



PRIME MINISTER

FOR MEDIA

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ADDRESS TO TASMANIAN STATE COUNCIL OF THE LIBERAL PARTY, DEVONPORT

I welcome the chance to be with you again on this important occasion and in this important year. I sense that the spirit at work here today is one of genuine pride - Tasmanian pride in the productive partnership that has developed between the Commonwealth Government and Tasmanians, and pride as Liberals in what Liberalism has achieved for all Australians in the last five years. And isn't that pride justified?

Five years ago Tasmanians expressed, along with most Australians, their faith in Liberalism. Now, in Tasmania, as in the rest of Australia, we are sharing in the successes of that faith. When have we ever seen such Federal Government support for Tasmania? When has there been such concern for Tasmanian initiatives and Tasmania's potential? Has any government ever done as much?

I am not talking about an election time concern. I am talking about a continuing, all the year round, commitment. I am talking about a commitment which is confirmed by the record. Let us look at the results. One of our first objectives in government was to increase the freedom of the States to make their own decisions; to give them the ability to set their own priorities. For Tasmania, the result has been a 92% increase, since 1975/76, in the provision of untied general revenue funds. Or in real terms, an increase of over 20%.

Strong as our commitment is to the States, we have a stronger commitment to the special needs of the smaller States. Total per capita payments to Tasmania this financial year will be over \$1100 compared with \$662 for Victoria and \$670 for New South Wales. Our justification for this is straightforward.

Australia is more than our densely populated capital cities. Australia is more than mainland Australia. The security, and the well-being of Australians depends on balanced development, for all Australia, of all its potential, of all its capacity. Isn't that the commitment that I made for the Liberal Party in the Bass by-election? It is because of this commitment that I agreed with Mr. Lowe to the importation of a floating dock yesterday.

It is our belief, as a government, that Tasmania should continue to receive from the Commonwealth the support that is necessary to enable it to participate to the full in Australia's programme of national development. That is what led us, soon after we came to office, to commission Sir Bede Callaghan to enquire into the structure of industry and employment in Tasmania.

A plan of action was presented to the Government in 1977 and we have acted comprehensively upon it. Our actions have resulted in financial assistance of over \$3½ million in special support, grants and loan funds for industrial development in areas which have a special identification with Tasmania. Included in this was almost \$1½ million for six projects under the Commonwealth Regional Development Programme. You will remember that through this programme, we offered special support to upgrade the convention facilities for the Launceston Albert Hall; provided one loan of over \$300,000 for a holiday village at Stewart's Bay; and another of over \$½ million to M.T.N. Industries at Launceston.

No one would deny the justification of support for these projects. But do you know what the Labor Party in Canberra tried to do? Because the programme was administered by a Tasmanian, Kevin Newman, the Labor Party implied that the loans should not have gone to Tasmania. What absurdity is that?

I doubt if Tasmanians will forget Labor's indifference to small States. This indifference is a matter of public record. We have a constitution specifically designed to protect the small States; to give equal representation to the small States in the Senate; to provide that referenda can only be passed by a majority of people in a majority of States. But what does the Labor Party want to do? They intend to destroy the powers of the Senate. They intend to change the constitution to enable future referenda to be passed by a majority of the people, not a majority of States. The protection of the small States would be abandoned. Victoria and New South Wales alone would be able to alter the constitution. Where would that place Tasmania then? What voice would Tasmanians have in the government of Australia?

You can have the vigorous, hard-working Liberal members that we have now representing Tasmania, but under the Labor proposal, they could talk and still achieve nothing. Yet how much have they achieved over the last five years? Let us not forget that Mr. Batt betrayed this State by supporting those proposals. And Mr. Hayden supports those proposals. And Mr. Hawke only recently said that we should abolish State governments; that, "We must have one government ..with unquestioned powers..." At least in wanting more power, Labor politicians are consistent. How can Doug Lowe remain a member of that party? My government will have no part in this. We will have no part in turning this great federation of Australian States into a Canberra monopoly.

A recent decision of great importance to Tasmania was the agreement by the Government, in April, to relocate the C.S.I.R.O. Fisheries and Oceanography Division in Hobart. This will result in the construction of a \$25 million marine science centre incorporating the C.S.I.R.O. marine science laboratories. It will involve the building of a multi-purpose research vessel, to be based in Hobart, at a cost of \$9 million.

Parallel to this, I opened, earlier this year, the Australian Maritime College at Launceston. By 1984, it will be providing facilities for approximately nine hundred people to undertake courses designed to promote excellence in our maritime industry.

These initiatives will go a long way towards establishing Tasmania as the maritime centre for Australia. They complement the decisions already taken to transfer the Antarctic Division of the Department of Science and Environment to Hobart at a cost of \$10 million. And only recently the Convention on the Conservation of Antarctic Marine Living Resources selected Hobart as the site for its headquarters. This followed strong support by the Commonwealth Government and represents further proof of our active commitment to Tasmania's development.

I welcome the co-operation of the Tasmanian Government in these matters, for these decisions will convert Tasmania into a major maritime and Antarctic research centre for the Southern hemisphere.

We have done many other things to help this State. Construction starts on the second Hobart bridge this year and the Commonwealth will meet all the costs. The freight equalisation scheme continues and by the end of this year, the Commonwealth will have committed \$120 million to the programme. And every dollar of this will be of direct benefit to Tasmanian industries. To further confirm our assistance to Tasmania, the Government recently gave approval to both domestic airlines to operate the Hobart/Christchurch link. This service is expected to commence in early November.

All of this is but a sketch of a long catalogue of initiatives that we have taken in support of Tasmania. Can anyone think of a single initiative of the Labor government?

Of course, we can all remember that time when Mr. Whitlam promised the people of Georgetown a roof over a swimming pool that did not exist.

Under Liberalism, Tasmania has ceased to be just an outpost. Tasmania has gone international. And having been part of this development, the Government is determined to continue its initiatives. We do not need to make Whitlam-like promises which come to nothing. We have delivered the goods in Tasmania.

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The runs are on the board. And the message for Tasmanians in the decade ahead is: "Let us make it a not-out Liberal innings".

Of course, the benefits for Tasmania would have been impossible without the successful fight we have waged against the Labor economic disorder that we inherited. We took over a bankrupt company, a company in receivership. And I make no apology for the fact that it has been a long hard grind in building the strength of the Australian economy to its present point.

In 1975, inflation reached 17%, disrupting economic stability, destroying confidence and crippling investment and economic growth. What is particularly pleasing is that in spite of this, we have been able to achieve so much. Of fundamental importance, many of our industries are competitive again in world markets; our relative cost structure is back to the level of the early 70's; private sector employment is rising; domestic business confidence is high; and the confidence of overseas investors in Australia has fully recovered.

And of continuing importance to all Australians, our farms are doing well again. Lower inflation has greatly helped; costs have been contained. Government support and special incentives have helped to bring life and vitality to Australian farms once more.

These are key achievements and I cannot stress too strongly the contrast between our strength now and the depressed economic environment which was overtaking us five years ago. It is true that there were expectations which we held in 1975 and again in 1977 which may not have been fully achieved. But we have had little help from overseas events. Indeed, many overseas events have made the task more difficult. Who would have envisaged back in 1977 that, this year, inflation would rise to over 20% in Britain; to nearly 15% in the United States? Who would have envisaged so little growth in the world economy? Who would have envisaged interest rates going to 20% in the United States? And who would have predicted the extent of further increases in the price of oil, bringing a new bout of inflation to the whole of the industrialised world?

None of this has been assisted by the number of strikes that occur, often for frivolous and unreasonable causes. And none of it has been helped by the extent of the Arbitration Commission's decisions. All this has meant that there have been occasions when we have had to adjust our course and work all the harder. But we have never sat back and said that circumstances were too difficult. All along, including the Budget to be introduced next Tuesday night, the Government has placed responsibility first. Because, if we fail at that, we fail in our obligation to all Australian people. Because we have had the courage to take the hard line when it was needed, under our management, the economy has performed remarkably well, and much better than many of our overseas competitors. What we have achieved, we have achieved by ourselves, on our own account. In that, all Australians can take a real measure of pride.

Our inflation rate - though higher still than we had hoped - is nevertheless well below the O.E.C.D. average. While in the last 12 months our inflation rate has increased by less than 2%; in the U.S. it rose by nearly 4%; in Japan by over 5%;

and, in the U.K. by over 11%.

This relative strength is the reason why the prospects just ahead of us are bright indeed. Australia in the 80's is a different country; a country with different attitudes; a different view of itself; and with a well founded optimism for the future.

The faith and confidence we have in ourselves as Australians, and in Australia as a nation, have been reborn. And this faith is shared by Tasmanian investors. Firm and prospective investment in mining, resources and manufacturing in this region along include:

- . a \$27 million project by Aberfoyle and Taringo Mining and Exploration at Que River.
- . an \$18 million expansion programme for Renisons near Roseberry
- . a \$13 million project by E.Z. Industries at Roseberry
- . a \$50 million programme of A.P.P.M. to convert their boilers from oil to coal and wood,
- . a proposed \$60 million installation by A.P.P.M. at Wesley Vale next year,

and in manufacturing,

- . Repco are undertaking a \$5 million expansion at Launceston, and
- . Goliath Cement, not far from here at Railton, are involved in a \$22 million conversion and expansion programme.

The results of the Government's policies are best summed up in the 1979 annual report of a very significant Tasmanian firm - A.P.P.M. The report argued clearly that the company's increased profitability was attributable to the more competitive cost of its product. It went on, "...a significant part of the credit for this achievement must be given to Federal Government industrial policy particularly that which is designed to assist Tasmania. Subsidies paid under the Tasmanian Freight Equalisation Assistance Scheme, export incentives, research and development grants... all helped to contain costs... to keep our sales prices down... to increase the volume of sales... but the important effect was.... to enable an increase in machine utilisation which then provided more jobs and prosperity."

All of this highlights a record of achievement in Tasmania in which the Government has worked closely with all Tasmanian members. What projects could anyone name that were standing ready to go in 1975 at the end of the Labor years: the cupboard was indeed bare. Mr. Hayden said a year ago that the 80's would be a decade of despair. He said a couple of weeks ago

that the 80's would be a dead-end decade. That kind of pessimism and gloom have no place in Australia. They demonstrate clearly that the Labor Party has no capacity to offer national leadership; no capacity for national inspiration.

Our achievements in the last five years must be the source of our inspiration for what we can achieve in the years ahead. The capacity of Liberalism to harness initiative and cultivate the creativity of all Australians has been proven. And because of this, significant indicators point to accelerating national recovery. It is on our capacity to secure sustainable economic growth that we base our claim for government in the 80's. For it is only from economic growth that a government can provide the hospitals, the roads, the schools and the essential help to those people in the community who, through no fault of their own, genuinely need our assistance.

It is because of our improved economic health that, as a nation, we have been able to achieve significant reforms especially in our assistance to families, to the aged and to the handicapped.

The introduction of the family allowance is a major initiative redirecting help to mothers, especially those from low income or pensioner families. It has been a particular benefit to over 300,000 families with 800,000 children who had received little or no help under the previous system. We have also acted to increase help for families in the taxation area. Since coming to office, we have doubled the income tax rebate for single income families; while the sole parent rebate has more than doubled. In the same time, we have extended the eligibility for the supporting parent benefit to include supporting fathers. It is the Government's view that there must be dignity for those who are old or who suffer from some disadvantage. Nowhere is our commitment to the aged and the handicapped more in evidence than in this part of Tasmania. In this financial year, in this area, our commitment to the elderly will result in,

- . over \$400,000 for the Melaleuca Homes for the Aged, here in Devonport,
- . over \$400,000 for the Eliza Purdon Home for the Aged, not far from here,
- . almost \$300,000 for the Karingall Home for the Aged, also here in Devonport,
- . and, almost \$50,000 for four self-contained units at the Port Sorrell Retirement Homes.

It is the Government's belief that handicapped people must be provided with the opportunities they deserve to develop their skills, their talents, their self-esteem and their confidence. In this region alone our commitment to the handicapped will result in

- . \$190,000 for the North West Coast Disabled Citizen Association for the purchase of a sheltered workshop in Burnie

and two projects, also in Burnie, conducted by the Multihandicapped Association of Tasmania which will attract over \$300,000 in Commonwealth support next financial year.

And that is just in this area.

The same commitment is at work throughout Tasmania and the whole Australian community. It is part of our belief that Australia as a nation cannot advance unless all members of the community have the opportunity to share in the benefits of our growing wealth. But that wealth must first be generated so that we can improve on the kind of programmes I have outlined. And that is why the Government is dedicated to co-ordinated national development.

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What Mr. Hayden and Labor still don't understand is that whatever the Government spends must first be taken from the people. Governments have no resources of their own. But that does not worry the Labor Party. Indeed, Mr. Hayden has argued that one of his answers to the challenge of the 80's is to spend public money. Mr. Hayden described this spending as, "the biggest social reform you can carry out in this country.."

This is one reform to which Mr. Hayden is dedicated.

In about five areas alone, Labor are already committed to \$2,000 million additional expenditure, if they ever won government. In fact, almost unbelievably, Labor has so far proposed a total of about 300 separate spending commitments. This week, as Mr. Hayden added to these spending commitments, he also promised to control the proliferation of statutory authorities. But what he did not tell Tasmanians was that his party is committed, by its platform to the establishment of over 50 new statutory authorities, councils and committees. Peter Rae won't like that.

Certainly, Mr. Hayden's notion of restraint is different from ours. Perhaps it was because of this massive expenditure programme that Mr. Hayden also said a Labor government would "opt for long-term economic planning, not on a yearly basis, but looking three to five years ahead".

We know why he wants a budget every five years, and it has got nothing to do with long-term economic planning. Recently, one of the Labor Party's most successful administrators, the former Lord Mayor of Brisbane, Mr. Clem Jones, said, "It is recognised, that Bill Hayden has admitted he cannot read a balance sheet".

That is the reason why he wants a five yearly budget. It gives him five years to learn what the red and black figures mean.

Predictably, Mr. Hayden did not tell us while he was in Tasmania where the money was coming from. But we should remember his warning to us that, "I have committed my organisation to a capital gains tax, a resources rental tax, a levy on domestic oil producers, a number of initiatives in the tax area and other measures of that nature".

What are these "other measures"? One of his colleagues gives us some insight. Mr. Willis has said that it is "wrong" that we do not have "some form of tax on capital, be it death duties, capital gains tax, wealth tax, or perhaps some kind of combination of those, or all three".

Someone remarked the other day, that Mr. Hayden would tax the patience of a saint, just to keep the support of the Socialist left. Because, indisputably, Mr. Hayden is a prisoner of the militant Socialist left of the Labor Party. And all Australians know that on many occasions, inside Parliament and out of it, supporters of the Socialist left have sought to explain away the Soviet Union's aggressive and expansionist behaviour.

At a time of almost universal concern about the deteriorating international strategic situation, brought about by Russian expansion, the Labor Party have as a leader a man whose support depends upon the sections in his party who apologise for Soviet behaviour.

Mr. Hayden's behaviour and his views, on a wide range of important issues, are out of step with the best interests of Australians and their aspirations in the decade ahead. It is because of this; it is because of Labor's inability to inspire confidence or trust that our responsibility to Australia and its future is even greater. Because the good government of Australia depends entirely on the strength of Liberalism.

It is that proven strength that has enabled us to enter the 80's with much to be thankful for. But this is not the time to squander hard won gains. Instead, it is the time to use our energy and our initiative to build upon our achievements with all the strength and vigour at our command.

This is the challenge. I ask you all to join with me in dedicating yourselves to meet this challenge. I ask you all to join with me in making Liberalism the driving force behind all Australians in the next decade and beyond. I ask all of you to help us build the security of this nation; to help us build a better future for our children; to help us respond to the great trust that has been placed in us by the majority of the people of Australia.

This is the most challenging task of all. But it is also the most rewarding. I have no doubt that with the organisation and support the Tasmanian division of the Liberal Party, our goals will be met. And I look forward to you all dedicating yourselves comprehensively to the challenges in the months ahead and pursuing them single-mindedly; with energy, commitment and success.

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