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## PRIME MINISTER

FOR PRESS

26 SEPTEMBER 1977

### ADDRESS AT BRISBANE LIBERAL PARTY LUNCHEON

It is not often that I address a meeting held at a racetrack, but then, perhaps, this occasion is appropriate in view of the number of people prepared to punt on the outcome of the next election - whenever it may be held.

Much of the tension, however, has gone out of the betting. It has become increasingly clear in recent weeks that in the Labor Party we face not so much a bright new cups prospect, as the old grey mare itself, and an old stager which trained poorly over the winter recess and is now badly off its feed.

What a disastrous few months it has been for Labor. At the Perth Conference in June, there was a carefully orchestrated attempt to show that Labor had been converted to responsibility. Well, let us look at what happened.

Within a month, the ALP disclosed a plan to spend an extra \$800 million on public works. The two Labor Shadow Treasurers constantly hicker and disagree, as their first and last joint press conference after the Budget amply showed. Mr. Hawke advocates one uranium policy as ALP President, and a quite contradictory policy as ACTU President - a policy immediately disowned by Mr. Whitlam and Mr. Keating.

Labor is divided, economically incompetent, and committed to a dogma that is incompatible with Australia's prosperity and well being. It was that way in government. It is that way now. Nothing else could be expected from a political party that is dominated by the unions - a party that expels people like Jack Egerton for accepting an Imperial honour; and yet has such double standards that in the very same year the Wran Labor Government can award imperial honours. One of the best demonstrations of Labor's weakness is that they are putting forward Bill Hayden as the ideal Treasurer. This ideal Treasurer budgeted for a deficit of \$2.8 billion - by the time we came to power it had reached \$4 billion and was going on \$5 billion. Under this ideal Treasurer, Government spending increased by 23%. He set the money supply rising by 20%.

The problem with the Labor Party is not one man - the leader of the ALP - any leader just reflects all the Labor Party's problems, its union domination, its commitment to controlling Australians' lives, its waste and extravagance, its incompetence. While the woeful record of the Labor Government is notorious, the record of reform and achievement of the present Government is not widely enough understood, and because of that lack of understanding, I want to concentrate on that record today.

This Government was elected because we promised a fresh start - a complete break from the dogma of the previous Government - a Government that thought the only way to solve a problem was to throw money at it. Your money. We promised to reduce inflation and restore economic growth. We have reduced inflation.

When we came to office, the inflation rate measured by the CPI adjusted for hospital and medical services, was running at 16.7%. By the end of June this year, it was down to 10.2%. If we take a broader measure of price increase in the economy, namely the GDP deflator, the rate of inflation can be seen to have dropped by 7%.

We have restored growth. In 1975, Labor's last year, there was negative growth in our economy. In the year just ended, we recorded an annual growth rate of 3½%. We promised to end Labor's tax ripoff which stifled the energies and initiative of the Australian people. Under Labor, personal income tax receipts almost doubled in three years. This huge tax rakeoff had to be brought to an end. In our two Budgets, we have acted decisively to reform the taxation system. Last year we introduced tax indexation, the investment allowance, the trading stock valuation adjustment, and an increased retention allowance for private companies. All in all, last year's tax reforms will save individuals and businesses over \$1,800 million in tax in 1977/78. In this year's Budget, we have completely reformed the personal income tax system. These reforms have been possible because of the great restraint exercised in Government spending. As from 1 February, there will be just three tax rates. By increasing the minimum amount subject to tax, a further 225,000 low income earners - including many pensioners, students and part time workers - will pay no tax. No one will pay tax on the first \$3,750 of their income, and only 90% of taxpayers will pay a standard rate tax of 32% on their income over that amount.

All taxpayers - whatever their level of incomes - will pay less tax as a result of these reforms. In 1978-79, the first full year of operation, these tax reforms will save taxpayers \$1,390 million. Adding to that half tax indexation, which will save a further \$467 million, this comes to a total of \$1,857 million. In our first two Budgets, the total amount of tax already saved exceeds \$3,000 million. These are huge savings. Labor would have us believe that in some mystical way there have been no tax cuts at all.

/Last week

Last week in Parliament, I suggested to those Labor Members who took this line that they pay their supposedly non-existent tax cuts into consolidated revenue as a contribution to further lowering the deficit. Amazingly, not a single Member has yet come forward to take up my offer.

We promised to give the business community - which Labor had ground down - a chance to expand and grow. We said we would give business the protection it needs. We have given business that protection, and we are creating the circumstances in which business can look forward with confidence to the future. Profits are moving the right way - not the wrong way, as they did in the disastrous Labor years.

In the financial year just ended, profits went up by 23.5%. We promised to halt the growth of big Government which under Labor was strangling Australia. We have reined in the growth of the Commonwealth bureaucracy. Last year, the Government's share of gross domestic product fell for the first time in years. The number of Commonwealth employees has been reduced by 12,000. Under Labor's policies, they would have risen by 19,000.

We promised to end Canberra's centralisation of power, centralisation that the Labor Party wanted. We have handed back to the States areas of responsibility which the Labor Party had taken. The new tax sharing arrangements have greatly increased untied grants to State and Local Government. We promised to give Local Government a new deal, and this we have done.

We have acted to provide job opportunities for the unemployed, and particularly the young unemployed. The Budget provides over \$100 million for employment training programmes designed particularly to alleviate youth unemployment. These programmes have achieved an encouraging degree of success. More than 100,000 people have benefited from them already. The special youth training scheme - which subsidises employers to take on young people who have been out of work for some considerable length of time - has been particularly successful. And the Treasurer announced in the Budget that the programme would be extended to include all people under 25..

We are prepared to increase spending on all these programmes during the year, and we will assist every eligible applicant who seeks support under any one of these schemes.

We promised to reform Australia's industrial relations. Under Labor, the economy was disrupted by disastrous strikes. As we promised we would do when elected, we have legislated to bring greater justice, common sense and consultation to industrial relations. We have established the Industrial Relations Bureau and the National Labour Consultative Council. At first the unions refused to co-operate in these initiatives, but reversed their stand earlier this year.

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We have fulfilled a primary commitment when elected to require all elections of officers of unions registered under the Conciliation and Arbitration Act to be conducted by secret postal ballot. The term of office of all such officials has been limited to four years. Many secondary boycotts by employees have been banned through an amendment to the Trade Practices Act; and we have legislated to enable the Commonwealth to stand down its own employees when strikes or work bans seriously disrupt the proper performance of their duties. Our firm but fair industrial policy has met with considerable success.

Our reforms, particularly the new law on secret ballots, have had a significant impact. In the twelve months since the secret ballots legislation was introduced, 244 applications have been received for union elections to be conducted by the Commonwealth Electoral Office, and at least two major unions may be required to hold new elections for failing to comply with the legislation, depending on the outcome of official investigations being carried out by the Industrial Registrar.

So far this year, we have had by far the lowest level of industrial disputes this decade. But the position is still far from satisfactory. Disputes created by a few extremist elements in certain key industries, particularly the building, mining and maritime industries, have caused grave disruption, and threaten to hold back national economic recovery. We will not stand idly by and allow this to continue unabated. These strikes and work bans are denying jobs to many unemployed. The seaman's union ban on Utah's coal shipments has already led to the suspension of the \$250 million Norwich Park project, and could lead to an enormous loss of jobs in other Queensland coalfields. Work bans currently imposed in the construction industry are also preventing many projects proceeding with consequent loss of numerous jobs for construction workers. These disputes are denying Australians the right to work, at a time when there is a shortage of work. We will not allow a minority of the union movement to damage and confront their own workmates and the people of Australia.

The time has passed when industrial law was the one area in which Commonwealth law was not enforced. We strongly believe in solving industrial disputes if possible by conciliation and consultation; but we will not be deterred from using the powers available to the Government if such action is required in the national interest. And further industrial relations legislation will be brought down in the current session of Parliament.

For the rural community we promised to take positive action to ensure that Australian rural industries continued to play a significant role in Australia's development. We said we would reform the tax averaging scheme and introduce income equalisation deposits to protect primary producers from paying unduly high rates of tax because of sharp fluctuations in their income. We have fulfilled both these promises.

We said we would maintain the minimum reserve price for wool. In fact we have substantially increased it. We promised that we would reintroduce the superphosphate bounty, ease estate duty on assets passing between spouses, introduce a new rural

/adjustment

adjustment scheme, reconstitute the Australian Meat Board, and implement a campaign against brucellosis and tuberculosis in cattle. All of these we have done.

The Government has also moved quickly to introduce further measures to protect the beef industry which is undergoing a critical period. Last week we announced a series of measures to provide beef producers with essential assistance to enable them to last through the present, very difficult period. We will contribute \$6 million for a new carcass classification system. We are entering into urgent negotiations with the Queensland Government to ease repayments for settlers in the Brigalow Scheme. We are asking the PJT to see if there is a case for a full inquiry to be held into meat marketing and processing charges. We will subsidise beef producers \$10 a head up to \$2,000 maximum for the speying of heifers and the undertaking of various disease control measures, and we will re-examine the terms of carry-on loans, household support, and Government charges in remote areas.

We are also discussing with industry organisations and the States new long term measures such as the creation of a buffer fund. We have given strong support to the Queensland sugar industry in its dispute with Japanese refiners. No Government could have taken firmer action. We stand four square with Queensland.

The Government is also taking strong action to increase access for our agricultural products to markets in Europe, the United States and Japan.

We have reaffirmed our commitment to establish a National Rural Bank, and legislation to establish it will be introduced this session.

Turning to social welfare, we promised to provide effective and prompt assistance to pensioners and those most in need. We have acted. The Family Allowance Scheme has placed a direct cash payment in the hands of every mother to spend as she thinks best for her family. Unlike the previous scheme of tax concessions for dependants, every mother and every family benefits. Social welfare pensions and benefits and the main repatriation pensions rise automatically twice a year to keep pace with inflation.

We have abolished the property means test, and replaced it with a fairer and more equitable income test. We promised to protect individual rights. In a period in which the power of the Government bureaucracy has grown, and in which people often feel powerless against the complexity and size of the machinery of government, this was an important promise. And we have acted.

The first Commonwealth Ombudsman has been appointed. The Administrative Appeals Tribunal has commenced its work. Administrative decisions which affect any individual's rights can be more readily reviewed in the courts, and legislation has been introduced to reform the law on criminal investigation and to establish a Human Rights Commission.

/Ladies

Ladies and gentlemen, after almost two intensive years of responsible Government - Australia has been changed for the better. We have done a great deal to redress the imbalances of the Labor years. And we intend to do a great deal more to restore the economy, to reduce inflation, and unemployment.

We always recognised, we always said, that the damage done to the economy could not be fixed overnight. But progress has been made in this area and we have also attended to other important issues in our society, and we will be doing more to improve industrial relations - to foster business confidence, to aid the farming community, to increase assistance to those who most require it, to protect further our basic civil liberties, to bring about a more efficient Government, fully responsive to the needs of the people it is designed to serve.

This is a great challenge - one in which we need your wholehearted support. Let us make no mistake about it - we can all be proud of the record of the Government and the wide range of reforms which have been introduced. It is now up to all of us to ensure that the entire electorate is made fully aware of the fundamental significance of those reforms.

I am sure I can count on your full support in this task.

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