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PRIME MINISTER

FOR MEDIA

MONDAY, 22 FEBRUARY, 1982

ADDRESS AT CAMPAIGN OPENING LOWE

On every count, on every issue, the choice before the voters in this by-election is stark and plain. There is no doubt that Philip Taylor is the outstanding candidate in this election. He will have tremendous support from his wife, Pat, whose in addition to her dedication to her family, has been active in public life in her own right. Philip Taylor has made real achievements already in Lowe, especially as Mayor of Burwood, and he will achieve more. He is the candidate who cares about the real well-being of his constituents. He is the candidate whose concern reaches beyond purely local issues. He is the candidate who represents the values of the vast majority of Australians.

As a member of the Government team in Canberra, he will be able to help achieve people's aims and hopes in a practical way. He will work for the Liberal way. But the choice in this election is more than a choice between candidates. It is a choice between different philosophies, a choice between the freedom of Liberalism and the drabness of Labor, a choice between different ways of life for Australia's families and for our children. We do not want their high taxes and big deficits. Labor would renew inflation and by giving in to unions, they would worsen strikes, as we have seen in this State. That is not the way for Australia, and the Liberal approach is vastly different.

We believe that people know their own needs and wants better than politicians and bureaucrats. We stand for prosperity for all Australians, based on private enterprise and responsible Government policies. We stand for growth, and the opportunities and security which growth brings. The way of life we enjoy in Australia today is the best in the world. Australia's achievements over the last thirty years - including the doubling of living standards over that period - have been achievements under Liberal Governments. Our policies have helped Australians build a better life for themselves. That is what Liberalism is all about. The living standards and vibrancy of Australian life which we take for granted today are the great legacy of the Liberal Party to Australia - the sure guarantee that Liberalism can keep Australia ahead.

I know there are challenges and problems. There always will be. It is our task to face them, to solve them. As a result of our policies we face the future from a position of strength. Our achievements over the last six years have been great.

In 1972, Labor inherited one of the world's strongest economies, and within three years, not only was that economy raped, but Australia was being run into the ground. So great was the feeling of instability and hopelessness that in 1975, more people left Australia than came in. That was the only year since 1946 when that happened. We have been building this country: Labor was dismantling it. What a condemnation of Labor. What a demonstration that Labor cannot build Australia. What a demonstration that people do not trust Labor. When we came to office in 1975, our first task was to repair the damage of Labor, and that has been a long haul. But much has been done.

Australia has been growing economically at more than twice the average rate of the other advanced Western countries. This year, international organisations predict that Australia will grow at about three times the rate of those countries. That means better living standards for Australia's families, and better opportunities for youth.

Investors have confidence in the strength of Australia's economy. The rate of increase in business investment in Australia last financial year was the highest for thirty years, and this means more growth, more jobs, and better living standards for our children. Let me give one example of this investment - petroleum exploration and development. It is predicted that over four hundred wells will be drilled in Australia this year, compared with 27 in 1975. It is predicted that spending on petroleum exploration and development will approach two and a half billion dollars in 1982, six times more in real terms than in 1975 and almost double the 1981 projection, which was itself a record. All of this is a result of the hard work of this Government, and I am proud of it. I am proud of the Liberal Party and I thank you for your support.

There are a lot of runs on the board. We have held down Government spending. This Government is now spending 2% cents less of each dollar that Australia produces than when we took office. We want greater reductions, and will be looking for them, but we are committed to look after defence, the elderly, and the needy. Look at the contrast with Labor's spending. At the end of their three years, Labor was taking nearly 6% cents more out of every dollar that Australia was producing than when they started. If we were spending as much out of every dollar as Labor, we would be spending an extra \$3,700 million this year, and that would mean taking over \$600 extra from every income taxpayer. Given the chance, Labor would again spend more. That is why Labor hates what we are doing, because we are restraining Government spending to give money back to people, because we are building up the private sector to let Australia go ahead. Labor wants to do the opposite. They have said so, and their course would inevitably mean higher taxes and inflation.

I know people think taxes are too high. Everyone would like lower taxes. But there was a \$500 million indexation tax cut last July, there is the tax rebate for health insurance of about \$500 million later this year, and we hope to do more.

It is this Government which has taken effective measures against tax avoidance, when Labor did virtually nothing, and all credit to John Howard for what he has done. It is this Government which has given self-employed people a substantial concession for their superannuation - their first fair go ever for this. It is this Government which abolished death duties, this Government which introduced the investment allowances which have helped to revive the economy.

We seek to build up the economy, and hold down Government spending, to bring improvements in family living standards. Let there be no mistake, Australia's economy is strong, our economic policies are paying dividends. Real incomes have risen substantially over recent years. In 1980/81, \$2.9 billion after tax was added to real household disposable incomes. In the two years to September, average weekly earnings have increased by over \$13 a week in real terms. We seek higher real wages through higher production in this country. That is the way to improve the living standards of Australia's families.

Under our policies 375,000 new jobs were created in the three years to last December, and the average unemployment rate last year was the lowest for four years. This year's January rate was below last year's, and on the latest figures our unemployment rate is substantially below Great Britain, below the United States, below West Germany. We have policies which look ahead in this vital area of employment. Under our training and transition schemes, 225,000 young people will receive assistance during 1981-82. A record 95,000 apprentices will receive assistance compared with 21,000 under the old scheme in 1976, and the current Budget allocates \$240 million for training and transition. We are determined that Australia's workforce will have the skills it needs to meet the demands of the future. But there are threats to the job prospects of our young people, threats to the well-being of us all, and none of these threats is greater than the current rash of strikes that plague this State in particular.

Labor often boasts of its special relationship with unions, but twice in the last 10 years we have had the positive demonstration that Labor has no special relationship with the unions, certainly not in Government. Remember this. At the time when Labor had every opportunity to resolve strikes, and no alibi's for failure, when there was a Federal Labor Government in office, and Mr. Hawke was President of both the ACTU and the ALP, there was a disastrous period of industrial disruption. Nearly 6 1/2 million working days were lost around Australia through strikes in 1974. As bad as strikes are now, there are no figures which come near that record. Nowhere is Labor's inability to solve strikes plainer than here in N.S.W. - Trains and buses out, petrol and food cut off. One of my colleagues counted 57 ships off Newcastle a few weeks ago. Wran's navy - anchored out at sea - costing exporters a fortune, stopping exporters delivering to their customers, damaging Australia's reputation as well as our earnings and our trade. And we have Wran's power plants as well, with generators that do not work because they were not maintained.

It is not a problem of Commonwealth funding. There is plenty of installed capacity in N.S.W. They just cannot keep the generators running. It is a simple problem of mismanagement. It goes back to poor industrial relations policies of the Wran Government. When the Wran Government gave in to demands for shorter hours, they promised no blackouts, and better productivity. But all we have got out of it is the short shower campaign. Shorter hours push up costs. To conceal the rising costs they cut back maintenance, and three out of four generators at Liddell are now out of action. It was elementary shortsightedness. I cannot think of a more irresponsible course for a Government to take, when electricity supply is at stake, which weighs so heavily in the development of a State and the comfort and convenience of millions of people. What a condemnation of Mr. Wran that within a few months of his election promise to expand industry and employment, he cannot find the power to maintain existing industry.

Strikes damage the living standards of us all. They threaten Australia's competitiveness. They destroy job prospects, and it is all so needless. We all know that there is a problem about strikes. Even Mr. Wran has said there is a tinge of lunacy, but I want you to judge our response, Mr. Wran's response and Mr. Hayden's response. Mr. Wran said there is nothing more he could do. Mr. Hayden tends to excuse the strikes. We have put forward farsighted proposals which address the real situation both immediately and longer term. We are introducing legislation on three fronts. Our proposals will allow employers to stand down workers who cannot be employed because others are striking, because we believe that if 20 strikers bring a workplace of 500 to a standstill, then the employer should not have to pay the other 480 when he has no work for them, and we believe it will help bring home to unions the real cost of strikes. Unions cannot complain about this measure because employers could only use the stand-down power if unions are going on needless strikes instead of using the processes of arbitration and negotiation. Our proposals will encourage industry unions and thus reduce the absurd demarcation disputes which so often destroy industrial peace and harmony, and harm vast numbers of Australians. Industry unions have long been common policy between the ACTU, the Labor Party and the Liberal Party, but this is the first time a Government has seriously tried to do something to achieve it. Our third proposal will protect the rights of employees through voluntary unionism.

In addition to these legislative proposals, we put forward a number of proposals to the Premiers' Conference. We in fact put up two approaches to the Premiers. We said that we were prepared to take over full industrial relations responsibility, if they were prepared to, if necessary on a trial basis for a period of years. Since no States wanted to take that up, we asked for specific co-operation in relation to the waterfront, where there have been major problems. We also asked for co-operation between State and Commonwealth wage tribunals, and in relation to demarcation disputes, and I am glad to say that co-operation in these areas is being vigorously pursued with the States.

In this vital field of industrial relations, Liberal philosophy alone provides an understanding of the causes of disruption and the way to approach them. The Liberal Party alone has the concern and the capacity to come to grips with the problems in the interests of all Australians. Labor, because of its links with the unions, will always be driven to accommodate what the unions want. It is the Liberal Government which is moving forward practical policies to encourage responsibility and help equalise bargaining power.

Excessive wage rises are another major threat to Australia's economic well-being. Mr. Wran was the only Premier last Friday who would not join a statement drawing attention to this problem. The economy cannot afford further general wage rises at this time. There have already been many large rises in recent months, and we now need time to digest the impact of these increases on the economy. Further wage rises at this time would damage Australia's international competitiveness, especially when commodity prices are low and competition is fierce. They would increase inflationary pressures, and the community must recognise these realities.

Another challenge we are facing concerns the problems of home ownership. The Liberal Party has always worked for home ownership for Australians, and our concern for this objective is paramount. Over the years of Liberal Government it is an objective which has been increasingly realised, and home ownership increased from about 50% in the late 1940's to about 70% in 1980. The problems posed by higher interest rates and in some States by land and house prices are substantial for many people, and there is also the problem of sufficient capital funds for the needs of home buyers. None of these problems seems likely to be short-term because of world conditions, so we are not talking about a short-term situation or a short-term panacea. We need to adjust our policies to changed circumstances so that there will be an adequate flow of capital funds which ordinary people can afford to borrow. This is the objective of the current policy review.

Many people have suggested subsidising interest rates, but if that were done without tackling the problem of adequate funds for housing it might simply push interest rates still higher, and provide no benefits for home buyers. Mr. Hayden has said he would regulate interest rates, but how real is that? Is he going to control all interest rates? Because if he were to do that he would have to try to stop people taking their money out of the country. The problem is complex. Capital markets have changed, and it is a fact of life that funds are being drawn out of institutions which have traditionally lent to the housing industry. The real and major problem is the availability of capital funds. Some of the relevant institutions, building societies and State savings banks, come under State law. We have asked the States to consider as a matter of urgency how these institutions could get more funds for housing.

These are the problems, and we are working towards arrangements in which they are addressed in a real way and the needs of Australia's families met. In all of this, our philosophy and objectives remain secure. Our task is to make sure we keep our policies on track. This Government has a proud record in many fields. Few countries have achieved such a successful migration program as Australia, and from April, there will be a new selection system heavily favouring family reunion and people with skills of benefit to Australia.

The Government has an effective and compassionate attitude to refugees, and that is shown by our recent decision to welcome more refugees from Poland. It was under this Government that vital steps to multiculturalism were taken, especially as a result of the Galbally Report, and the current review of the Galbally programs will allow us to make sure that the impetus is maintained.

We have given effective support to the rights of parents to send their children to non-Government schools. The proportion of children at non-Government schools fell under Labor. We have redressed the balance, and the proportion of children attending these schools is now rising. We will continue to defend the right of parents to make a free choice in this matter, and we will also continue our commitment to equality of opportunity and access to quality education for all Australia's children.

In social security and welfare, the Government again has a proud record, for Liberals care about people. Assistance to the disabled and handicapped is well over a billion dollars this financial year, a 34% real increase on the 1975-76 amount. It was this Liberal Government which indexed pensions, this Government which is contributing \$125 million this year to assist pensioners and beneficiaries paying rent, this Government which is contributing over \$600 million towards nursing homes in 1981-82, and which introduced regular upwards adjustments of the Commonwealth contribution. In the six years to mid 1982, this Government will have contributed \$350 million to aged persons homes and hostels - over \$100 million more than the total Commonwealth contribution in the previous 22 years. It was this Government which introduced family allowances, and increased them substantially in January. Our new health scheme now widely accepted, is a further major achievement of this Government. Under this scheme, insured people get a substantial tax rebate, and there is provision for free health care for some three million people. Low income families and individuals are protected. Labor want to cut out the tax rebate, and increase taxes to pay for their Government scheme.

This Government has acted with vision and initiative in many other areas. The new Cairns Section of the Great Barrier Reef Marine Park was declared last year, carrying further this Government's outstanding environmental record. The Human Rights Commission has recently been launched, and our Freedom of Information legislation will shortly be through the Parliament. We have built up Australia's reputation in international affairs. The Commonwealth Heads of Government Meeting last year with over 40 countries represented was the most important international meeting ever to be held in this country. Other countries see Australia as a self-confident and forward-looking nation.

It is no accident that Liberal policies and initiatives are taking Australia ahead, for these policies are based on the values on which Australia has been built and which the vast majority of Australians share. I have said something about the achievements that have been made, especially in recent years, but there is still much to be done in Australia, and this Party and this Government will not relax our efforts to keep advancing Australia. Mr. Hayden says that he could do better, and this by-election presented him with the chance to offer some policies. But he has said nothing about what he would do to maintain Australia's economic strength or bring further growth to the economy. These are the great fundamental policy questions, because so much else depends upon success with them. Why did he not address these questions? Labor has no answers, it has never had any answers. Labor always talks of how to cut up what Australia does produce, never of how to build up that production. And this is why the Labor Party is no alternative in this or any other election.

Mr. Hayden has made it plain that he would go down the big Government spending path again. He is a self-confessed "high tax man", the Minister for Social Security when pensions were taxed, the Minister for Medibank who more than doubled the Commonwealth's health expenditure in one year, the \$3½ billion deficit Treasurer, the believer in a "decisive and active democratic Socialist Government" for Australia. He tried to say he would not introduce a capital gains tax and in the same breath he said he would change the law to make sure he did. And what is Mr. Hayden trying to do to Australia's Constitution and to our ties with the Crown? It is under Mr. Hayden's leadership that the Labor Party, at its last Federal Conference, wrote Republicanism into the Labor platform as an objective. Members of the Labor Party, including Mr. Hayden, are bound by that. That would be an unknown venture of enormous danger. Small wonder Mr. Hayden tells us nothing about it.

Labor's objectives are wrong for Australia. Labor's policies are confused and inadequate for Australia. Liberal policies are right for Australia. They are in place and working, the challenges are being faced, and our objectives are those of the vast majority of Australians. When the electors of Lowe weigh up the candidates and their parties in this by-election, the choice is plain. Vote for Philip Taylor, vote Liberal, because that is the right vote on every issue and for all Australians.