



16 April 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS TO LILLEY COMMUNITY LUNCHEON**

E&OE.....
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Well thank you very much Elizabeth - the feeling is mutual. Can I say that on the second of March of last year there were a lot of wonderful victories and there were a lot of individual results that gave a special pleasure. A few of us in Sydney got a special pleasure when Robert Tickner suffered a 12% swing in Hughes, but gee a lot of us got enormous pleasure when Wayne Swan got dumped too.

He was meant to be that sort of top gun you beaut whiz bang campaign strategist and the local Liberal Party organisation in Lilley have demonstrated the quality and strength of a good grass roots campaign, and the 7% swing that Elizabeth and you together achieved on the second of March last year was one of those terrific result, and Elizabeth has done a fantastically energetic job. She is a true citizen of the electorate that she represents in the national parliament. She is a very energetic pursuer of things that matter so far as the electorate of Lilley is concerned and she is also a very very effective member of the much enlarged Federal Parliamentary Liberal and National Party contingent that has come out of Queensland as a result of the last election.

But that of course is very pleasant history, but nonetheless political history. We won in March of last year, we had a great victory. Our political responsibility as Liberals is to retain the support and the esteem that we enjoyed in March of last year and the broad responsibility of the Government is to govern in the interests of all of the Australian community. And governing in the interests of all of the Australian community means attending to such things as trying to find a workable solution to the Native Title mess that we have inherited from the Labor Government and which has been made worse by an impractical decision of the High Court of Australia. It also involves continuing to implement measures that provide greater incentives for small business and it also includes as I recognise this morning a continued concern for the environment of Australia and a continued implementation of policies that will benefit the environment throughout the

entire nation. But at a local micro level, it also involves recognising the particular problems of this electorate and I know that today Elizabeth has announced federal funding of \$435 000 that is going to pay for the improvement of three road accident black spots in Lutwyche, Bracken and Geebung - and I think I pronounced all of those absolutely correctly. It is always one of the hazards of a travelling Prime Minister. There are two hazards - you pronounce the local names wrong, or you forget the name of the local candidate. Now that will never happen with Elizabeth - she is absolutely unforgettable, but there are many leaders and some Prime Ministers, other Prime Ministers I should say, in the past who have sort of fallen into that.

But we've got \$66 000 for the street closure at Lutwyche Road, at Stoneleigh and Trunro Streets at a cost of \$66 000; new traffic signals with turn arrows at the intersection of Bracken Ridge Road and Bracken Street, Bracken - that's \$157 000, and new traffic signals with turn arrows at Newman Street and Railway Parade, Geebung - \$212 000. So don't say we ignore the local grass roots issues. And Elizabeth has made an announcement about that today.

But ladies and gentlemen I'm here to speak to you very very briefly today as part of two day visit to Queensland, centred originally around a Cabinet meeting that we had in Brisbane yesterday. We are going to follow this habit of taking the Cabinet around Australia. We are not going to just sit ourselves down in Canberra and expect everybody to come to us, we are going to progressively come to you and the whole purpose of a government that tries to represent all of the Australian community ought to be seen travelling around Australia. And we've had a number of Cabinet meetings in Sydney, we've had a couple in Melbourne, we've had one in Perth, we've now had one in Brisbane, we've had one or two in regional areas of Australia and over the next few years we'll be going up to far North Queensland and we'll be going into the provincial areas of New South Wales, into South Australia, Tasmania and so on. Because it is part of the philosophy of my government to see Australia as being composed of more than the triangle of Canberra, Melbourne and Sydney, important though that is to the entire nation.

The other thing that I should briefly say to you ladies and gentlemen is that this morning I made a very important announcement about the status of Senator Colston. I made it clear that when the Parliament resumes we would no longer accept his vote in the Senate. And we've done that because we believe, despite any consequences that may flow in terms of support for Government legislation, we think in all of the circumstances the appropriate thing is until these matters are resolved and he like any other Australian citizen is entitled to a presumption of innocence, he's entitled to his day in court, he's entitled to a fair trial, equally we are entitled to make a value judgment about the damage the issue may be doing to people's perception of the institution, and what I've said on behalf of the Government is that when Parliament resumes if he votes for us on a particular measure then a Liberal or National Party Senator will be absented from that division so that we don't benefit from his vote. And we believe that is the right thing to do. It may not in the short term be the most comfortable thing to do but in the long term I think it is the right thing to do for the institution of Parliament, and I made it clear this morning that that is a unilateral decision

on our part. I would expect the Labor Party to match it, but if it doesn't well that's for the Labor Party to explain away, just indeed as it is for the Labor Party to explain away what apparently is the true reason that Senator Colston was not sent to Norfolk Island by the former Government. Apparently there was a deal made to bring Mr Courtice - do you remember him, he was the member for Hinkler - the deal was made to bring Mr Courtice into the Senate and to send Senator Colston to Norfolk Island, but Mr Ludwig, I think his name is, who runs the Australian Workers' Union here in Queensland didn't like Mr Courtice and he said "no, that can't happen", and the cleverly arranged deal then fell apart.

So it has got nothing to do with high minded decisions about not sending somebody who'd rorted his travel allowance to Norfolk Island - it's got everything to do with the fact that a union thug gave the thumbs down to a deal that both Mr Keating and Mr Beazley had put their names to a few months earlier. Very very interesting revelation today and it rather exposes the fact that all of this sanctimonious talk from the Labor Party about how they vigorously pursued things in this affair is precisely that, sanctimonious talk.

But ladies and gentlemen I don't want to say any more about that issue. It has thrown up its difficulties. I repeat that like any other Australian he is entitled to his day in court, to a fair trial, to a presumption of innocence but until the matter is dealt with, we have taken decisive action to as it were take him out of the Parliamentary equation. I think that is the right thing to do and I think the Australian people will see it in those terms.

There are just two other things that I want to say and that is to say as there are a lot of members and supporters of the Liberal Party here today, I want to thank the rank and file of the Liberal Party for the contribution that you have made to the fact that we have now after a very long political drought, we now hold office federally, and we also hold office in Coalition with the National Party here in Queensland. You need the rank and file of a political party when you go through periods of unpopularity. People in my situation are the fortunate beneficiaries in a way as far as the political profile is concerned of electoral success. But you are the people who keep the Party going, who make it all possible, and I've always had a profound respect for the rank and file of the Liberal Party, I've always displayed immense gratitude towards the Liberal Party organisation for the opportunity that it has given me. I would never have been a Member of Parliament, I certainly wouldn't have been leader of the Liberal Party and most certainly not Prime Minister of Australia had it not been for the understanding and support over the years that I received from the Liberal Party organisation. And I want to take this opportunity in the presence of your member, who let me remind you holds one of the most marginal seats in the country. It was a great win but it is an equally great challenge to hold onto the seat at the next election and she's doing her bit and I know that you are doing your bit and we'll endeavour at a Government level to do our bit to ensure that Elizabeth is returned with an increased majority whenever the next election is held.

The other thing that I wanted to speak about very briefly is the importance in the policy approaches of the government, the importance that we attach to small business. I came

from a small business family and I was brought up to believe that about the most worthwhile thing anybody could do was to start a business with nothing and to work your insides out trying to make something and then give your own children a more financially secure start in life than you yourself may have had. And that was the ethic under which I was brought up and its the ethic that is very significantly influenced the lives of millions of Australians over the years. And it's a very important ethic, and it's a very important value system to the Liberal Party. It doesn't mean that we are hostile to people who aren't in small business. It doesn't mean that we don't appreciate the contribution of people in the public sector - police and nurses and people in the armed forces and all the other hundreds of thousands of people who do an excellent job in the public sector, but what it does mean is that there is a special place in the value of the Liberal Party for small business. Because it expresses that notion of self-help and it also of course in a practical way, a reinvigorated small business sector still offers the best hope we have over time of reducing the still unacceptably high level of unemployment that we have in Australia. And I have been quite meticulous in seeing to it that all of the commitments we made to the small business community before the last election have been honoured. I don't pretend that it's still not difficult for small business, it is. And I know that many men and women in Australia in small business, and let me make the point in passing that more than 30 per cent of proprietors of small business in Australia are women, and the proportion of small businesses run and managed by women in Australia is growing at a very very rapid rate. So I use the description men and women in small business very advisedly and very deliberately. And I'm conscious that it has been difficult. I'm conscious that you don't always gets the same deal from the banks that large companies get. I'm conscious that you had to struggle with some pretty unreasonable industrial relations laws. And I'm very pleased that we were able to get our industrial relations laws through the Parliament. I'm very pleased that we were able to go a bit further in our Small Business Statement a few weeks ago and to say that any small business employing fewer than 15 people, and that's a very large number of small businesses in Australia, are completely exempt from any unfair dismissal laws at a Federal level in relation to people who have been employed for a period of less than 12 months, and I hope that that particular decision will be duplicated at a Queensland level by the Queensland government. I had a talk to my friend Santoro at the weekend, he's the local Minister for Industrial Relations, and pointed out to him the wisdom of Queensland having the same law as applied nationally and I hope that the Queensland government will not waste any time - Mrs Cunningham willing - in bringing Queensland industrial awards into line with those operating nationally.

In the same area I am very happy to say that we promised in the last election campaign that we would give a capital gains tax roll-over relief for people who sold one business and invested the proceeds in another. Now what we have done in that area and it will come into operation on the first of July this year, what we have done in that area actually goes beyond what I promised in the election campaign. And after the first of July it will be possible for any person running a small business in Australia to sell that business and invest up to \$5 million, \$5 million of the proceeds into another business, not necessarily of the same kind, but indeed of any kind. In other words you can go from a book making business into a bakery, or you can go from a garage into a computer software company,

and you can invest up to \$5 million without incurring any liability for capital gains tax. Now it does represent a very very significant change to the taxation circumstances under which small business will operate in Australia. We've also made a number of significant changes to the fringe benefits tax laws. We've said that any company that pays less than \$5 000 worth of fringe benefits in any one year will no longer be obliged to keep records in relation to fringe benefits tax provided that business maintains the same or a lower level of fringe benefits and of course continues to pay on a historic basis the amount of tax that it paid in fringe benefits in the previous year. That will relieve probably 20 000 to 30 000 more small businesses in Australia from any obligation at all to keep fringe benefits tax records. We said that we would provide provisional tax relief through lifting the provisional tax uplift factor for small business to the tune of about \$180 million a year, and that was implemented last year. We are also well down the road to implementing our commitment in relation to relieving small business of the regulatory burden of red tape and of course the reductions in interest rates that have occurred have in the main flowed through to the small business sector. But I would have to acknowledge that small business does not have from the banking system the same competitive conditions that apply in relation to home buyers and we have said that one of the reasons why we are not agreeable to the further merger of the major trading banks in Australia is that we don't believe the conditions of competition which are needed for that to occur are sufficiently in evidence and in particular we would like to see more being done by those banks for small business. And it's a theme that I will repeat endlessly as I go around Australia because I am not satisfied that the competitive conditions for small business are good enough, anywhere near good enough, and there does need to be more competitive banking conditions and lower interest rates for small business.

Ladies and gentlemen for those of you who have been standing and have been kept by me for far too long, can I say again how absolutely delighted I am to be with Elizabeth in the Electorate of Lilley. I applaud her efforts as your representative. I thank you for the tremendous effort you put in getting her elected. I congratulate all of you on that magnificent seven per cent swing that you achieved and long may she continue to represent the people not only of Chermside, but the people of Lilley in the national Parliament.

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