly successful. It subsidises employers to hire young people who have been unemployed for a lengthy period of time. Over 70% of them retain their jobs when the subsidy expires. The CRAFT scheme for promoting apprenticeships now covers over 41,500 apprenticeships, and apprenticeships are up 9%. A total of 101,000 people have now directly benefitted from these schemes. No-one has been turned away from help under these schemes for lack of Government finance, and we shall place no arbitrary limit on funds available for these very important programmes in this financial year.

In addition to these programmes, the Government's Education Programme for unemployed youth is taking shape. Young people who have been unemployed for four months or more are being vocationally tested to ascertain potential abilities and defects in basic skills. They are then placed in small groups in technical colleges where they experience remedial training and receive personal advice and guidance. But if there are to be jobs for all those who want to work, we must face the fact that in recent years wage increases have priced many people out of work. We are still suffering from the excessive wage increase Labor promoted, when, in the two years to October 1975 award wages in manufacturing industry increased by 53%. One survey published last month revealed that one-third of companies absorbed the recent wage increases awarded by the Arbitration Commission by laying off workers. The message is clear: recent wage increases have directly led to further unemployment, and have far outstripped gains in productivity. In the financial year just ended, average weekly earnings increased 10.8%.

How long must it take for union leaders to realise that only high and rising productivity can sustain a high wage structure. Trade union wages policy is designed to perpetuate the distortions which occurred under Labor - the very distortions which moved Australia from habitual full employment to an economy of high unemployment. A responsible union approach to industrial disputes is also vital. Unwarranted strikes and stoppages contribute to unemployment, and impose hardship on Australians. The air controllers strike was a blatant example of the selfish attempt by a powerful minority to circumvent accepted methods of dispute settling, and impose their will on the community. This strike was resolved only after we indicated that we would bring down emergency legislation as a matter of urgency, and would intervene if necessary to ensure that Tasmania was not stranded without air links to the mainland. Stoppages have disrupted mining in the Pilbara. The seamen's dispute has halted the \$250 million Norwich Park project. Industrial disputes of this type harm Australia. The overwhelming majority of Australians, the overwhelming majority of trade unionists, opposes them. The lack of reason and common sense inherent in the initiation of many strikes entitles Australians to ask whether such strikes are deliberately striking at our country's well being. It is time the selfish minority recognised that they are members of a civilised community - not a jungle in which the most militant can get their way, irrespective of the cost to others.

We have legislated to bring greater justice, common sense and consultation to industrial relations. We have established the Industrial Relations Bureau, and the National Labour Consultative Council. We have legislated to provide for secret postal ballots for the election of officers registered under the Conciliation and Arbitration Act, and to limit their term of office to four years. We have amended legislation to make it easier for the Government to intervene in cases before the Arbitration Commission to ensure that the public interest is adequately protected, and we have amended the Trade Practices Act to ban damaging secondary boycotts by employees which do not concern disputes over conditions of employment.

Our approach has resulted in a significant reduction in the level of industrial disputes. During the first five months of 1977, we had by far the lowest level of industrial disputes and the lowest total of working days lost during this decade. 559,000 working days have been lost, compared to almost 4 million days lost for the comparable period in 1974. The Government will be bringing down further industrial relations legislation in the coming session of Parliament.

Ladies and gentlemen, much has been done to implement Liberal policies in all areas of Government. But it is only a beginning. There is still much to be done. More needs to be done to ensure that assistance is given to those most in need. We have already acted in many areas to protect civil liberties, but we shall implement further reforms.

We cannot afford to take our fundamental liberties for granted. More needs to be done for our aboriginal communities. We shall train more aborigines as field workers for our programmes, and the Law Reform Commission is examining the feasibility of recognising aboriginal customary law as part of the law of the land.

We will go further in establishing the conditions in which our rights as individuals are fully protected, in which individual initiative is recognised and rewarded, in which Government can effectively serve the community. In this great challenge, we need your wholehearted support. We rely on the constant stimulus of new ideas, new solutions which Liberal Party Councils across the country can provide.

The central theme of Liberalism - concern for the individual - has never lost its relevance. It is the responsibility of all of us - the inheritors of a great Liberal tradition - to keep alive the ideas and ideals of Liberalism, and, by so doing, maintain the vitality and leadership which this great party of ours has displayed ever since its inception.

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