



PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
NSW LABOR PARTY STATE CONFERENCE
SYDNEY TOWN HALL, SYDNEY
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We have won an inspired victory. One of the really great victories of our history.

And the credit goes to the party and the movement. Especially to you, the New South Wales Branch.

Anyone who has not comprehended the dimensions of it - think of this:

Ten years ago the Social Democratic parties dominated the political landscape of Europe.

They governed in Sweden, Austria, France, the Netherlands, Greece and half a dozen other places.

Today, with the exception of Spain, there are no Social Democratic parties governing in the European Community. There are none governing in their own right.

But in Australia Labor governs.

None of us should underestimate the stature of Labor's achievement.

In the eighties the pressure on parties like our own has been immense.

The necessity to confront new realities and yet keep faith with traditional principles of social justice was more than the Labor and Social Democratic parties of the world could manage.

If they did not confront the new realities they were overtaken by conservatives freshly charged with free market zealotry.

If they confronted the realities but abandoned their principles they lost their integrity, their traditional supporters and, sooner or later, elections.

But we survived.

We did better than survive.

And we did it because we recognised that, just as it was essential to internationalise the economy and make Australia more competitive, it was essential that we maintain the safety net and develop new and effective social policies.

In fact, all the more essential.

Because the human consequences of the structural changes made it imperative to maintain such essential supports as a universal health system, a system of family allowances and other income supplements, social security benefits, education, training and re-training, guaranteed minimum rates of pay.

All those things which our opponents, in the interests of imitating the social chaos and hardship of Thatcher's Britain and Reagan's America, were determined to remove.

If in the next few years doubts arise in the hearts and minds of Labor's people, be sure of this: on 13 March this year more than the Labor Government was saved. Australia was saved - progressive, egalitarian Australia, that is.

The Australia of the fair-go was saved.

The idea that Australia should be always in the front rank of the world's advanced societies was saved.

Our success has been no accident.

We are still governing because we were prepared to make the agenda for change our own.

We made it our mission.

We did not just react.

We didn't come along behind trying to flog old policies for new and bickering over the rent - we took the initiative. We took charge of the fundamentals.

We led.

And it was *only* by doing this that we were able to keep faith with the principles of Labor and Labor's people.

And, we must continue to do it in the next three years.

As I said in this same forum last year, the Labor Party is a bit like a bicycle - if you stop pedalling, it falls over.

We have been pedalling for a decade.

We will continue to pedal into the nineties; and we will continue to undertake those great national projects and reforms which give Australia not just its strength and cohesion, but its identity and confidence.

Reform never ends.

In fact if Labor ever stops reforming, Labor's power will end. But if we are going to keep up the momentum of reform we are also going to have to look at ourselves.

We are going to have to reform the Party.

We did this in the late seventies and into the eighties.

We did it to make the Party flexible enough to cope with the challenges, strong enough to be politically effective.

Today we should start the process of reinvigorating the ALP once more.

We need to broaden the base of our membership; we need to open our forums to more ideas; we need to make sure we select the best candidates.

We need reforms which will reinforce the national nature of the Party.

I've asked the National Secretary to start the Organisational Review process.

I've asked him to get discussion, debate and agreement on the future structure of the Party.

I've done it because on our strength, our ideas, our *remaining in office*, depends the momentum of the nation's progress as a fair, prosperous and enlightened community.

But we also need more than reorganisation, we need to rethink our responses to new realities.

How will we meet the challenge of an increasingly internationalised economy?

What system of industrial relations will deliver the flexibility we need to compete in the world while preserving and improving our wages and living standards?

How will we meet the greatest challenge of all - how will we get back to full employment?

Our opponents swing in ten year cycles between torpor and aggression.

Between doing nothing and beating the hell out of ordinary people; between letting the social fabric slowly fray at the edges and ripping it to shreds.

Just now they're in limbo.

They are waiting to be called.

They are not sure which way to go, so to give the impression that they are thoughtful and busy, they are playing the role of spoilers.

I won't spend much time on our opponents today, but let me say this about them.

The one big thing about Australian conservatives is their supposed belief in the rule of law.

They have always preened themselves about that.

And, no doubt, if the High Court had decided that *terra nullius* had in fact existed and native title in fact did not; and that there had been no act of dispossession to speak of, or injustice or brutality or prejudice; and really it had all been pretty well the Aborigines' own fault, the conservatives would have extolled the virtue of the Court and waxed lyrical about its wisdom.

But because the High Court decided otherwise: because the High Court decided that this country had been occupied, and that the indigenous people had been dispossessed and still suffer the effects of this; and that native title does exist and is a means to a just resolution of an historic injustice: because this was the High Court's decision, the conservatives have made a small adjustment to their opinion of the rule of law.

With one or two very honourable exceptions, at best they have accepted it grudgingly, and at worst not at all.

The conservative view is - how dare the High Court recognise the unquestionable truth that Australia was occupied in 1788?

How dare it say that native title survived the acquisition of sovereignty at settlement?

And how dare the rest of us try to find the mechanisms which will give national expression and fulfilment to a decision of the Court?

This is spoiling on a grand scale.

This is national spoiling.

But Labor will not give up on this.

We must not.

The Mabo judgment does provide the best chance yet of finding an enduring and just basis for reconciliation between indigenous and non-indigenous Australians.

It is the classic evener up.

And finding the way to reconciliation must be one of Labor's ambitions.

I am certain it must be one of Australia's ambitions.

I believe this because the history and contemporary reality of Aboriginal Australia is a blight on our reputation, our traditions of fairness, social justice and inclusion, and our self-esteem.

It is, therefore, a true Labor cause, and I call on the entire Labor movement in Australia to get behind it.

But we have to avoid the extremes.

This is not about ensuring the success of Aboriginal land claims over people's backyards or farms. Nor is it about ensuring that development can go ahead ignoring native title. In this as in other things we will get the balance right.

We must give Aboriginal Australians justice but we have to do it in a way that keeps the country cohesive.

In this as in every other national issue, we will best counter our opponents by continuing to do what we do best - making the changes which have to be made, projecting and defining the vision, and keeping faithful to those social democratic ideals which is our reason for being.

So what are the challenges facing us in 1993?

To steer a course through these very difficult economic times towards renewed prosperity.

To maintain and improve our standard of living and extend opportunity.

To define and enlarge Australia's role in the world and our country's sense of national purpose and vision.

And, above all, to be the country which finds the solutions to unemployment.

We should be under no illusions - it will not be easy.

We are necessarily subject to forces beyond our control.

Working against us are international factors over which we have little scope for influence.

But in the long haul, worse than anything that might be done to us, is what we might do to ourselves.

That is why I talk about a national effort.

Having gone through a decade of structural change, having made sacrifices to ensure the changes work, and having seen sure indications that they are working, the worst thing that could happen to us now would be to succumb to the instincts of parochialism.

The worst thing would be to trade Australia's future for petty self-interest.

We really do have very considerable advantages.

We proved in the last decade that we are a people who can make changes.

And, reflecting this capacity, we now have in large part both the necessary cultural outlook and the mechanisms and institutions.

Today Australia has an unquestionable ability to be flexible and adaptive.

It does no harm for any Australian to remember that for all our problems, the great majority of other comparable countries have more of them and bigger ones.

I think we have reached a crucial point in our progress. We've come so far: we've done many of the things which other countries have yet to do; and, among those who have done them, few have managed to do less damage to the social fabric in the process.

This has meant that we have come out of the eighties essentially stronger and more cohesive.

In many of the fundamentals we are ahead of the pack.

Unlike many other countries, we do not have to re-build the social net - only improve upon it.

We don't have to re-educate a generation in social responsibility - only lead by example.

But for the same reasons of social responsibility, we do need to turn this present slow recovery into sustained growth and jobs.

I believe that will only come when Australian business unequivocally throws in its lot.

It is business which will determine whether we make it in this decade or not - particularly small and medium sized businesses, "clever" manufacturing businesses, exporting businesses.

This is their era. As *The Economist* magazine wrote recently, the days of the corporate giants are passing:

In a broad range of industries, powerful forces are moving against the big companies. New technology has spread around the world, trade barriers have come down, financial markets have been deregulated and consumer tastes have converged across borders. All these changes..have granted business opportunities to thousands of small and medium-sized companies.

That is why the changes we have made in the last decade are such good news now.

It is why the statement of February this year, *Investing in the Nation*, aimed at small and medium business.

It is where the future is going to be.

It is where the jobs are going to be.

But we must remember these small to medium-sized companies generally run lean workforces.

That means, quite simply, to create the employment we need, we need a lot of companies. A lot of activity. A lot of innovation.

And we need a trained workforce.

I will not yet again run through what the Labor Government has done in the last decade to clear the way for business.

There are still obstacles.

There are still things we can do.

But already the way is well and truly open for business in this decade.

To invest. To manufacture. To export.

And don't let anyone tell you that there is some kind of sacrifice involved in investing in Australia.

To use the words of McKinsey and Company in their report on emerging exporters, the opportunities are "fantastic".

And to help business seize them, there is low inflation, a highly competitive company tax regime, a new more generous depreciation allowance, a 150 per cent research and development allowance, a vastly improved and improving education and training system, and an industrial relations culture more flexible than ever before and delivering the lowest rates of disputation in thirty years.

The McKinsey and Company report contains some fundamentally good news. The changes made in the last decade have created highly successful export companies.

The structural changes have been partly responsible, and so have the various forms of assistance the Government has provided.

While finding 700 dynamic companies has to be good news, the real story lies in the 90 per cent of Australian manufacturers who are not exporting.

The challenge is to get more of them into the international market, and to generate new internationally competitive firms.

That's a challenge for all of us: government at all levels, employers, banks - especially banks - and the workforce, because to succeed in the modern world, the quality of the workforce and the quality of its relationship with the company is vital.

So I say again - a national effort will be needed.

There is a collective responsibility to seize these opportunities, if only because on seizing them depends our chances of getting back to full employment.

A couple of weeks ago I delivered a statement on unemployment and in it announced the creation of a high level committee to assess current policy and consider alternative approaches.

By the end of this year the committee will deliver a discussion paper and in the first half of next year, the Government will release a White Paper on Employment and Unemployment, the first major study of the subject since 1945.

As we all know, because it so seriously damages individuals and families and has the potential to cause long-lasting social damage, unemployment must be our first priority.

In announcing the formation of the committee I suggested that we needed to ask a few questions. Questions like - are we committed to full employment?

It was a rhetorical question. It seems to me that to say that we are not committed to full employment would be to say that we are not committed to Australia.

Of course we are committed to full employment, but we have to do more than say so.

If we are committed to full employment, it might follow that we are prepared to put self-interest and short term gain aside.

That we might as a community change the set of our minds.

That companies might seek ways to employ rather than disemploy.

That unions might make every effort to see that labour market programs which will give the unemployed a chance in life are allowed to work.

That local governments might change the way they tend to think and as far as possible reduce the obstacles in the way of business.

In other words, if we are committed to full employment, how are we going to demonstrate it?

By railing against government policies? But other countries with different governments and different policies have the same levels of unemployment.

By blaming the technology which is replacing workers, or the new lean small companies emerging in the modern economy? But that is an international phenomenon.

By finding scapegoats?

Of course, the policies should be up for scrutiny, and governments are ultimately responsible. And technology and the new shape of companies is a factor in job shedding - but does anyone think the Luddites were right.

But, again, the solution lies much less in what is done to us than in what we do for ourselves.

Employers who decide to look for ways to employ might come to the conclusion, as I know some have, that there will be an advantage to those whose workforce is trained and experienced when the recovery gathers pace.

And trade unions, I think, should do what they can to make sure that those in need of training and experience are not denied them.

And all of us - if we think about it - might come to the conclusion that an effort now will save us a great deal in the future - in both budgetary and social terms.

So a national effort demands an attitudinal change - I would even go so far as to say we should re-define the way we think about Australia.

I believe it should be one of our fundamental aims in the next couple of years to build among Australians a more general sense of identification with national aspirations.

I mean this in a context which is broader than, say, our republican hopes, or reconciliation with Aboriginal and Torres Strait Islanders.

I mean a broader consensus on our social democratic agenda, on the necessity to develop an inclusive society not just because it is fairer but because it is also stronger.

And not just a broader consensus, but a greater sense of *pride* in our social goals and achievements. The sort of pride we ought to take in, for example, our achievements in raising the status, security and life opportunities for Australian women.

I also mean a broader consensus on the huge opportunities which await us in Asia and the Pacific, and what it will take to be successful there. Not just a broader consensus, but a sense of common purpose.

And I mean a broader consensus on the necessity to work *nationally*, to make the nation work.

That, of course, was at the heart of *One Nation*. The port developments, the rail highway, the roads, the new airline system and the electricity grid are essential to allow Australia to reach its full potential.

But it must also be understood that they will allow *regions* to reach their full potential.

Regional development is a matter of high priority.

The process of structural adjustment has had geographic dimensions which we cannot ignore. The dimensions are unemployment, hardship and disaffection.

It is reasonable to assume that the search for ways to correct the imbalance will also deliver ways to stimulate new energy and economic activity throughout Australia.

Last month the Minister, Alan Griffiths, announced the establishment of a new Office of Regional Development.

Very soon we will be announcing the appointment of an expert Task Force on regional development - and I am hoping that Bill Kelty will agree to head it up.

There is a lot to be gained from success in this: the stimulation of industry and employment in regional Australia; the maximum use of our natural and human resources; the opportunity to see those small and medium sized businesses proliferate because very often regional industries have that specialised character which sells abroad; and the resuscitation of communities which are presently in danger of drifting to decay.

Regional Development means national development on a regional basis. It means not parochialism but partnership. It means pulling the regions of Australia into the national grid.

It will require a spirit of collective responsibility - between communities, business and trade unions and between the three tiers of government.

I think it is fair to say that in each case the proper starting point will be to ask not what can the Commonwealth Government do for a region, but what can a region do for itself.

The role of the Commonwealth will be not to deliver money by the drayload but to assist the regions to take advantage of their potential.

For local government, especially, it is a chance to play a more creative role in the life of the community and the nation.

We have been through some very rocky times together in the last eighteen months. I suppose there is nothing new in that - but there is something to be learned from it.

And I think it is this: we are a pragmatic party and we know that change is difficult and usually incremental rather than thunderous and rapid. We know we must be nimble-footed sometimes and at other times absolutely immovable. We are both the mountain goat and the mammoth.

The election should remind us that we must never let our inspiration waver or put our beliefs in our back pocket. Our inspiration is our ultimate weapon simply because it is always greater than theirs.

As we translate our inspiration into government and policy, you can be sure we will remember this.

Because a Labor government without courage and conviction is not a real Labor government.

So we can't fall back.

We have to keep the shoulder to the door: With social policy, industry policy, structural change.

With enlarging our national purpose and our place in the world.

We have to speak for our generation and in doing so create an Australia that will excite the involvement and affection of the next generation.

There won't be any backing off. We'll listen, we'll take notes, we'll accommodate, we'll diverge where necessary.

But our eyes will stay fixed on national goals.

And at the end of this next three years we will be much closer to those goals - and much further ahead of the people who want to hold Australia back.