



## PRIME MINISTER

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

**SPEECH BY THE PRIME MINISTER  
NEW SOUTH WALES ALP STATE CONFERENCE  
MONDAY - 3 OCTOBER 1988**

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Nearly fifteen months ago in the last days of the Federal election campaign I asked the Australian people to determine two issues of overwhelming importance to the future of Australia.

The questions I asked were crystal clear summations of the basic differences between the Labor Government and our conservative opponents.

I asked the people of Australia:

who could provide Australia with the responsible economic management it needed; and

who could provide Australia with the united and credible political leadership it deserved.

Responsible economic management and united political leadership - no wonder the electorate's verdict was so definite.

Because these factors, then and now, are the essential components of good government, and, then and now, they are the unmistakable hallmarks of the Australian Labor Party.

That's why we won re-election last year to our historic third term in office.

And that's why John Cain was re-elected to his historic third term in Victoria on Saturday.

At the State and Federal levels in Australian politics today there is the starkest of contrasts between the quality performance of Labor and the divisiveness which characterises the Liberals and Nationals in both their policy choices and their leadership brawls.

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And that statement applies with as much strength and relevance where Labor is in office - as it is in Canberra and Melbourne and Adelaide and Perth - as it does here in Sydney now we are in opposition.

As Prime Minister I have the very great privilege of leading a Labor Government which is dedicated to an unrelenting program of reform aimed at building the prosperity of the Australian economy and the fairness of Australian society.

And I claim the very great achievement that no Australian Government has pursued those goals more successfully than the one I have the honour of leading.

Despite inheriting in 1983 the worst recession this nation had experienced in 50 years, and despite facing a subsequent massive collapse in our terms of trade, we have been successful beyond precedent.

We are now approaching the half way mark of our third term.

So let me measure our achievement today by reminding you of the promises we made in the election campaign last year and by outlining the actions we have taken to keep those promises.

And, even more importantly, let me make utterly clear to you, and through you to the people of Australia, our absolute determination to maintain the pace of economic and social reform for the remainder of this term and beyond.

Because just as we have achieved a great deal, so we have a great deal still to do.

Just as we have proven our capacity in the past to provide united leadership and responsible economic management, so we are determined to provide that leadership and that management into the future.

When I launched our campaign for re-election in June last year I released a 40-page document which set out in detail the record of our first two terms in office and our detailed plans for the future; across every department and in every area of Government activity from social welfare to defence.

And as I drew the campaign to a close I highlighted twelve specific items on the Government's immediate economic agenda.

Taken together, those commitments represented probably the most comprehensive and realistic blueprint for action ever presented to Australian voters - and certainly, given the chaos of the Opposition's tax policy, it was the only such blueprint presented to the voters in the 1987 campaign.

Today I can state with pride that in the fifteen months since the election we have acted decisively and comprehensively on that blueprint for reform.

We are seeing around us, in the cities and towns and on the farms and in the factories and homes of Australia, the undeniable evidence of progress towards our goals - our Labor goals - of greater prosperity and greater fairness.

We promised to eliminate the need for child poverty in Australia by 1990 - and our opponents scoffed.

But we are achieving that goal. We have introduced the new Family Allowance Supplement to direct to the mothers of some 150,000 Australian families an unprecedented amount of tax-free cash assistance.

We promised we would give those families \$22 a week for each child and \$28 a week for each teenager between the ages of 13 and 15.

We met that promise - and in the last Budget we increased the payments by some 10 per cent.

We have also increased support for families renting their home or flat on the private market - those who are feeling the squeeze of the property boom.

Let me give you an example of how these two measures - the increased Family Allowance Supplement and the rent assistance - have improved the lot of low income Australian families.

A family of five - three children aged 12, 14 and 15 and two parents earning up to \$16,900 and paying private rent - will by the middle of next year be receiving \$106 a week in Government assistance from these measures.

That is tax-free income so it's the same as a wage rise of \$167 a week.

That's assistance of an unprecedented nature - it's further proof of our capacity to help the people who really need it, even in times of economic restraint.

Bill Kelty of the ACTU had it right when he said the family package represented such a boost to incomes that it would have taken fifty years to win through traditional industrial means.

It's an achievement I'm proud of and it's an achievement that we will improve on again in the 1989-90 budget context to meet the targets we set ourselves.

That landmark program of assistance to needy families is just the latest major instalment in Labor's sweeping social justice strategy - a concerted effort to make Australia a fairer society

- a society in which economic resources are taxed fairly and distributed fairly; and
- a society in which there is fair access to all essential community services.

The fruits of that strategy are seen in our historic reforms of the taxation system - our capital gains tax and fringe benefits tax - which require the more privileged among us to contribute resources so the needy can be helped.

They are seen in our steady increases in access by Australian workers to superannuation cover.

By the end of the current parliamentary term, we will have doubled the extent of superannuation coverage from 40 per cent of Australian workers to 80 per cent: so that eight workers in ten have the security and certainty that super provides.

Our social justice strategy has also led to a massive opening up of new opportunities for young Australians at schools and universities and in job training.

When we came to office, only about one-third of school kids were staying on at school past the compulsory age. What an appalling restriction that represented on the life opportunities of hundreds of thousands of Australian children.

Now, as a result of the decisions we have made, more than half the kids - 57 per cent of them - are staying on at school. By the early 1990s it will be about two-thirds.

The last budget also allocated funds for 40,000 new places at universities - as well as increasing allowances to students from disadvantaged backgrounds.

Such reforms not only ensure broader horizons for individual Australians - they also mean a better trained workforce able to compete with the world.

The fruits of the social justice strategy are also seen in:

our 8.3 per cent real increases to the aged pension, compared to the 2.5 per cent drop under the previous Government;

our increased funding for home and community care, this year totalling \$209 million;

our massive increase in the availability of child care, with our recent decision to fund another 30,000 places taking the total under Labor to 94,000 - three times the number in existence when we came to office; and

our efforts towards equality of opportunity for women.

Most of all, the fruits of our social justice strategy are seen in its direct interrelationship with our economic strategy.

Our economic strategy has been and will remain aimed at generating new prosperity in the community; equally, our social justice strategy has been and will remain aimed at distributing that prosperity fairly throughout the community.

That is why I can state today that the outlook for the economy and the community at large is a positive one. Because Australians - all Australians - stand to gain from the combined effects of our economic and social justice strategies.

Nowhere is this clearer than in two key economic forecasts: the jobs outlook and the prospects for the intersection of wages, taxes and inflation.

In jobs, our achievements are already massive.

In the five years we have been in office, we have created more than one million new jobs. In the fifteen months since we were re-elected to our third term we have created over a quarter of a million jobs.

In all, our rate of jobs growth is four times faster than the Fraser/Howard Government achieved and it is twice as fast as the Western world.

At the same time the unemployment rate has fallen from 10 per cent when we came to office to 7 per cent now.

One million more people in jobs. A falling unemployment rate. The great result of the restraint and intelligence displayed by the trade union movement - the proud record of cooperation between trade unions and the Federal Labor Government under the Accord.

I am confident that we will continue to create jobs in the economy for the remainder of this term and beyond - that we can continue to provide the best form of income security there is: a regular pay packet.

That leads logically to the second key economic forecast - covering the intersection of wages, taxes and inflation.

The bottom line is that real wages will be maintained over the next 12 months.

As Prime Minister, I recognise that many Australian families have found it difficult to make ends meet over the last few years.

In particular, middle and lower income earners have felt much of the pain of economic reconstruction so far.

That recognition provides the underpinning for the wage-tax trade off which we want to see in 1989/90. We aim to keep inflation down without the need to sacrifice the living standards of Australian workers.

That will mean we can introduce personal tax cuts from the middle of next year - tax cuts that will be structured particularly towards the needs of Australia's lower and middle income earners.

How large those cuts can be depends on achieving an appropriate wages outcome this year and on a stable prospect of restraint for next year.

But I want to affirm again in this audience that the legitimate aspirations of workers for the maintenance and the progressive increase in their living standards can be and will be met.

Tax cuts, more jobs, more superannuation, eliminating the need for child poverty - that's what we can achieve in the remainder of our third term. And that's what we will deliver.

And we can guarantee too that we will continue to make the underlying reforms to the structures and institutions of the economy that will sustain that progress.

Because when I speak of the maintenance and improvement in living standards I do not do so with any pretence that such progress comes easily.

Australians have become all too familiar over recent years with the challenges of the international economy to believe that we can simply pay ourselves more wages, cut our taxes, improve our welfare structures, unless we get the fundamentals right first.

It is our recognition of that fact that differentiates us from the conservatives, and that explains our political and economic success in recent years.

The conservatives offered tax bribes in 1987, with complete disregard to the prior question of whether they could be paid for.

We now plan for tax cuts to commence next year in the full knowledge that they can be afforded, that they are responsible and that they are structured especially towards the lower end of the pay scales.

We can do this because we are pushing ahead with the great task of reconstructing the macro-economy as well as tackling the thorny issues of the micro-economy. I will be making a more detailed statement next week outlining how our momentum for structural reform will be maintained.

Delegates,

At our Party's Federal Conference in Hobart in June I said that Australia was a stronger country, a fairer country, a country far better equipped to face the future than it was when we came to office in 1983.

It is our task to make sure that over the coming years we continue to build Australia's strength and fairness and continue to equip it to meet and master the challenges we face.

As we enter the 1990s that challenge won't evaporate. We still have obstacles to surmount on the path to secured prosperity.

But our achievements so far, and our determination for the future, make me confident we will succeed.

Delegates,

My confidence in our prospects and in the prospects for the Australian nation stem not just from the policy record of the last few years.

It stems also from a deeper source within the heart of this great Labor Party itself.

I can say, with complete truth, that I have never felt a greater sense of pride in being the Labor Prime Minister than I do now.

Because Labor at present is meeting the challenges of Government more effectively and with greater unity than it has ever done before.

In the early days of Government the various factions of our Party still had to learn how to understand and get on with each other.

We had probably been in Opposition for such a large part of the post-war decades that we had come to accept factional disputes as an affordable luxury.

I recall we tended at times to think that if a member of another faction did not have exactly the same interpretation of how to reach our Labor goals, then that other faction member was somehow not absolutely dinkum.

It took us a while in Government to understand the truth that each group within our Party has its integrity - that all the groups need each other because they are all essential components of our great Party.

In my judgement, there has been no period in our post-war history in which this Party has worked more constructively, more coherently, more effectively, with such unity, than it does now.

That is why we are going to meet the challenges of Labor in Government.

And let me say particularly to those who work so hard, day after day, week after week, in the branches - you do not get a great accolade, but without you it would be impossible for us in Government to function.

I have never felt before so strongly that we can record with pride and justification to our branch supporters that we are giving you what you want.

Compare all this with the picture our opponents present.

Earlier this year I warned that the conservatives in Australia today posed the threat of a resurgence of what I called the dark side of politics.

Virtually everything our opponents have done and said since then has proven the truth of my warning.

You will recall that when we came to office in 1983 this country was divided against itself because the conservatives in government had sought to set Australian against Australian.

It is one of our proudest achievements that we have fostered a healing process so that Australians are working together to achieve our crucial national goals.

In these last few weeks we have witnessed a shameful resurgence of cynicism and political opportunism by the leadership of the Federal conservative parties.

We have always known they are hopelessly divided among themselves. It has now become an accepted fact of political life that the parties which call themselves coalition parties are utterly incapable of coalescing.



They cannot govern themselves so they certainly could not govern the country.

But in recent weeks we have seen that leadership weakness and that disunity translated into a disgraceful attempt to inject discrimination and racism into our immigration policies.

John Howard is helping to destroy the Liberal Party by his comments on Asian immigration.

Well, what happens to the Liberal Party is not our concern.

What is our concern, what is my business as Prime Minister, is the damage those comments are doing to the social fabric of the community and to the economic prospects of the nation.

It is because of the potential for damage - potential which now is in fact being realised - that I have affirmed that under my Government there will be no revival of the White Australia policy - no backtracking on our commitment to multiculturalism - no restoration of discrimination on grounds of race.

That is non-negotiable.

I tell the Howards, the Sinclairs, the Stones, all that motley crew - they don't understand the Australian people. Theirs is indeed the dark side of politics. In the end Australians won't cop it - they will reject the conservatives' brand of racism and of confrontationist social policies.

So when the Australian people see, and they will, the nature of the conservatives' dark and divided politics;

When they see on the other hand, as they will, the Federal Government pressing ahead with its momentum of reform for the remainder of this term and beyond;

When they see, as they will, that Labor is maintaining and gradually improving living standards for Australians;

When they hear, as they do, Labor leaders such as myself and Paul Keating and Premier John Cain and Bob Carr speaking honestly and straightforwardly about the nature of our economic challenge;

Then the Australian people will have all the evidence they require to determine that their future well-being lies with Labor.

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To a State branch of our party which is holding its first conference in opposition in more than a decade, I can think of no message of greater confidence for the future than that.

And I say specifically to you, with confidence, that when at the next State election the people of New South Wales see the renewal of spirit and commitment of the New South Wales Party and compare that spirit and that commitment with 4 years of the dark side of politics in Government they will return Labor to Government in New South Wales with a resounding majority.

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