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PRIME MINISTER

SPEECH BY THE PRIME MINISTER TO THE ALP POST-BUDGET BREAKFAST

MELBOURNE - 21 AUGUST 1985

LAST NIGHT PAUL KEATING DELIVERED OUR THIRD BUDGET.

LIKE OUR FIRST TWO BUDGETS, IT IS A BUDGET FOR JOBS AND GROWTH - JOBS FOR TODAY AND JOBS FOR THE LONG TERM,

IT IS A BUDGET WITH A CLEAR DIRECTION, CONSISTENT WITH OUR OVERALL ECONOMIC STRATEGY,

AND IT IS A BUDGET OF REFORM - IN PARTICULAR REFORM OF OUR PROGRAMS FOR YOUNG PEOPLE SO AS TO ADDRESS THE MAJOR ECONOMIC AND SOCIAL ISSUE OF OUR TIME - YOUTH UNEMPLOYMENT AND DISILLUSIONMENT.

BUT, THIS IS AN HISTORIC BUDGET IN ANOTHER QUITE FUNDAMENTAL SENSE. THIS BUDGET HANDSOMELY FULFILLS THE STRINGENT TRILOGY OF FISCAL COMMITMENTS MADE IN THE LAST ELECTION CAMPAIGN.

COMMITMENTS WHICH NO OTHER GOVERNMENT HAS EVER HAD THE CONFIDENCE TO MAKE; COMMITMENTS WHICH THE SCEPTICS SAID COULD NOT BE FULFILLED.

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IN PLEDGING THAT WE WOULD NOT INCREASE TAX REVENUE, AND WOULD REDUCE SPENDING AND THE DEFICIT, IN PROPORTION TO GDP, WE SET OURSELVES CONDITIONS WHICH HAVE ONLY BEEN MET TWICE BEFORE IN THE PAST QUARTER CENTURY - BUT WE MET THEM.

IN ADDING TO THESE COMMITMENTS THE FURTHER UNDERTAKING TO REDUCE THE DEFICIT IN MONEY TERMS FOR 1985-86, WE SET OURSELVES CONDITIONS WHICH HAD NOT BEEN MET FOR SIXTEEN YEARS - BUT WE MET THEM.

IT IS WORTH RECALLING THE RATIONALE FOR THAT UNPRECEDENTED SET OF COMMITMENTS AND THE ECONOMIC POLICY CONTEXT IN WHICH THEY ARE SET.

CAST YOUR MIND BACK TO THE EARLY MONTHS OF 1983.

AUSTRALIA HAD ENDURED SEVEN LONG YEARS OF LIBERAL RULE. RULE BASED ON CONFRONTATION AND DIVISION WHICH REAPED A DEBILITATING WAGE-PRICE SPIRAL AND ECONOMIC STAGNATION.

RULE WHICH EARNED FOR JOHN HOWARD THE DUBIOUS HONOUR OF BEING THE ONLY TREASURER IN AUSTRALIA'S HISTORY TO PRESIDE OVER BOTH DOUBLE-DIGIT INFLATION AND DOUBLE-DIGIT UNEMPLOYMENT.

THEIR APPROACH SHARPLY ESCALATED REAL UNIT LABOUR COSTS AND DROVE THE PROFIT SHARE, IN THE SECOND HALF OF 1982, DOWN TO A RECORD LOW OF LESS THAN 12 PER CENT.

THEIR APPROACH DESTROYED OUR INTERNATIONAL COMPETITIVENESS.

IT REAPED A WHIRLWIND OF INDUSTRIAL DISLOCATION AND
DISHARMONY.

AS THEY STROVE TO FIGHT INFLATION WITHOUT AN INCOMES POLICY
BY HOLDING THE EXCHANGE RATE ARTIFICIALLY HIGH, THEY WENT
CLOSE TO BREAKING THE BACK OF OUR GREAT MANUFACTURING,
MINING AND RURAL INDUSTRIES.

OVER THE 7 YEARS OF LIBERAL RULE, NON-FARM GDP AVERAGED
GROWTH OF ONLY 2.4 PERCENT PER ANNUM. EMPLOYMENT CREPT UP
AT AN AVERAGE RATE WELL BELOW THE GROWTH IN THE LABOUR FORCE
AS A RESULT, UNEMPLOYMENT ROSE INEXORABLY. IN EARLY 1983,
MOST COMMENTATORS THOUGHT THAT THERE WAS LITTLE PROSPECT OF
ACHIEVING SUSTAINED GROWTH AT A PACE FAST ENOUGH TO STOP
THE RISE OF UNEMPLOYMENT, LET ALONE TO REDUCE THE DOLE QUEUES.

WE PROMISED IN 1983 TO SEEK RECONCILIATION AND CONSENSUS -
TO GET AUSTRALIANS WORKING TOGETHER AGAIN.

WE BROUGHT TO GOVERNMENT AN ECONOMIC POLICY BASED ON THE
ACCORD, PROGRESSIVELY LESS STIMULATORY FISCAL POLICY, AND
RESPONSIBLE MONETARY POLICY.

WE SET OURSELVES SEVERAL INTER-RELATED GOALS: TO CREATE HALF A MILLION JOBS IN OUR FIRST THREE YEARS; TO REDUCE UNEMPLOYMENT AND INFLATION SIMULTANEOUSLY; PERMANENTLY TO IMPROVE OUR LONG-TERM GROWTH PERFORMANCE BY CORRECTING STRUCTURAL WEAKNESSES; AND PROGRESSIVELY TO ACHIEVE A MORE JUST, MORE EQUITABLE SOCIETY.

OUR APPROACH - AND IN PARTICULAR THE EMPHASIS WHICH WE PLACED ON PRICES AND INCOMES POLICY - WAS FRAMED IN RECOGNITION OF THE ENVIRONMENT WITHIN WHICH ANY AUSTRALIAN GOVERNMENT WOULD HAVE TO WORK.

AND I BELIEVE THAT AUSTRALIANS CAN BE PROUD OF THE FACT THAT, TOGETHER, WE HAVE MADE SO MUCH PROGRESS TOWARDS ACHIEVING THESE GOALS.

AUSTRALIA HAS EXPERIENCED ONE OF THE STRONGEST RECOVERIES OF ALL THE OECD COUNTRIES - ALREADY 10 PER CENT GROWTH IN TWO YEARS.

AND WE ARE LOOKING TO A FURTHER FIVE PER CENT REAL NON-FARM GROWTH IN 1985-86 - FIVE PER CENT GROWTH IN AUSTRALIA WHILE THE OECD IS ONLY EXPECTING ABOUT 3 PER CENT FOR THE WORLD'S MAJOR INDUSTRIAL COUNTRIES.

THE STRONG GROWTH HAS BEEN THE KEY TO THE 410,000 NEW JOBS THAT HAVE BEEN CREATED IN AUSTRALIA SINCE THE NATIONAL ECONOMIC SUMMIT CONFERENCE IN APRIL, 1983.

IN THIS BUDGET WE HAVE REDUCED THE GROWTH OF REAL OUTLAYS TO 1.3 PERCENT, THE LOWEST IN 6 YEARS. AND EVEN MORE IMPRESSIVELY, THIS BUDGET HAS THE LOWEST NOMINAL GROWTH OF OUTLAYS SINCE 1968-69.

WITH NO INCREASE IN TAX REVENUES AS A PROPORTION OF GDP WE HAVE, IN THIS BUDGET, REDUCED THE DEFICIT TO \$4.9 BILLION - A CUT OF \$1.8 BILLION.

THIS YEAR'S DEFICIT REPRESENTS 2.1 PERCENT OF GDP, SUBSTANTIALLY LESS THAN HALF THE PROSPECTIVE RATIO THAT WE INHERITED EARLY IN 1983.

AS A RESULT THE GROSS BOND SALES TO THE PRIVATE SECTOR THIS YEAR ARE EXPECTED TO AMOUNT TO ONLY \$5 BILLION, COMPARED TO \$7.6 BILLION LAST YEAR. AND THAT \$5 BILLION INCLUDES \$3 BILLION OF REFINANCING OF MATURING SECURITIES.

IN CONJUNCTION WITH THE CUTBACK IN STATE AUTHORITIES' BORROWING PROGRAMS NEGOTIATED WITH THE PREMIERS IN MAY, THIS BUDGET WILL PERMIT A SHARP REDUCTION IN THE GROSS PUBLIC SECTOR BORROWING REQUIREMENT IN 1985-86.

SUCH A REDUCTION WILL HELP TO REDUCE PRESSURES ON REAL INTEREST RATES FROM THIS SOURCE AND HELP TO BRING MONETARY AND FISCAL POLICY INTO BETTER BALANCE.

THIS REDUCTION WILL HELP TO UNDERPIN DOMESTIC INVESTMENT AND CREDIT-SENSITIVE CONSUMPTION EXPENDITURES AND CONTRIBUTE TO A FIRM BASIS FOR ON-GOING ECONOMIC GROWTH.

WE HAVE CREATED 70,000 MORE JOBS SINCE THE SUMMIT THAN THE FRASER GOVERNMENT MANAGED IN 7 YEARS. OUR THREE YEAR TARGET OF 500,000 IS NOW COMFORTABLY WITHIN REACH.

AND THE UNEMPLOYMENT RATE, WHICH HAS ALREADY FALLEN BY 2 PERCENTAGE POINTS, IS EXPECTED TO FALL FURTHER THIS YEAR TO 7-1/2 OR, AT WORST, 8 PER CENT.

AT THE SAME TIME, EVEN THOUGH THERE HAS BEEN SOME PICK UP RECENTLY IN RESPONSE TO DEPRECIATION, THE ANNUAL INCREASE IN PRICES IN THE PAST YEAR WAS THE LOWEST SINCE 1970-71.

INDUSTRIAL DISPUTATION IS AT ITS LOWEST FOR ONE AND A HALF DECADES. BUSINESS PROFITABILITY HAS BEEN RESTORED. REAL UNIT LABOUR COSTS HAVE BEEN REDUCED TO LEVELS LAST SEEN IN THE EARLY 70'S.

WE RECOGNISE THAT, WHILE FISCAL PUMP PRIMING WAS APPROPRIATE WHILE ECONOMIC ACTIVITY IN THE PRIVATE SECTOR WAS WEAK, IT IS NO LONGER NECESSARY OR APPROPRIATE FOR THE PUBLIC SECTOR TO SHOULDER SO MUCH RESPONSIBILITY.

CONSISTENT WITH OUR FISCAL TRILOGY WE HAVE, IN THIS BUDGET, REDUCED THE SHARE OF COMMONWEALTH OUTLAYS IN GDP BY A FULL PERCENTAGE POINT. AS THE MAY MEASURES AMPLY DEMONSTRATE, THIS IS THE RESULT OF RIGOROUS EXPENDITURE PRUNING AND FIRM CONTROL OVER NEW PROGRAMS.

LET ME SAY A LITTLE MORE ABOUT THE STRENGTH OF RECOVERY IN 1985-86, AND THE FACTORS WHICH WILL SHAPE OUR GROWTH PROSPECTS BEYOND THAT.

A PLEASING FEATURE OF THE ECONOMIC OUTCOME IN 1984-85 WAS THE CONSISTENT GROWTH IN PRIVATE SECTOR ACTIVITY ACHIEVED THROUGH THE COURSE OF THE YEAR.

REAL PRIVATE CONSUMPTION EXPENDITURE GREW AT AN ANNUAL RATE OF 5.5 PER CENT IN THE SECOND HALF OF 1984-5, UP FROM 3.7 PER CENT IN THE FIRST HALF. BUSINESS INVESTMENT GREW STEADILY AT AN ANNUAL RATE OF 4 PER CENT.

MOST PLEASING OF ALL WAS THE HUGE PRIVATE SECTOR CONTRIBUTION TO EMPLOYMENT GROWTH.

SOME 90 PER CENT OF THE GROWTH IN EMPLOYMENT WHICH OCCURRED IN THE YEAR TO THE MARCH QUARTER (THE LATEST FOR WHICH THE DISAGGREGATED DATA ARE AVAILABLE) WAS PRIVATE SECTOR EMPLOYMENT.

1985-86 IS FORECAST TO BE ANOTHER BUOYANT YEAR FOR THE PRIVATE SECTOR, UNDERPINNED BY SOLID GROWTH IN PRIVATE CONSUMPTION AND FASTER GROWTH IN BUSINESS INVESTMENT.

PARTLY REFLECTING THE STRENGTH OF SALES, THE OFFICIAL FORECASTS ASSUME THAT BUSINESS INVENTORIES DO NOT MAKE MUCH CONTRIBUTION TO GROWTH IN 1985-86. BUT STOCKS ARE NOW VERY LOW RELATIVE TO SALES, IN HISTORICAL TERMS, AND THERE IS A CHANCE THAT WE WILL DO BETTER THAN THE FORECASTS ON THIS POINT.

A SIGNIFICANT FACTOR IN THE OUTLOOK FOR 1985-86 AND BEYOND IS THE RECENT DEPRECIATION OF THE AUSTRALIAN DOLLAR. WE, AS A COMMUNITY, HAVE A REAL CHANCE TO MAKE A DECISIVE BREAK WITH THE CONSEQUENCES OF PAST POOR COMPETITIVENESS.

OUR MANUFACTURING INDUSTRIES NOW HAVE A REAL CHANCE SUBSTANTIALLY TO INCREASE THEIR SHARES OF DOMESTIC DEMAND.

AND OUR MANUFACTURING, RURAL, MINING AND SERVICE INDUSTRIES NOW ARE WELL PLACED TO DO MUCH BETTER ON EXPORT MARKETS.

I HAVE SUGGESTED BEFORE THAT WE COULD CREATE 100,000 NEW JOBS FOR AUSTRALIANS IF WE RETAIN AND UTILISE OUR NEWLY STRENGTHENED COMPETITIVENESS.

BUT THE SAME INCREASES IN THE PRICES OF IMPORTED GOODS WHICH HAVE ALREADY STRENGTHENED THE COMPETITIVENESS OF DOMESTIC PRODUCERS ARE RAISING CONSUMER PRICES. IF THESE INCREASES FLOW RIGHT THROUGH TO ALL OUR COSTS WE WILL HAVE LOST OUR ADVANTAGE.

FOR THIS REASON THE GOVERNMENT WILL BE ARGUING FOR DISCOUNTING OF THE CPI FOR THE PRICE EFFECTS OF DEPRECIATION AT THE NEXT TWO NATIONAL WAGE HEARINGS.

WE WILL BE MEETING EMPLOYERS AND UNIONS BEFORE THE NEXT CASE TO DISCUSS THE GOVERNMENT'S APPROACH. AS THE TREASURER INDICATED LAST NIGHT, WE WILL BE EXPLORING WITH THE ACTU, WITHIN THE FRAMEWORK OF THE ACCORD, MEANS BY WHICH ANY

TEMPORARY LOSS IN REAL INCOME CAN BE FULLY RESTORED, OVER TIME, WITHOUT DAMAGING THE ECONOMY.

AS A FURTHER INDICATION OF THE SCALE OF BENEFITS WHICH CAN BE ACHIEVED IF ONLY THE REAL DEPRECIATION CAN BE PRESERVED, THE OECD HAS ESTIMATED THAT NET EXPORTS COULD CONTRIBUTE 1.4 PERCENTAGE POINTS TO GROWTH IN 1985-86. THE BUDGET FORECASTS INCORPORATE A SLIGHTLY MORE CONSERVATIVE ESTIMATE OF ONE AND A QUARTER POINTS.

BUT BASED ON PAST EXPERIENCE THE CONTRIBUTION COULD TURN OUT TO BE HIGHER THAN THAT.

AND WHILE CIRCUMSTANCES MAY VARY, ACROSS INDUSTRIES, MUCH OF AUSTRALIAN MANUFACTURING CERTAINLY HAS THE CAPACITY TO RESPOND TO THE BUSINESS OPPORTUNITIES WHICH ARE EMERGING.

BUT WHETHER THOSE OPPORTUNITIES WILL BE PRESENT IN 1986-87 AND BEYOND WILL DEPEND VERY MUCH ON HOW SUCCESSFUL WE ARE AT CONTAINING INFLATIONARY PRESSURES IN THE AFTERMATH OF DEPRECIATION.

THE BUDGET ESTIMATES OF OUTLAYS AND REVENUE ASSUME CONTINUED FULL INDEXATION OF WAGES TO THE CPI.

IF INSTEAD - AND AS WE WOULD HOPE - THE CONCILIATION AND ARBITRATION COMMISSION IS PERSUADED TO TAKE ACCOUNT OF THE EFFECTS OF DEPRECIATION, THE BUDGET DEFICIT WOULD BE SOME \$350M HIGHER.

IN A SPEECH TO THE ECONOMIC SOCIETY IN SYDNEY A COUPLE OF WEEKS AGO, I DESCRIBED HOW OUR MONETARY POLICY IS FIRMLY DIRECTED TO SUPPORTING STRONG GROWTH BUT NOT ANY RESURGENCE OF INFLATION. OUR APPROACH TO MONETARY POLICY WAS REAFFIRMED LAST NIGHT IN THE BUDGET.

IN ADDITION TO STRENGTHENING THE FOUNDATIONS OF ECONOMIC GROWTH, OUR THIRD BUDGET, LIKE ITS TWO PREDECESSORS, IS A BUDGET OF REFORM IN AN EVEN WIDER SENSE.

WE HAVE FOCUSED STRONGLY ON THE MAJOR ECONOMIC AND SOCIAL CONCERN OF OUR TIME - THE POSITION OF YOUNG PEOPLE.

AS I SAID IN MY ADDRESS ON SUNDAY NIGHT, WE MUST NURTURE THE TALENTS OF YOUNG AUSTRALIANS. THEIR ENTHUSIASM, THEIR BRAINS, THEIR VISION CAN LIFT THIS COUNTRY TO THE FRONT LINE OF THE WORLD'S INDUSTRIAL POWERS.

BUT SO OFTEN WHEN WE HAVE SPOKEN TO YOUNG PEOPLE WE HAVE DETECTED A SENSE OF FRUSTRATION AND ANGER BECAUSE A DISTURBING NUMBER FEEL THAT THEY HAVE NOT BEEN GIVEN A CHANCE.

IN THIS BUDGET MY GOVERNMENT HAS GIVEN EFFECT TO A CO-ORDINATED STRATEGY TO GIVE YOUNG PEOPLE THAT CHANCE - ESPECIALLY YOUNG PEOPLE FROM FINANCIALLY POOR OR OTHERWISE DISADVANTAGED BACKGROUNDS.

A BETTER TRAINED WORKFORCE MEANS A WORKFORCE WHICH IS MORE FLEXIBLE AND BETTER ABLE TO RESPOND TO THE CHALLENGES WHICH LIE AHEAD OF US.

WITH THIS IN MIND WE HAVE REVITALISED ARRANGEMENTS FOR YOUTH INCOME SUPPORT AND PUT IN PLACE AN IMAGINATIVE NEW APPROACH TO YOUTH TRAINING PROGRAMS - AN APPROACH MODELLED CLOSELY ON THE RECOMMENDATIONS OF THE KIRBY REPORT, INVOLVING A MIX OF BOTH ON AND OFF-THE-JOB STRUCTURED TRAINING AND EDUCATION.

WE WILL BE DEVOTING SUBSTANTIAL ADDITIONAL BUDGETARY RESOURCES TO THIS TASK. RESOURCES TO PROVIDE AN ADEQUATE LEVEL OF INCOME SUPPORT; TO PROVIDE 20,500 ADDITIONAL TERTIARY PLACES OVER THE CURRENT TRIENNIUM; TO SPONSOR TRAINING PLACES IN THE PUBLIC SECTOR; AND TO ENSURE THE SUCCESS OF TRAINEESHIPS IN THE PRIVATE SECTOR.

WE HAVE GIVEN THE LEAD. BUT TO REACH ITS FULL POTENTIAL OUR SCHEME REQUIRES THE CO-OPERATION OF ALL PARTIES - EMPLOYERS, UNIONS, EDUCATORS AND YOUNG PEOPLE THEMSELVES - TO TURN THAT INITIAL ENTHUSIASM INTO REAL TRAINEESHIPS AND REAL JOBS.

I ASK ALL AUSTRALIANS - YOUNG AND NOT SO YOUNG ALIKE - TO CAREFULLY CONSIDER THE CHALLENGE WHICH OUR PROPOSALS INVOLVE. WE NEED YOUR WHOLEHEARTED SUPPORT. BUT WITH YOUR WHOLEHEARTED SUPPORT WE CAN ENSURE A NEW DEAL FOR THE COMING GENERATIONS OF AUSTRALIANS.

OF COURSE THIS BUDGET HAS NOT NEGLECTED OTHER AREAS OF ECONOMIC AND SOCIAL REFORM.

THERE IS GREATLY EXPANDED SUPPORT FOR RESEARCH AND DEVELOPMENT WITHIN THE MOTOR VEHICLE PLAN.

THERE ARE SUBSTANTIAL INITIATIVES TO EASE THE BURDEN ON FARMERS IN THEIR TIME OF CRISIS. THESE INCLUDE THE COMPLETE REMOVAL OF THE EXCISE ON FUEL FOR ELIGIBLE PRIMARY PRODUCERS AND THE REPLACEMENT OF THE TARIFF ON GRAIN HARVESTERS BY BOUNTIES ON LOCAL PRODUCTION.

WE HAVE BUILT UPON THE SUBSTANTIAL REAL IMPROVEMENTS IN BENEFITS PROVIDED IN PREVIOUS BUDGETS TO PROVIDE MORE ADEQUATELY FOR OUR MOST NEEDY FELLOW AUSTRALIANS.

IN PARTICULAR, WE HAVE INTRODUCED A SUPPLEMENTARY PAYMENT OF \$10 PER WEEK FOR LONG TERM UNEMPLOYMENT BENEFICIARIES WHO RENT PRIVATELY AND WE HAVE FURTHER INCREASED THE ADDITIONAL BENEFITS PAID TO CERTAIN LOW INCOME FAMILIES WITH CHILDREN.

THE BUDGET THEREFORE INCORPORATES A CONSISTENT, MEASURED APPROACH DESIGNED TO PRODUCE A MORE HIGHLY SKILLED, MORE EFFICIENT AND MORE EQUITABLE AUSTRALIA. AND IT DOES SO WHILE ALSO SUBSTANTIALLY WINDING BACK THE BUDGET DEFICIT.

BUT LET US BE CLEAR. THIS GREAT FISCAL FEAT IN 1985-86 IS NOT THE OUTCOME OF ANY FISCAL SLEIGHT OF HAND.

THERE IS NO INCREASE IN THE TAX BURDEN. THERE IS NO ARTIFICIAL FUNDING OF DEFICITS BY WHOLESALE SELLING OF PROFITABLE ENTERPRISES, AS OUR OPPONENTS WOULD HAVE US DO.

THIS FISCAL OUTCOME HAS BEEN ACHIEVED AFTER A HARD SLOG TO PRUNE WASTE AND UNNECESSARY EXPENDITURES DATING BACK TO CHANGES IN PROCEDURES THAT WE INTRODUCED ALMOST A YEAR AGO; A HARD SLOG TO REORDER PROGRAMS TO TARGET THEM MOST CLOSELY ON NEED; AND TO CONTAIN NEW PROGRAMS TO THOSE WHICH ARE ESSENTIAL TO SATISFY THE PRESSING NEEDS OF AUSTRALIA.

IT IS A BUDGET FOR THE FUTURE - NOT ONLY BECAUSE IT DELIVERS THE RIGHT MIX BETWEEN MONETARY AND FISCAL POLICY; NOT ONLY BECAUSE IT WINDS BACK THE DEGREE OF FISCAL STIMULUS AT A TIME WHEN THE PRIVATE SECTOR IS SET TO EXPAND STRONGLY; BUT ALSO BECAUSE IT PUTS IN PLACE MEASURED STRUCTURAL REFORMS DESIGNED TO RAISE SKILL LEVELS AND PURSUE SOCIAL JUSTICE.

ABOVE ALL, IT IS A BUDGET TO UNDERWRITE A THIRD YEAR OF STRONG GROWTH -

. A THIRD YEAR OF GROWTH WHICH FURTHER DEFIES AND, I TRUST, SHALL DEFEAT THE PESSIMISM ABOUT GROWTH THAT DESCENDED UPON AUSTRALIA IN THE MID-SEVENTIES.

. A THIRD YEAR OF GROWTH FOR AUSTRALIANS TO LEARN AGAIN THE HUGE REWARDS FOR ALL AUSTRALIANS, TO BE WON BY COMMUNITY CO-OPERATION WITHIN A WELL-CRAFTED STRATEGY FOR NATIONAL RECOVERY AND RECONSTRUCTION.

I SAID AT THE BEGINNING THAT THE FULFILMENT OF THE TRILOGY ACHIEVED IN THIS BUDGET ITSELF JUSTIFIES PAUL KEATING'S DESCRIPTION OF HIS BUDGET LAST NIGHT AS "HISTORIC".

BUT THERE IS MUCH MORE TO IT THAN THAT.

I PROFOUNDLY BELIEVE THAT IF THE AUSTRALIAN PEOPLE - AND IN PARTICULAR, AUSTRALIAN BUSINESS AND AUSTRALIAN TRADE UNIONS - RESPOND TO THE OPPORTUNITIES THIS BUDGET OFFERS, THEN THE 1985-86 BUDGET CAN BE A WATERSHED IN OUR HISTORY.

AND I SAY THAT FOR THIS REASON:

FOR TOO LONG, THE BUDGET-MAKING PROCESS IN AUSTRALIA LACKED CONSISTENCY, PURPOSE, AND DIRECTION. UNTIL 1983, BUDGET AFTER BUDGET FAILED TO PROVIDE ANY COHERENT FRAMEWORK WITHIN WHICH BUSINESS COULD PLAN OR IN WHICH THE TRADE UNION MOVEMENT COULD FULFIL ITS RESPONSIBILITIES OR IN WHICH THE AUSTRALIAN COMMUNITY AS A WHOLE COULD SEE WITH CONFIDENCE THE FUTURE DIRECTIONS OF AUSTRALIAN ECONOMIC AND SOCIAL POLICY.

THIS BUDGET, EVEN MORE THAN ITS TWO IMMEDIATE PREDECESSORS, AND CERTAINLY IN A WAY NEVER ATTEMPTED IN THE BUDGETS OF THE SIXTIES AND SEVENTIES, DOES ESTABLISH THAT FRAMEWORK - A FRAMEWORK OF CONFIDENCE AND CONSISTENCY, OF DIRECTION AND PURPOSE - THAT WILL SERVE AND STRENGTHEN THE AUSTRALIAN ECONOMY AND THE AUSTRALIAN SOCIETY NOT MERELY THIS FINANCIAL YEAR, BUT FOR MANY YEARS TO COME. THIS WILL BE AN HISTORIC ACHIEVEMENT. THIS IS AN HISTORIC BUDGET.
