



## PRIME MINISTER

E. & O.E. - Proof Only

TRANSCRIPT OF SPEECH TO TRANSPORT WORKERS UNION FEDERAL COUNCIL

9 MAY 1983

First of all, thank you very much for the invitation which was extended to me to come along and open your Council Meeting. I apologise for taking a little bit long. There is a Cabinet meeting going and I have had to leave that a bit early. There are some matters I had to... before leaving.

The first thing I want to say is to emphasise to you the very fundamental course of the industry in which you and your members have evolved. I have always said that there is no part of our economy which is essentially more important, not only intrinsically, but in terms of the efficient functioning of the rest of the economy, than the transport centre. At the latest assessment transport, storage and communication constituted about 14% of our gross national product and the transport industry is far away our biggest service industry. The ramification and visibility to our transport industry in relation to our geography and the distribution of our population is best illustrated perhaps by remembering the fact that about 80% of our total population lives in the triangle which goes from Brisbane to Adelaide to Hobart. Despite what some people say, Hobart is part of Australia, and we certainly believe it is, although others at times seem to suggest that it is not. Now 80% of our population lives in that triangle, but in terms of the land mass of Australia, that triangle represents about 10% of our land mass, with 80% of the population there, so you have the situation where a concentration of your services to some extent in that triangle to provide about 80% of the population, and yet because we are so vast and something like 20% of our population are living in about 90%, there are a valid set of problems which relate to the provision of adequate services to the rest of our population. That emphasises the importance of the economics of the transport industry. We have come into Government with a clear understanding of the importance of your industry and we are committed as a Government to promoting an efficient and equitable national transport system, which is going to be related to those facts that I have alluded to. We are committed, as I say, to creative consultations with the State Governments who also have responsibility in this area and certainly with the Tribunal and with relevant employer organisations..... equitable, safe, reliable and convenient transport system and one which is going to pursue the national objectives of efficiency in a socially effective way.

There are some things that we have already done in the very short period that we have been in office. We have indicated our commitments to these objectives. You will appreciate that just in the last week or so we have injected an amount of about \$265 million into QANTAS, TAA and into the Australian National Line. I am sure that our acts in that regard would meet with your philosophical commitments to the view that there is an important place in our overall national transport system for a public proposal. We will also be directing our attention to the establishment of a National Airport Authority and we will give a national enquiry into the Rosebud Transport Industry. We will also be looking towards the establishment of an Interstate Commission to investigate discrimination in pricing, anomalies and inefficiencies in interstate transport.

Now, I trust that in those introductory comments I have done two things. First, to get clearly in your minds our appreciation of the importance of your industry. You are ostensibly representing the interests of workers in an industry which is important in itself, and as I say, the efficiency of which very largely determines how efficient our overall ... on this operation is going to be. Secondly, I trust that I have established in your minds that already, in the short time since we have been in office, that we have done things already, directing our attention to issues which are important to your industry and therefore of interest to your members.

There are unfortunately 2 other things that I have to refer to. Firstly, you will understand that we have inherited a budgetary situation imposing very, very considerable constraints upon the capacity, that we as a Government have to do all the things that we would like to do. It can't be repeated too often, that we were led to believe, and you and your members were led to believe that the sort of budgetary situation that we would be looking at in 1983/84 would be a deficit of the order of \$6 billion. That was one of the great and most deliberate deceptions that has ever been practised upon the people of this country since the history of Federation. In fact, those previous Government leaders, who were saying to the people of Australia during the election campaign, that there would be a budget deficit to the order of \$6 billion, knew and knew clearly, that it was very, very much more than that. In fact they knew at the highest stage of the election campaign that the deficit that we could contain in the forthcoming financial year without any change in existing programs, would be about \$9.6 billion. Now, it would be nice for the Government to believe that we just have an over-extended budgetary deficit situation. That you can go on doing all the things that have been done, introduce all the new programs that you want, and on the revenue side, not impose any more charges, but just let the deficit blow out without limit. Now, unfortunately, that doesn't represent the facts of life. There are limits to ..... if you don't limit the size of the budget deficit then there are three economic results which inevitably follow.

One is that to finance an unlimited budget deficit you have to sell Government paper and this is like, simply..... out and if they do, that imposes very heavy burdens, most of all upon the people who represent the people on the lower and middle income levels who suffer most as interest rates blow out. It is also associated with significant increases in inflation, and again, the wealthier sections of the community have a relatively much greater capacity to look after themselves in that sort of situation, than the people that you represent, who suffer most if there are rising interest rates, but also rising inflation. The third economic consequence is, of course, that you start to have unbearable pressures upon the ..... So, I simply say to you that the Government has inherited such a deceptive mess, then we have to change policies in the things that we are able to do. Having said that, let me say before I go on to the other areas that you expect me to speak to you about, that we have been engaged in the very few weeks since we have been in Government in undertaking a detailed review of the budgetary situation in Australia. We have looked at, and are still looking at a whole range of expenditure programs that we inherited. We are looking at the area of taxation expenditure. In economist jargon we are talking about those concessions which are available to the taxpayers, which over the years .... in a way which has always concerned itself to the considerations of equity and giving information to those who are most in need. Also, of course, you have .... inflation. Now we are doing that, not simply for the sake of acquiring knowledge, as satisfying as that may be, but we agree that we have a real responsibility in terms of the electoral mandate given on 5 March, to move as quickly as we can to implement policies which are going to get the economy moving in general, and particularly to start to generate more jobs and so, within a couple of weeks, we will be introducing into the Parliament of Australia a statement which will be directed towards achieving those ends. We can start to see without waiting that it is quite artificial saying all this when you have then got a Budget to see what things can be done immediately to try and keep the economy moving to provide more jobs. Now, obviously in that context the question of what happens to the claims from all sections of the community upon our resources is important. As far as you are concerned, the question of wages is important. Noone is more conscious than I am of the need to get equity in terms of restraint and indeed in the Parliament at the end of last year, when we were in Opposition, we said, in Opposition that the Government's approach then - it wasn't sufficient just to be looking and called upon wage and salary earners to exercise restraint, when nothing was being done at all in other areas. So we promised in the election campaign that our Government would move towards trying to ensure that greater equity was operating in this economy as the mood to 83 to see.... that the necessary restraint was exercised throughout the community. That was essentially at the core of the Economic Summit proceedings which we had on the week commencing 11 April. We recognise - the Government continue to recognise - that if we are going, as a community, to be able to move, to get the economy moving to create more jobs, then this restraint has to be exercised during 1983 and the sorts of things that we are doing are to create the Economic Planning Advisory Council and we will be moving also to establish the prices surveillance mechanism. I have also written to the companies of

Australia to ask that they exercise restraint in dividend payments and in emoluments and perquisites of directors in the cream positions of the top companies. We are in respect of professional incomes approaching all professional associations to ask if they agree voluntarily to the restraints exercised within the mechanisms of the Conciliation and Arbitration Commission and I can assure you that the policies we will adopt in our May statement and the August Budget, at the fiscal level, will be directed towards trying to achieve equity, so no inflative capacity in the community to make a contribution - we will be making it compared to those with the least capacity. So it was quite unequivocally that the major mission of our Government is to those who do not have jobs. Those of you, as representatives of people who are in employment, we want you, as people . . . . to share with my Government that our major commitment is to those who do not have the luxury in these circumstances of employment. Our major objective is to take the direction to create more jobs and we want you to share our . . . with us. Now, I have made it clear, that that does not mean that we are looking endlessly at a wage freeze. I have made it quite clear at discussions in the Summit and the statement that was produced that we will go into a National Wage Case later on in this year with a view to some movement in the later part of this year and that . . . 1984 as providing the basis for indexation - full indexation because it is quite clear that the absence of any centralised wage fixing system from July 81 gives a situation in which the whole impetus of wage determination in this country broke down . Those who did have the power were going to be able to get their position rosier and, of course, those without jobs at all were in the worst possible position of all and so, I say to you that I do hope that this great union, one which . . . association with the Labor Movement going back a very long way at Federal and State level and which can associate itself with a Government which you know is committed to the welfare to those in the community who most need it. There is no other issue which is more important than that and I ask you to remember that in the last 12 months we have been in.. about  $\frac{1}{2}$  million in the level of unemployed. There is, this day, out there in Australia at the very minimum, official figures,  $\frac{1}{2}$  million of our fellow Australians unemployed - that is about one in three of our kids between the ages of 15 and 19 who want a job - one in three of them can't get a job - there has been simply no objective of the whole Labor Movement - political and industrial which is more important, in our judgement, than taking decisions which are going to increase the possibility of... That's going to require on the part of... Members of Parliament, people who work, people in professions, it is going to require all of us to exercise restraint. I come here as Prime Minister of this Labor Government, not asking you for something which is unreasonable. I say this specifically in regard to the Prices and Incomes Accord because there are sections of that Prices and Incomes Accord which are very important principles. I think it is a travesty of justice that in 1983 we haven't in this country a national industrial health and safety code. That you can have a situation where so many working men and women are losing their lives because we haven't got a code. We are moving now . . . that an integral part of

what you agree with the Prices and Incomes Accord. I have directed all the Ministers to go through the Prices and Incomes Accord in regard to all the areas and we have agreed that things ought to be done.... democracy that we move immediately. They are not being put on the back burners . The Government is doing all the things, are moving to do all the things , that the Trade Union Movement in discussions with us has regarded as appropriate trying to lift the working environment within Australia, which your members operate in, so I do put it to you that in the situation where you have got a Government who understands the real needs of your membership and overwhelmingly understands the need to create more jobs so that we can start to create a more equitable society, you will be prepared as an integrally important union in consultation with us, I am not saying it imposingly, but in consultation with us, in the mechanisms that we will establish, as a result of the discussions we have in the Labor Movement when we were in Opposition and now in Government, that you will play your part in assisting us .... in getting the economy moving at a higher level of activity to create more jobs - those that are desperately needed. These are overall objectives but there can't be anything more important, I pledge to you without hesitation that, in all that we do we will be consulting with you, that we will also be consulting with those employers, so that we can get, as far as possible, the best input from all of you to the decisions that we take. While it may be a little bit ... to have to exercise that restraint in 1983, I want to put to you that the signs are there now, that the economy is about to turn round, not only as a result of what is happening in this country, but as a result also of some of the signs of increasing activity overseas and, of course, something .... drought, something that is going to give considerable impetus in many ways in this country. So please, I do plead with you, to identify yourselves with that broad program and noble objectives that we have with the Trade Union Movement to cooperate with us in that way. We were asking for restraint ... capacity for exercising restraint and we can be looking for a sprinkling economy to move in the next year and beyond and that will give us an economy in which we will have a real capacity of not only to maintain, but to improve the standards of living of all people in this community and to do it in a way which provides equally to those who are in the greatest need. Until those things, and I do have confidence that you will respond profitably to what I am putting to you. I have very much pleasure and again thank you for being here.....