



PRIME MINISTER

FOR PRESS

7 JANUARY 1977

EMBARGO: 2.00 p.m.

NINTH NATIONAL CONVENTION OF YOUNG LIBERALS MOVEMENT

It is a great pleasure for me to be here at the Ninth Annual Convention of the Young Liberal Movement.

The Young Liberal Movement has always placed great emphasis on social issues. The Government values the part the Young Liberal Movement has in developing its forward policies - its role as a sounding board for testing ideas, and in alerting the Government to the views of young people across the whole range of national issues.

Today I would like to speak to you about the Government's approach to social reform, and place this within the larger context of the tasks that face it in the economic field.

Outlining this broader context is important because occasionally some people focus on only one aspect of Government policy and treat that aspect as if it is, or should be, the Government's exclusive preoccupation.

Such a partial perspective neglects the fact that the Government has responsibilities in all areas of social policy. More importantly, it neglects the relationships between one area of policy, one sphere of Government action, and another.

The relations between actions taken in one area with our ability to act effectively in other areas is nowhere more apparent than in the relationship between economic policy and the effectiveness of programmes to assist the poor and disadvantaged.

When this Government was elected it faced an economy which had been thrown into fundamental disarray. What should have been one of the world's most prosperous economies had been afflicted by high unemployment, accelerating inflation and economic stagnation. Government spending had grown enormously doubling in three years, from \$10 billion to \$22 billion. In one year unemployment had increased by almost 200,000. Australia's deficit had reached record levels. Economic activity had declined.

The poorest people in our society were harmed most by the erosion of living standards inflation brought, and by the unemployment which inevitably follows inflation.

In this situation the Government had to give priority to righting the economy and defeating inflation. And we have pursued a consistent economic strategy directed at achieving this goal.

Although there is still a long way to go, at the end of our first year in office, we have made substantial progress towards dealing with Australia's economic problems.

As the C.P.I. figures and a number of other price indices show, we have made significant progress in winding back inflation. On the activity front, the estimates for the September quarter national accounts showed the third successive quarterly increase in gross non-farm product. Indicators for the December quarter show further gains in private spending and employment: and reports of retail trading in December have been particularly encouraging. It is worth noting that even if there were no further growth in the remainder of this financial year, the year as a whole would show a growth of 5.3% in real non-farm G.D.P. over 1975/76.

The decision to devalue was made inevitable by the almost universal belief that the dollar was overvalued, the consistent speculation against the Australian dollar and the uncompetitive position of Australia's export and import competing industries.

Provided we pursue our anti-inflation strategy with even greater intensity devaluation presents us with the opportunity to build on the economic progress of the past twelve months. We intend to do so.

Our economic strategy is an intrinsic part of our approach to social reform. The ability to effectively carry through social reform cannot be separated from a Government's capacity to provide the nation with responsible economic management.

As the Henderson Report has pointed out, reducing inflation is central to our ability as a nation and as a Government to assist those who are disadvantaged or living in poverty.

Our economic strategy is directed at supplying this essential condition of social welfare. It recognises that only an efficiently functioning economy, one which adequately rewards personal achievement and initiative can provide the material sinews necessary for social reform in many areas.

But having said this, it should equally be recognised that economic management alone is not enough. All the social reforms Australia needs will not inevitably flow from economic recovery.

Beating inflation is, and must be, the dominant objective of this Government - it is not, and cannot be, the sole objective of a responsible Government.

While we have been unrelenting in the fight against inflation, we have also been carrying through the commitment - which all of us here share as Liberals - to achieving major social reforms.

The objective of our reforms has been to bring meaningful change in those areas which require change. Change which is appropriate to the needs of the particular situation and to the needs of people. Change which enhances the quality of Australian life and which increases people's ability to achieve the things they value.

If reforms are to achieve these goals they must comprehend and be responsive to the complex character of Australia as a highly developed industrial society in which people pursue a diversity of objectives.

Reform must be conducted with a sense of urgency because there are areas in our society which are in great need of change. They must also be conducted with an awareness of Australia's basic strengths and achievements.

In all cases, policies and programmes must be constantly monitored to ensure that they are actually achieving the purposes they were intended to. Inevitably, in a complex democratic society the knowledge that we must operate on will be incomplete. There will be instances where, despite careful planning, some programme might have unforeseen consequences that do not serve the ends the programme intended.

In such cases, the Government must be prepared to act to remedy these consequences. Governments which refuse to do so on the grounds that remedial action casts into doubts their firmness or purpose are in fact admitting the most fundamental weakness - the refusal to see reality as it really is. Such Governments evade their central responsibility - coming to grips with that reality in the interests of the Australian people.

A central element in coming to grips with problems is the ability to direct assistance to the people in need and ensure that they actually get the assistance which is directed at them. We have acted to achieve this.

In the area of children's services, Labor's programmes were primarily directed to funding pre-schools. Despite the obvious fact that the most urgent need of many working mothers - particularly low income families - is for full day care.

The alternative to this is often leaving their children in unsuitable care - or no care at all.

Accordingly, we have changed the direction of the children's services programme to give greater emphasis to the provision of full day care facilities.

Some people have argued that by reorientating the child care programme the Government is encouraging women to leave their children in care. They are refusing to face the reality that thousands of mothers do work and are unable to make adequate provision for their children. The Government is responding to this reality.

Unemployment amongst young people is a matter of particular concern to the whole community and the Government - as I know it has been for the Young Liberal Movement which has made representations to us on this issue.

The position of school leavers from 1975 who have been unable to establish themselves in stable employment has been especially pressing. Accordingly, in extending the advantages of on the job training under the NEAT scheme to the young unemployed with the Special Youth Employment Training Programme, we have given priority to this group of young people.

A special subsidy of \$59 per week was arranged, and the programme took off from the moment it began. The acceptance the programme achieved in the community and particularly with employers, enabled the Government to extend the conditions for entry. By mid December 3600 young people had been placed in employment under the scheme. Where major changes have been necessary and where it is clear that a wide ranging change will actually bring improvement, we have not hesitated to make radical changes.

The introduction of the new system of family allowances has been widely - and I believe correctly - identified as the most significant reform in the Australian social welfare system since Federation. It has improved the position of a vast number of families. It has given particularly important assistance to 300,000 poorer families with 800,000 children who benefitted only partially or not at all from the previously operating system of tax rebates for children.

Family allowances also exemplify our commitment to directing assistance to those in greatest need and making this assistance available in forms giving recipients the maximum feasible choice of how they will use that assistance.

We have also made radical reforms in the Federal system and taxation policy. In the area of Federalism, the Government has brought about the most significant reform since Federation by giving State and local Government access to a fixed percentage of personal income tax receipts. This gives these governments an unprecedented degree of budgetary independence and capacity to meet their responsibilities and set their own priorities without interference from Canberra. For 1976-77 united grants to the States have been increased by almost 21% and to local government by almost 75%.

These funds can be used as state and local government wish.

The financial autonomy our reforms give to these spheres of government will enable them to respond more effectively to their constituents while enabling the public to more sensitively evaluate the actions Governments take - and the alternatives they might realistically have chosen. A major part of the significance of our Federalism reforms lies in the opportunities they offer the public for more effective and meaningful participation in state and local governments.

Tax indexation also enhances our democracy and increases governmental accountability to its citizens. No longer will governments be able to exact greater and greater portions of people's incomes merely because of inflation. Where government needs more money, it will explicitly have to raise taxes, with all the requirements for public discussion and justification that actions of this sort require.

While making major changes in some areas, we have also heeded the warning the Henderson Report offered Australian Governments against "falling into the inflationary trap of attempting to carry out so many social reforms or other public expenditures at once that they accelerate an inflationary spiral that does more to damage poor people than the assistance provided by the reform."

All too often politicians have assumed that the only requirement for successful social reform is a programme - any programme - so long as it involves the expenditure of large amounts of money.

The experience of the Labor years has shown us that money thrown at problems does not only often miss, but actually hurt those whom it was ostensibly aimed at assisting.

The Government must be willing to try different methods of bringing about reforms, so that we can determine whether or not they will achieve the things we desire of them; so we can gauge the unintended consequences of the programme, and where possible, determine whether one approach is more effective than another.

Accordingly, in some areas, the Government has adopted an experimental approach in order to determine the effectiveness of programmes.

In the housing area, for example, we have begun work on the design to test the feasibility and effectiveness of providing subsidies earmarked for rent directly to families in need.

We are also beginning an imaginative experiment with migrant resources centres in Melbourne and Sydney. Each of these centres is to be developed along distinct lines to assist the Government assess the relative effectiveness of the different approaches.

The Melbourne centre involves the contracting out by the Government of the provision of some services to an ethnic welfare group which is in close touch with the needs of migrants.

The Sydney Resource Centre will be staffed by officers of the Department of Immigration and Ethnic Affairs, members of state government agencies and of voluntary organisations, and there will be close liaison with, and participation by, the ethnic communities who are served by the centre.

Reform is not merely a matter of taking new initiatives which are striking in their innovativeness or imposing in their magnitude.

Of fundamental importance is making adjustments within the administrative machinery to render it more efficient and sensitive to the needs of the people with which it deals. If the people dealing with a government agency feel that they are being treated insensitively, if a migrant feels lost because he cannot

communicate his problems to a Departmental officer; a person is bewildered by a complexity of forms and cannot cope; if a pensioner dependent on a pension cheque fails to receive it punctually and is caused distress, then the best, the most abstractly enlightened social security system will have failed that individual.

Such failures cannot be taken lightly and dismissed as individual cases - ultimately, there are only individual cases.

We have sought to make changes in the administrative machinery which will make it more efficient and sensitive. In the Department of Social Security for instance we have made changes which will facilitate people's ability to get the benefits to which they are entitled in a more dignified and expeditious manner. Particular attention has been given to assisting migrants. One important improvement which has already been introduced is the installation of dual handset telephones linked to the telephone interpreter services in many of the Department's counter areas. These handsets enable a counter officer and a migrant who are having difficulty in communicating to converse through an interpreter. The means test on pensions has been replaced by an income test which is simpler more readily understandable by recipients, and more equitable. Improvements in the computer system for social security benefits have reduced processing time thus making the system of payments faster and more punctual and also permitting an increase in the work effectiveness of social security personnel.

I cannot pretend that the changes we have made will resolve all the problems in this area, but they are an important beginning, and we will do more.

In the decades since Federation, the Commonwealth's bureaucracy has grown enormously in size, power, and in the range and diversity of its formal and informal discretions. Many citizens have felt powerless in the face of the governmental apparatus and believed they have little recourse against decisions emanating from it.

We have taken steps to ensure that people dealing with the government are treated fairly promptly and according to the law, that discretion are properly used, that grievances against the government are properly and impartially investigated and that where grievances are justified they will be remedied. The Administrative Appeal Tribunal has been established. It has the power to review the merits of any decision of a Minister or official acting under statutory power where the relevant legislation allows appeals to the Tribunal, and it may set aside or alter decisions of a Minister or official.

The Ombudsman Act has been passed through Parliament and the government expects shortly to appoint the Federal Ombudsman. The Ombudsman will be able to review all administrative acts of officials and recommend corrective action where he finds maladministration.

These measures will enhance the freedom of all Australians and protect their rights in an area in which protection has long been needed and too long delayed. If reform is to be, as it must be, an ongoing process, it is imperative that the machinery of government be

structured to provide advice on needed reforms, and that the government have the advice and be able to consult groups which have special expertise in the area. We have taken steps to bring this about.

To ensure that the needs of women are taken into account in the formulation of government policy, women's units have been established in a number of Departments and authorities. The Government also intends to establish a Women's Advisory Committee.

An Inquiry has been established to report on youth matters and to examine the advantages of establishing a youth bureau or a youth advisory panel to advise the government. This Inquiry will provide an important means through which the government can consult with youth.

In the area of Aboriginal affairs, an Inquiry into the NACC has made recommendations for increased involvement of Aboriginals in developing programmes and priorities in Aboriginal affairs. These are now being considered by the government.

Some of the other reforms which we have initiated over the last year include: the legislation for the automatic adjustment of social security benefits every six months in accordance with movements in the CPI; the introduction of an improved home savings grant scheme that is in fact more extensive than the one we committed ourselves to during the 1975 election campaign; the decision to establish a Human Rights Commission which will promote human rights and ensure that Australian laws are maintained in conformity with the United Nations International Covenant on Civil and Political Rights; the passage of the Aboriginal Land Rights (N.T.) Act through Parliament an Act which will be of major importance in restoring land to its traditional owners in the Northern Territory; the reintroduction of triennial funding for the education commission; the protection of the unique and fragile beauty of Fraser Island as an important part of our national heritage - and the making of provision to assist those whose employment was affected by our decision on the island.

This only sketches in the barest outlines some of the areas in which the government has acted to achieve reform in the past twelve months, and some of the steps taken to lay the groundwork for further action.

There are other areas in which we are carefully considering the most effective ways of proceeding. Income Security and the care of the aged are two areas in which we intend to act in the future. The government has also tabled proposals for a Freedom of Information Act and intends to introduce Freedom of Information legislation in the next sitting of Parliament.

Law reform particularly on matters touching the protection of the individual's rights, and freedoms against the state and other individuals has a high priority with the Government. A number of references have been made to the Law Reform Commission

in this respect. In this constant process of reform, I believe that the Young Liberal Movement has an important part to play

We need imaginative proposals for reform which avoid the cliches and posturing which have done Australia so much harm in the recent past. The Labor experience has shown us that one of the greatest traps a government can fall into is to attempt to win political kudos by dressing up illconsidered change as reform. Such masquerades not only fail to come to grips with the real problems facing our society, but they often exacerbate the problems they were ostensibly intended to resolve. The reforms which we have made in the last year have been reforms of substance which will make a lasting and meaningful contribution to improving Australia, which will make a difference to people's ability to cope with the complexity of our society.

In their depth, breadth and appropriateness, they represent a record of achievement of which any Liberal, any Australian, can be proud. Our reforms have recognised that radical action is necessary in some areas, that experimental approaches are necessary in others, and that there must be constant attention paid to the consequences of policies and to the administrative machinery's capacity to implement programmes.

They have been based on the recognition that qualitative criteria are more important than quantitative criteria in judging reforms. The important questions are not how many programmes has a government begun nor how much money has been expended on a programme. We have shown that there is room for reform in areas where no additional expenditure is needed.

The Labor Government amply demonstrated that ill-considered expenditures do not make reforms and can in fact be counterproductive. The important questions that must be asked of a programme are: does the change actually assist the people who are most in need? Does it promote the elimination of those pockets of discrimination and areas of power imbalance that exist in our society? Does it materially assist the poor and disadvantaged while avoiding the debilitating loss of self-respect that over dependence brings? Does it make a contribution to enhancing the rights and freedoms of Australians? Does it make the government more responsible to the citizen and more responsible and accessible to him

Judged against these standards, 1976 can be considered the year in which the Commonwealth Government carried through some of its most significant reforms since Federation.

But these reforms can only be a beginning. There is a manifest need for further reform in many areas of our society. We will make these reforms. The basic strengths of our society, its egalitarianism, its lack of fundamental class or racial conflicts, its great wealth gives us an unmatched potentiality for building a society which is unsurpassed in its equality; its opportunity, the independence of its citizens, and their capacity to achieve the goals they value in their own ways.

We have begun to realise that potential.
