



# PRIME MINISTER

## STATEMENT BY THE ACTING PRIME MINISTER, THE HON KIM BEAZLEY MP

### ANOTHER EMPTY HOWARDITE HEADLAND

Mr Howard's second headland speech has much in common with his first: namely, an absence of both originality and detail, a great deal of misinformation and distortion, an unwillingness to acknowledge or concede any of Australia's remarkable achievements in the past decade, and the repetition of tired and reactionary themes.

Indeed it is a classic Howardite speech - meaning it is one part Old Right, one part New Right, one part rank opportunism and the other part entirely empty.

The original offerings of a concrete kind consist of three committees. This is another characteristic of Howardism: If the question is an Australian Head of State, have a convention; if it's infrastructure, form a committee; if it's productivity, have a commission. The golden rule for John Howard is - under no circumstances commit yourself to a position. Do not let them know what John Howard thinks, or what John Howard would do - form a committee.

Distortion and misinformation thread their way throughout the speech. For instance:

The "*unemployment rate has trended upwards under Labor*". Untrue. In 1983 aggregate unemployment was 10 per cent. It is now 8.3 per cent.

"*Our labour market institutions have proven incapable of making the necessary adjustments in response to the pressures of structural change*". Untrue. Leaving aside the fact that the structural change was made by a Labor Government, labour market productivity has increased dramatically since 1980, and this has substantially underwritten the 20 per cent increase in real household disposable income per capita since the early eighties.

"*Labor's promised [unfair dismissal] amendments*" are "*all talk*". Untrue. In fact the amendments, which have been uniformly applauded by the business community, were introduced into the Parliament on 29 June.

These untruths are compounded by other examples of monumental disingenuousness and dishonesty.

Mr Howard complains that real wages have fallen: yet Mr Howard has opposed virtually every wage rise since 1983 and if his social policies had ever been implemented the income disparities he now complains about would be infinitely worse. In fact, because of the Labor Government's policies, income disparity in Australia is far less acute than it is in those countries whose economic models Mr Howard admires.

Mr Howard also deliberately ignores the fact that wage restraint through the Accord has contained inflation and encouraged rapid employment growth. He makes no mention of the fact that the fall in the unemployment rate in Australia in 1994 was the largest in the OECD; or that job growth in Australia continues to be outstanding.

Mr Howard has tried to change his spots but they reappear whenever he talks about industrial relations.

He says *"If workers want to stay in an award they can."* This is Jobsback with a new deceit built in. Mr Howard must know how the labour market works; he must know that every year about 1.6 million Australian workers get a new employer, meaning every two years up to 35 per cent of the workforce will not have a choice between the existing award and a contract that suits the employer.

He says *"All workplace agreements will be subject to guaranteed minimum conditions."* But Mr Howard's minimum conditions do not include guarantees of overtime rates, shift allowances or holiday loadings, and will abolish the "no disadvantage" test which currently protects workers making new agreements. When Mr Howard says that award conditions will remain he does not say how they will be maintained in real terms - and without penalty rates those real terms could be cut by 10-15 per cent.

All this adds up to very bad news for those Australians Mr Howard has recently discovered and called "battlers".

Mr Howard has also discovered New Zealand. He seems to want to import its economic system as a model. It is not clear why he thinks New Zealand's example is one we should follow unless it is because in New Zealand much less weight has been given to the social results of economic policy or because the labour contract system there approximates to the one he has in mind for Australia, or simply because he cannot find enough fault with Australia without resorting to unlikely comparisons. Mr Howard ought to say very clearly what essential elements of the New Zealand economy he wishes to import to Australia. The New Zealand labour contract system? The New Zealand social safety net? The New Zealand GST?

Mr Howard says in various ways throughout his speech that he is for growth, low inflation, higher productivity and competitiveness. We have to ask - has he been outside lately? We have economic growth and labour market growth. We have low inflation. Labour productivity has grown by at least 25 per cent since the early eighties. We are about 40 per cent more competitive.

Mr Howard's second "headland" speech is much the same confection of dishonesty and distortion as his first. And to think that he is threatening to make more of them!

**PERTH**

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