



PRIME MINISTER

SPEECH BY THE PRIME MINISTER
ACTU CONGRESS - MELBOURNE
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DELEGATES,

THE PARTNERSHIP FORGED BETWEEN THE AUSTRALIAN LABOR PARTY AND THE AUSTRALIAN TRADE UNION MOVEMENT DATES BACK TO THE BEGINNINGS OF OUR POLITICAL SYSTEM. TOGETHER THROUGH THE YEARS WE HAVE WORKED FOR A BETTER AUSTRALIA.

THE REFORMS THAT HAVE BEEN ACHIEVED, THE PROGRESS THAT HAS BEEN MADE WOULD HAVE BEEN IMPOSSIBLE IF WE HAD NOT WORKED TOGETHER AT EVERY OPPORTUNITY. WE HAVE REINFORCED AND UNDERPINNED EACH OTHER. AS A RESULT WE HAVE SECURED FOR ALL AUSTRALIANS A FAIRER, MORE JUST, MORE EQUITABLE SOCIETY.

THIS PARTNERSHIP MUST NOT BE TAKEN FOR GRANTED. IT IS SOMETHING WE MUST WORK AT AND BUILD UPON CONTINUALLY.

THIS IS ESPECIALLY TRUE TODAY. THE LABOR GOVERNMENT IS DEDICATED TO SECURING WITHIN THE CONTEXT OF RENEWED ECONOMIC GROWTH A RIGHTFUL SHARE FOR THE WORKING MEN AND WOMEN OF AUSTRALIA OF THAT GROWTH. ONLY A HEALTHY AUSTRALIAN ECONOMY WILL PROVIDE EMPLOYMENT AND GOOD STANDARDS OF LIVING FOR ALL ITS PEOPLE, AND A PROPER DISTRIBUTION OF THE FRUITS OF GROWTH IN THIS GREAT NATION. THE COOPERATION AND SUPPORT OF THE TRADE UNION MOVEMENT IS ESSENTIAL IF THIS IS TO BE ACHIEVED.

IN SIX MONTHS MY GOVERNMENT HAS LAID THE FOUNDATION FOR GETTING AUSTRALIA BACK TO WORK. WE HAVE BEGUN THE TASK OF MAKING AUSTRALIA A MORE EQUITABLE SOCIETY. WE HAVE STARTED TO BRING AUSTRALIANS TOGETHER AGAIN AFTER SEVEN YEARS OF DIVISION AND A SHARP ECONOMIC DECLINE.

WHEN WE CAME TO OFFICE THE ECONOMY WAS FACING ITS WORST RECESSION IN FIFTY YEARS. UNEMPLOYMENT HAD RISEN BY MORE THAN ONE QUARTER OF A MILLION PEOPLE IN ONLY A YEAR. INFLATION AT 11.5% WAS DOUBLE THE OECD AVERAGE. INTEREST RATES WERE UNACCEPTABLY HIGH. THE AUSTRALIAN ECONOMY - AND AUSTRALIAN SOCIETY - HAD SUFFERED FROM THE BLINKERED AND INSENSITIVE COMMITMENT OF OUR PREDECESSORS TO A "FIGHT INFLATION FIRST" APPROACH.

THE CHALLENGE FACING THE NATION THEN AND NOW IS FORMIDABLE. AUSTRALIA'S ECONOMIC PROBLEMS ARE DEEP SEATED AND NOT AMENABLE TO RAPID SOLUTION. TO ARREST AND REVERSE THE DECLINE DEMANDS THE GENERATION OF HIGH GROWTH RATES FOR LONG PERIODS. TO ACHIEVE SUCH GROWTH RATES REQUIRES THIS NATION TO RESPOND TO THE CHALLENGE IN A COOPERATIVE AND INNOVATIVE MANNER.

ACHIEVEMENT OF THE NECESSARY RATES OF GROWTH IN ACTIVITY AND EMPLOYMENT REQUIRES AS AN ABSOLUTE PREREQUISITE AN EFFECTIVE PRICES AND INCOMES POLICY. THE BENEFITS OF RECOVERY MUST NOT BE FRITTERED AWAY IN ANOTHER ROUND OF THE WAGES - PRICES SPIRAL. THIS IS WHAT THE PRICES AND INCOMES ACCORD IS ALL ABOUT.

UNLESS WE ARE SUCCESSFUL IN FORGING A LONG TERM COMMITMENT BY ALL TO SUCH AN APPROACH THERE IS LITTLE CHANCE WE WILL BE ABLE TO ACHIEVE SUSTAINED RECOVERY, IMPROVE LIVING STANDARDS OR MAKE ANY REAL PROGRESS IN CUTTING INTO THE UNACCEPTABLY LONG QUEUES OF THE UNEMPLOYED.

MY GOVERNMENT IS I BELIEVE ON THE RIGHT TRACK. LAST WEEK'S WELCOME DECISION BY THE SAVINGS BANKS TO CUT HOME LOAN INTEREST RATES WAS A CLEAR SIGN THAT THE MARKET HAS CONFIDENCE IN THE GOVERNMENT'S OVERALL ECONOMIC STRATEGY AND PARTICULARLY THE 1983-84 BUDGET.

THE ACCORD ON PRICES AND INCOMES BETWEEN THE AUSTRALIAN LABOR PARTY AND THE TRADE UNION MOVEMENT WAS AN ACHIEVEMENT OF HISTORIC PROPORTIONS. IT OFFERED HOPE THAT WE COULD ESCAPE THE DIVISIVE, CONFRONTATIONIST APPROACHES OF THE PAST, ITS ACHIEVEMENT SET THE TONE OF CONSULTATION AND COOPERATION FOR THE NEW LABOR GOVERNMENT. IT IS NOW A CRUCIAL CORNERSTONE IN THE GOVERNMENT'S EFFORTS TO ACHIEVE ECONOMIC RECOVERY.

THE FRASER GOVERNMENT'S TOTAL RELIANCE ON THE BLUNT CONVENTIONAL WEAPONS OF CONTRACTIONARY FISCAL AND MONETARY POLICY GOT US NOWHERE. THE COSTS IN TERMS OF REDUCED ACTIVITY AND INCREASED UNEMPLOYMENT WERE INTOLERABLY HIGH.

THE NEW POLICY APPROACH NOW DEVELOPED OFFERS HOPE WHERE PREVIOUSLY THERE WAS DESPAIR. WE AIM TO GET AUSTRALIA MOVING AGAIN.

BY MEANS OF AN EFFECTIVE PRICES AND INCOMES POLICY IT SHOULD NOW BE POSSIBLE TO SEE CONFLICTING INCOME CLAIMS RESOLVED AT LOWER LEVELS OF INFLATION THAN WOULD OTHERWISE BE THE CASE. THIS WILL PROVIDE GREATER SCOPE FOR OUR EXPANSIONARY FISCAL POLICY AND WILL LEAD TO STRONGER GROWTH IN OUTPUT AND EMPLOYMENT, AND ULTIMATELY TO IMPROVED LIVING STANDARDS FOR ALL. THE OPPORTUNITY MUST NOW BE SEIZED TO IMPROVE AUSTRALIA'S LONG-TERM GROWTH PERFORMANCE AND TURN OUR BACK ON THE STAGNATION THAT HAS CHARACTERISED MUCH OF OUR ECONOMIC PERFORMANCE IN THE LAST DECADE.

THE ACCORD REPRESENTS A COMPREHENSIVE APPROACH. THE UNDERTAKINGS EMBRACED IN IT COVER NOT ONLY PRICES, WAGES AND NON-WAGE INCOMES BUT ALSO TAXATION AND THE "SOCIAL WAGE" - THAT IS, THOSE GOVERNMENT EXPENDITURES AFFECTING THE LIVING STANDARDS OF THE PEOPLE. IT ALSO PROVIDES FOR A RANGE OF POLICIES IN THE AREAS OF INDUSTRIAL RELATIONS LEGISLATION, HEALTH INSURANCE, OCCUPATIONAL HEALTH AND SAFETY, SOCIAL SECURITY, INDUSTRIAL DEVELOPMENT, EDUCATION AND AUSTRALIAN GOVERNMENT EMPLOYMENT - ALL POLICIES MY GOVERNMENT IS NOW WORKING TO IMPLEMENT.

THE PRINCIPLES OF FAIRNESS AND EQUITY ARE FUNDAMENTAL TO THE ACCORD. THE EQUITABLE DISTRIBUTION OF INCOME IS A BASIC OBJECTIVE AND GUIDES THE APPROACH OF BOTH THE ACCORD AND MY GOVERNMENT.

THE LABOR GOVERNMENT DOES NOT UNDERESTIMATE THE DIFFICULT TASK AHEAD. IT WAS RECOGNISED IN THE ACCORD THAT THERE ARE NO RAPID SOLUTIONS AND THAT OUR OBJECTIVE OF FULL EMPLOYMENT CAN ONLY BE REACHED OVER TIME. WE CERTAINLY DO NOT OFFER MIRACLE CURES. THE ACTU SUBMISSION TO THE RECENT NATIONAL WAGE CASE WAS RIGHT IN OBSERVING THAT "... IT WAS NEVER PERCEIVED THAT ALL THE INDIVIDUAL PROVISIONS, COMMITMENTS, GOALS IN THE ACCORD WOULD BE ACHIEVED IN THE FIRST TERM OF OFFICE ... IT IS SOMETHING THAT WILL BE GRADUALLY IMPLEMENTED OVER YEARS, NOT MONTHS".

WE HAVE, HOWEVER, MADE CONSIDERABLE PROGRESS.

AT THE HEART OF THE ACCORD IS THE COMMITMENT TO A CENTRALISED SYSTEM OF WAGE FIXATION WHICH WE BELIEVE IS DESIRABLE FOR ECONOMIC, EQUITY AND INDUSTRIAL RELATIONS REASONS. SUCCESSFUL IMPLEMENTATION OF SUCH A SYSTEM IS ESSENTIAL TO AN IMPROVEMENT IN INDUSTRIAL RELATIONS. ONLY IN THIS MANNER CAN BETTER WAGES AND CONDITIONS BE ACHIEVED AND SUSTAINED INTO THE LONGER-TERM.

THE PRINCIPLES OF WAGE FIXATION BEING PURSUED BY THE GOVERNMENT PROVIDE A BASIS UPON WHICH ALL PARTIES CAN PARTICIPATE IN AND BENEFIT FROM THE SYSTEM. WE AIM TO ENSURE IN CIRCUMSTANCES OF RISING PRODUCTION AND PRODUCTIVITY AN EQUITABLE DISTRIBUTION OF INCREASED COMMUNITY WEALTH.

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AT THE NATIONAL WAGE CASE WE SOUGHT TO STRIKE A BALANCE BETWEEN SHORT AND LONGER TERM ECONOMIC AND INDUSTRIAL RELATIONS CONSIDERATIONS WITHIN THE FRAMEWORK OF AN EFFECTIVE PRICES AND INCOMES POLICY. ACCORDINGLY WE SUPPORTED FULL INDEXATION ON A SIX-MONTHLY BASIS, ON THE CONDITION THAT THERE SHOULD BE NO EXTRA CLAIMS. IT IS THE GOVERNMENT'S FIRM VIEW THAT ANY UNION NOT PREPARED TO GIVE A COMMITMENT TO NO EXTRA CLAIMS SHOULD BE DENIED THE NATIONAL WAGE INCREASE. IF SUCH AN UNDERTAKING IS GIVEN AND LATER BREACHED THIS SHOULD ALSO BE TAKEN INTO ACCOUNT WHEN NATIONAL WAGE INCREASES ARE BEING CONSIDERED IN RELATION TO THAT UNION.

THE GOVERNMENT HAS ARGUED THAT RATIFICATION OF SECTIONAL SETTLEMENTS SHOULD BE REFUSED UNLESS THE COMMISSION JUDGES THAT SPECIAL OR EXTRAORDINARY CIRCUMSTANCES APPLY. IT IS FOR THE COMMISSION TO RATIFY SUCH AGREEMENTS. THE GOVERNMENT FOR ITS PART WOULD NOT SUPPORT ANY INCREASE IN ALLOWANCES WHICH AMOUNTED TO A DISGUISED WAGE INCREASE. THE GOVERNMENT WOULD ALSO BE CONCERNED THAT PARTICULAR ATTENTION BE PAID TO THE POSSIBILITY OF FLOW-ONS. SUCH POSSIBILITIES MUST AT ALL COSTS BE PREVENTED.

YOU WILL RECALL THAT IT WAS AGREED AT THE SUMMIT THAT IF RESTRAINT IS TO BE EXERCISED THEN IT SHOULD BE EXERCISED UNIVERSALLY AND THAT NON-WAGE INCOMES SHOULD NOT BE INCREASED FASTER THAN MOVEMENTS IN WAGES. WHERE THERE ARE NO AUTHORITIES DETERMINING FEES, GROUPS WERE TO BE ENCOURAGED TO HAVE THEIR FEES DETERMINED ON A VOLUNTARY BASIS BY MEMBERS OF THE CONCILIATION AND ARBITRATION COMMISSION.

MY GOVERNMENT HAS TAKEN A NUMBER OF STEPS TO IMPLEMENT THAT APPROACH. I HAVE WRITTEN TO MAJOR COMPANIES ASKING THEM TO EXERCISE RESTRAINT IN SETTING DIVIDENDS AND OTHER NON-WAGE INCOMES SUCH AS MANAGERIAL SALARIES AND DIRECTORS' FEES. THE MINISTER FOR EMPLOYMENT AND INDUSTRIAL RELATIONS HAS SOUGHT THE SUPPORT OF PROFESSIONAL ASSOCIATIONS FOR INCOME RESTRAINT AND HAS ENCOURAGED THEM TO USE MEMBERS OF THE CONCILIATION AND ARBITRATION COMMISSION TO DETERMINE FEES. THE RESPONSE TO THESE APPEALS HAS BEEN ENCOURAGING. ALMOST ALL OF THOSE GROUPS HAVE EXPRESSED STRONG SUPPORT FOR THE GOVERNMENT'S CALL FOR RESTRAINT.

AT THE NATIONAL ECONOMIC SUMMIT WE WERE ENJOINED TO ESTABLISH EPAC AND TO DEVISE MACHINERY FOR PRICE SURVEILLANCE. EPAC IS NOW IN PLACE AND WE EXPECT SOON TO ESTABLISH A PRICES SURVEILLANCE AUTHORITY TO MONITOR AND ASSESS THE VALIDITY OR OTHERWISE OF PRICE INCREASES BY SELECTED CORPORATIONS AND PUBLIC AUTHORITIES. DRAFT LEGISLATION HAS BEEN PREPARED AND IS TO BE CONSIDERED BY A WORKING PARTY SET UP AFTER THE SUMMIT. OUR INTENTION IS TO INTRODUCE THIS LEGISLATION INTO THE PARLIAMENT DURING THE CURRENT SITTINGS. WITH SIMILAR AIMS IN MIND THE GOVERNMENT IS ALSO CONSIDERING STRENGTHENING TRADE PRACTICES LEGISLATION TO ENSURE THAT THERE IS MORE EFFECTIVE COMPETITION AND LESS OPPORTUNITY FOR ANTI-COMPETITIVE ARRANGEMENTS.

YOU ALL APPRECIATE THAT MAINTENANCE OF, OR IMPROVEMENT IN, LIVING STANDARDS MAY BE SECURED THROUGH PROCESSES OTHER THAN BY MONEY WAGE INCREASES. IN TAKING OUR DECISIONS ON THE ECONOMIC MEASURES ANNOUNCED IN MAY, AND MORE RECENTLY IN THE BUDGET, MY GOVERNMENT SET ABOUT A GENUINE, FUNDAMENTAL RE-ORDERING OF PRIORITIES. FAIRNESS AND EQUITY WERE GUIDING, CENTRAL CONSIDERATIONS.

FEATURES OF OUR APPROACH - SOME OF WHICH WE HAVE IMPLEMENTED DIRECTLY AND SOME OF WHICH WE HAVE PROGRESSED IN CO-OPERATION WITH THE STATES - HAVE BEEN:

- THE COMMUNITY EMPLOYMENT PROGRAM, INVOLVING VERY SUBSTANTIAL INCREASES IN SPENDING ON JOB CREATION; ALTOGETHER WE WILL BE SPENDING \$958 MILLION ON EMPLOYMENT AND TRAINING PROGRAMS IN 1983-84 - AN INCREASE OF 80 PER CENT ON 1982-83 EXPENDITURE. IN TOTAL WE EXPECT EMPLOYMENT TO GROW BY ABOUT 90,000 OVER THE COURSE OF 1983-84;
- THE REPLACEMENT OF THE SYETP BY A MORE EFFECTIVE JOB CREATION AND TRAINING PROGRAM FOR YOUNG PEOPLE IN THE PRIVATE SECTOR;
- THE INTRODUCTION OF THE NEW FIRST HOME OWNERS SCHEME TO ASSIST PEOPLE ON LOW TO MODERATE INCOME INTO HOME OWNERSHIP;
- MEASURES TO INCREASE SIGNIFICANTLY THE AVAILABILITY OF LOW COST RENTAL ACCOMMODATION;

- MEDICARE, WHICH WILL MEET THE NEED SET OUT IN THE ACCORD FOR A SIMPLE, UNIVERSAL AND EQUITABLY FUNDED SCHEME;
- INCREASED SPENDING ON ASSISTANCE TO THOSE MOST SEVERELY AFFECTED BY RECESSION, NOTABLY THE UNEMPLOYED AND PENSIONERS WITH CHILDREN;
- SPECIAL STEPS TAKEN AT THE PREMIERS' CONFERENCE TO ASSIST THE STATES AT A TIME OF REVENUE DIFFICULTIES THEREBY REDUCING PRESSURE ON THEM TO RAISE CHARGES AND TAXES WITHIN THEIR AREAS OF RESPONSIBILITY.

WHEN WE REDUCED OUTLAYS OR ASSISTANCE THIS WAS AT THE EXPENSE OF THE RELATIVELY BETTER OFF PEOPLE IN THE COMMUNITY - AT THE EXPENSE OF THOSE WHO COULD AFFORD IT. THE INTRODUCTION OF AN INCOME AND ASSETS TEST ON PENSION ENTITLEMENTS, INCOME TESTING ON OVER 70s AGE PENSIONS, TAXATION OF LUMP-SUM SUPERANNUATION PAYMENTS AND THE TERMINATION OF THE HOUSING INTEREST REBATE SYSTEM REFLECT THIS APPROACH.

I WANT TO MAKE PARTICULAR REFERENCE TO THE MATTER OF TAXATION OF LUMP-SUM SUPERANNUATION PAYMENTS. THE MEASURES PROPOSED BY THE GOVERNMENT IN ITS 19 MAY ECONOMIC STATEMENT AIMED TO ADDRESS A SITUATION IN WHICH \$2 BILLION OR SO OF ASSISTANCE FOR OCCUPATIONAL SUPERANNUATION WAS GOING DISPROPORTIONATELY TO PEOPLE WHO WERE BETTER OFF AMONGST MEMBERS OF THE WORK FORCE.

IT IS TRUE THAT MANY ORDINARY WORKERS ARE AFFECTED TO SOME EXTENT BY THE SUPERANNUATION CHANGES. BUT A LARGE PART OF THE WORKFORCE IS NOT, EXCEPT THROUGH THE INCREASED CAPACITY THAT THE REFORMS WILL PROVIDE FOR THE GOVERNMENT TO ASSIST THE AUSTRALIAN COMMUNITY AS A WHOLE. FOR THOSE WHO ARE AFFECTED, SUPERANNUATION WILL CONTINUE TO RECEIVE HIGHLY FAVOURABLE TAXATION TREATMENT THROUGH THE ABSENCE OF TAXATION ON SUPERANNUATION FUNDS AND THE TAXATION DEDUCTION FOR EMPLOYERS' CONTRIBUTIONS THAT IS NOT MATCHED BY IMMEDIATE TAXATION IN THE HANDS OF THEIR BENEFICIARIES. FOLLOWING THE MODIFICATIONS ANNOUNCED BEFORE THE BUDGET, AND AFTER DISCUSSIONS WITH THE UNIONS, THE SMALLER LUMP SUMS WHICH ARE MOST IMPORTANT FOR GENUINE RETIREES WHO HAVE BEEN ON RELATIVELY LOW INCOMES WILL BE TAXED ONLY AT A LOW RATE, MOREOVER, THE REFORM IS A GRADUAL ONE, AND, ESPECIALLY WHEN THE EXEMPTION OF EMPLOYEES' CONTRIBUTIONS IS TAKEN INTO ACCOUNT, IT WILL BE MANY YEARS BEFORE MANY OTHER THAN THE MOST PRIVILEGED WORKERS WILL HAVE THEIR LUMP SUMS TAXED AT MORE THAN 15 PER CENT;

YOU WOULD ALL APPRECIATE THAT THE TECHNICALITIES INVOLVED IN IMPLEMENTING A MOVE OF THIS KIND WERE COMPLEX. RECOGNISING THIS THE GOVERNMENT UNDERTOOK CONSULTATIONS WITH ALL INTERESTED PARTIES, INCLUDING THE ACTU, AIMED AT ADDRESSING REASONABLE CONCERNS EXPRESSED BY SOME GROUPS. THE RESULTANT CHANGES ACHIEVED SUBSTANTIAL IMPROVEMENT IN THE FAIRNESS OF THE SYSTEM WITHOUT COMPROMISING THE GOVERNMENT'S OVERRIDING OBJECTIVE.

THE METHOD BY WHICH THIS AGREEMENT WAS ACHIEVED WAS INDICATIVE OF THE APPROACH OF MY GOVERNMENT. WE ARE PREPARED TO TAKE ON BOARD REASONABLE, WELL-CONSIDERED SUGGESTIONS FOR IMPROVED ADMINISTRATION OF OUR POLICIES. IN RETURN, AND LET ME BE FRANK ABOUT THIS, WE EXPECT ADHERENCE TO AGREEMENTS ONCE THEY HAVE BEEN STRUCK. PROGRESSIVE WHITTILING AWAY AT THE MARGINS OF POLICY IS UNACCEPTABLE. NO GOVERNMENT CAN OPERATE EFFECTIVELY IF IT IS NOT ABLE TO HAVE DECISIONS ONCE TAKEN STICK. CONCILIATION AND COMPROMISE IS NOT A RECIPE FOR WEAKNESS. IT IS RATHER THE APPROACH OF AN OPEN BUT RESPONSIBLE GOVERNMENT.

ANOTHER ELEMENT IN THE GOVERNMENT'S THINKING ABOUT LUMP SUM SUPERANNUATION TAXATION WAS THAT THE THEN EXISTING TAX PROVISIONS FACILITATED TAX AVOIDANCE ARRANGEMENTS UNDER WHICH AN EMPLOYEE'S PAY COULD BE DEFERRED SO AS TO TAKE IN A LUMP SUM TERMINATION PAYMENT AT THE END OF HIS OR HER EMPLOYMENT IN A PARTICULAR JOB. CONSIDERATIONS OF EQUITY AND FAIRNESS MAKE IT IMPERATIVE THAT WE CRACK DOWN ON SUCH PROCEDURES. ONLY IF WE MOVE AGAINST THIS AND OTHER GLARING EXAMPLES OF TAX AVOIDANCE AND EVASION CAN WE HAVE ANY HOPE OF ACHIEVING A MORE JUST, MORE EQUAL, MORE HUMANE SOCIETY.

MY GOVERNMENT IS STRONGLY COMMITTED TO ACHIEVING A MORE EQUITABLE AND EFFICIENT TAX SYSTEM. THIS IS NOT ONLY AN IMPORTANT END IN ITSELF - IT IS ALSO A KEY ELEMENT IN THE BUDGET STRATEGY WE HAVE DEVELOPED. THE THREAT BY THE OPPOSITION AND SOME OTHERS IN THE SENATE TO THE NEW TAX RECOUPMENT LEGISLATION IN RELATION TO BOTTOM OF THE HARBOUR

SCHEMES PUT AT RISK KEY REVENUE ASSUMPTIONS UPON WHICH THE GOVERNMENT HAS BUILT ITS BUDGET. THE THREAT POSED TO ECONOMIC RECOVERY MUST BE FULLY APPRECIATED FOR WHAT IT IS.

THE MEASURES WE HAVE TAKEN TO TIGHTEN THINGS UP AND THE TAXATION REFORMS WE HAVE UNDERTAKEN, MUST SUCCEED IF THOSE MOST IN NEED ARE NOT GOING TO BE DEPRIVED OF THE SUPPORT WE OWE THEM. THREATS REEKING OF HYPOCRISY AND SHORT-TERM OPPORTUNISM, THREATS PUTTING THE INTERESTS OF A HIGHLY PRIVILEGED FEW ABOVE THE NEEDS OF THE COMMUNITY AT LARGE, MUST NOT PREVAIL.

FOR THE LONGER-TERM, A THOROUGH-GOING REAPPRAISAL AND RATIONALISATION OF THE TAX SYSTEM IS NEEDED. THE POINT HAS NOW BEEN REACHED WHERE A DETAILED EXAMINATION OF THE ACTUAL AND POTENTIAL NATIONAL REVENUE BASE MUST BE UNDERTAKEN. WIDELY BASED COMMUNITY CONSIDERATION OF WHAT IS APPROPRIATE IN TERMS OF ECONOMIC EFFICIENCY AND EQUITY IS TIMELY. THIS WILL ENABLE SENSIBLE AND FAIR CHANGES TO BE EFFECTED, NOT IN A PIECEMEAL FASHION, BUT AS PART OF A WELL-CONSIDERED, PROPERLY INTEGRATED PACKAGE. THE GOVERNMENT IS ASKING EPAC TO UNDERTAKE AN EARLY EXAMINATION OF THESE MATTERS.

INDUSTRIAL RELATIONS POLICY ISSUES ARE AT THE HEART OF THIS CONGRESS'S PREOCCUPATIONS AND CONCERNS. AS A MATTER OF URGENCY MY GOVERNMENT IS MOVING TO ACHIEVE BADLY NEEDED REFORM IN THIS AREA. WE ARE COMMITTED TO ACHIEVING REFORMS WHICH WILL HAVE A LASTING IMPACT AND WHICH WILL LEAD TO A BASIC AND BENEFICIAL CHANGE IN THE ATTITUDE OF ALL PARTIES.

ACCORDINGLY A COMPREHENSIVE REVIEW OF THE INDUSTRIAL RELATIONS SYSTEM IS TO BE CONDUCTED BY A TOP LEVEL TRIPARTITE COMMITTEE OF INQUIRY. IT IS A MATTER OF PARTICULAR PERSONAL SATISFACTION TO ME THAT CHARLIE FITZGIBBON - A GREAT AUSTRALIAN AND RESPECTED LEADER OF THE TRADE UNION MOVEMENT, HAS AGREED TO SERVE AS THE UNION REPRESENTATIVE ON THAT COMMITTEE. THE HANCOCK COMMITTEE REVIEW, WHICH IS LONG OVERDUE, WILL FOCUS PARTICULARLY ON COMMONWEALTH LAWS RELATING TO THE PREVENTION AND SETTLEMENT OF INDUSTRIAL DISPUTES, COMMONWEALTH LAWS RELATING TO THE RECOGNITION OF UNIONS AND EMPLOYER ORGANISATIONS, AND THE MANNER IN WHICH COMMONWEALTH AND STATE INDUSTRIAL RELATIONS SYSTEMS MIGHT BETTER INTER-RELATE. THE REVIEW WILL REPORT BY MARCH 1985 AND SHOULD PROVIDE THE BASIS FOR CHANGES THAT WILL SET THE SCENE FOR INDUSTRIAL RELATIONS WELL INTO THE FUTURE,

IN THE MEANTIME, WE HAVE TAKEN STEPS TO ABOLISH THE PERNICIOUS INDUSTRIAL RELATIONS BUREAU, A BODY WHOSE ESTABLISHMENT BY THE FRASER GOVERNMENT WAS STRONGLY OPPOSED BY BOTH UNIONS AND EMPLOYERS. WE HAVE ALSO MOVED TO FACILITATE THE AMALGAMATION OF ORGANISATIONS REGISTERED UNDER THE CONCILIATION AND ARBITRATION ACT AND WILL BE INTRODUCING LEGISLATION IN THE CURRENT SITTINGS TO IMPLEMENT OTHER REFORMS ALREADY ANNOUNCED, INCLUDING A COMPLEMENTARY COMMONWEALTH-STATE INDUSTRIAL RELATIONS SYSTEM.

WE HAVE REVITALISED THE ROLE OF THE NATIONAL LABOUR CONSULTATIVE COUNCIL AND TURNED IT INTO A REAL FORUM FOR CONSULTATION, CONSTRUCTIVE CRITICISM AND INFORMED DEBATE.

ON ANOTHER FRONT THE GOVERNMENT PUT A SUBMISSION TO THE COMMISSION IN THE JOB PROTECTION CASE IN SUPPORT OF IMPROVED JOB SECURITY STANDARDS. TOO OFTEN THE STANDARDS APPLIED IN AUSTRALIA HAVE FAILED TO MEET THE LEGITIMATE EXPECTATIONS OF WORKERS AND HAVE COMPARED POORLY WITH THOSE WHICH APPLY IN MANY COMPARABLE COUNTRIES. THE GOVERNMENT ACCORDINGLY INDICATED ITS SUPPORT FOR:

- IMPROVED STANDARDS IN RELATION TO DISMISSAL PROCEDURES;
- OBLIGATIONS ON EMPLOYERS TO CONSULT IN ADVANCE WITH WORKERS AND THEIR UNIONS ON PRODUCTION, TECHNOLOGY AND OTHER CHANGES LIKELY TO HAVE SIGNIFICANT EFFECTS ON EMPLOYEES, INCLUDING PROPOSED REDUNDANCIES;
- THE PRINCIPLE OF MINIMUM PERIODS OF NOTICE AND CONSULTATION; AND
- THE PRINCIPLE OF RETRENCHMENT COMPENSATION.

A KEY AREA NEGLECTED FOR FAR TOO LONG HAS BEEN THAT OF OCCUPATIONAL HEALTH AND SAFETY. IT IS ENCOURAGING THAT SEVERAL STATES ARE NOW STARTING TO TAKE ACTION.

RESPONSIBILITY FOR THESE MATTERS LIES PREDOMINANTLY WITH THE STATES, WITH THE COMMONWEALTH HAVING A DIRECT RESPONSIBILITY ONLY IN RELATION TO ITS OWN EMPLOYEES, THE ACT AND EXTERNAL TERRITORIES. BUT THERE IS MUCH TO BE GAINED BY GREATER COORDINATION. THE COMMONWEALTH IN CLOSE CONSULTATION WITH THE STATES AND OTHER RELEVANT BODIES CAN PLAY AN IMPORTANT ROLE IN THIS REGARD.

MY GOVERNMENT IS NOW FINALISING ARRANGEMENTS TO ESTABLISH A NATIONAL HEALTH AND SAFETY COMMISSION AND OFFICE. THE FOLLOWING STEPS ARE ENVISAGED:

- ESTABLISHMENT OF AN INTERIM COMMISSION, SERVICED BY A SECRETARIAT, TO DRAW TOGETHER INTERESTED PARTIES AND SPECIALIST EXPERTISE TO PLAN FOR AND IMPLEMENT A PROGRAM TO ESTABLISH THE COMMISSION AND OFFICE;
- CONTINUED CONSULTATIONS WITH STATE/TERRITORY GOVERNMENTS, INDUSTRY AND EMPLOYEE REPRESENTATIVES;
- DEVELOPMENT OF LEGISLATION TO PROVIDE FOR THE FUNCTIONS OF THE PROPOSED COMMISSION AND OFFICE, INCLUDING ITS RESPONSIBILITIES FOR AUSTRALIAN GOVERNMENT EMPLOYMENT.

STEPS OF THIS KIND ARE PART OF OUR BROADER INTEREST IN MOVING TO IMPLEMENT THE LABOR PARTY'S NATIONAL OCCUPATIONAL HEALTH AND SAFETY STRATEGY. THEY WOULD ALSO BE A PRECONDITION OF OUR BEING ABLE TO RATIFY ILO CONVENTION No. 155 - THE CONVENTION CONCERNING OCCUPATIONAL SAFETY AND HEALTH AND THE WORKING ENVIRONMENT - A CONVENTION TO WHICH MY GOVERNMENT ATTACHES HIGH PRIORITY.

SOME OF THE MEASURES WHICH COULD BE INTRODUCED AND COORDINATED BY THE COMMISSION MIGHT INCLUDE:

- THE LICENSING OF CHEMICALS USED IN INDUSTRY

- THE PROMOTION OF NATIONAL STANDARDS THROUGH CONSULTATION AND IN COOPERATION WITH THE STATES
- ENCOURAGING THE ESTABLISHMENT OF HEALTH AND SAFETY UNITS IN THE WORKPLACE TO MOUNT EDUCATION PROGRAMS AND TO MONITOR WORKING CONDITIONS
- THE PROVISION OF INFORMATION ON POTENTIAL HAZARDS
- COMMISSIONING RELEVANT RESEARCH PROJECTS.

SUCH MEASURES ARE BADLY NEEDED. MORE THAN 150,000 AUSTRALIANS PER YEAR ARE INJURED AS A RESULT OF INDUSTRIAL ACCIDENTS. THE CURRENT ESTIMATE OF PRODUCTION COSTS AND LOSSES DIRECTLY RESULTING FROM INDUSTRIAL ACCIDENTS IS \$6 BILLION PER YEAR. THE ECONOMY CANNOT AFFORD SUCH COSTS AND INDIVIDUALS AFFECTED DESERVE GREATER PROTECTION.

THE EARLY EXPERIENCE OF MY GOVERNMENT HAS UNDERLINED THE SCOPE THAT EXISTS IN AUSTRALIA FOR ENLARGING AND IMPROVING BILATERAL CONSULTATION BETWEEN THE GOVERNMENT, UNIONS AND EMPLOYERS IN ALL SECTORS OF THE ECONOMY. WE HAVE ACTED IMMEDIATELY TO ESTABLISH NEW AND IMPROVED CONSULTATIVE ARRANGEMENTS. OUR PURPOSE WAS TO PUT CONSULTATIVE PROCESSES ON A SURE FOOTING AND TO AVOID THE DISASTROUSLY CONFRONTATIONIST APPROACHES OF THE PAST.

THE ECONOMIC PLANNING ADVISORY COUNCIL HAS BEEN SET UP TO CONTINUE THE PROCESS OF CONSULTATION AND INFORMATION EXCHANGE BEGUN AT THE SUMMIT, WITH MEMBERS DRAWN FROM GOVERNMENT, UNIONS, THE BUSINESS SECTOR, WELFARE AND OTHER COMMUNITY GROUPS. THE COUNCIL HAS A WIDE CHARTER. IT WILL PROVIDE THE GOVERNMENT WITH INDEPENDENT COMMUNITY-BASED ADVICE ON THE BROAD CONDUCT OF ECONOMIC POLICY, PARTICULARLY IN A MEDIUM AND LONGER-TERM CONTEXT. NOT LEAST IMPORTANT AMONG ITS FUNCTIONS WILL BE THE PROVISION OF ADVICE ON DESIRABLE AND FEASIBLE GOALS AND TARGETS AND ON POLICIES TO REALISE THE AUSTRALIAN ECONOMY'S FULL GROWTH POTENTIAL.

WE HAVE ALSO MOVED TO ESTABLISH AN ADVISORY COUNCIL ON PRICES AND INCOMES, AS PROVIDED IN THE ACCORD. THIS BODY WILL MONITOR, AND ADVISE THE GOVERNMENT ON, THE IMPLEMENTATION OF THE VARIOUS ELEMENTS OF THE PRICES AND INCOMES POLICY. IT WILL ALSO ADVISE ON THE COORDINATION AND CONSISTENCY OF THE POLICY AT THE FEDERAL AND STATE LEVELS AND BETWEEN INCOME GROUPS. IT WILL REVIEW AND REPORT ON THE EFFECTIVENESS OF THE POLICY AT REGULAR INTERVALS. MEMBERSHIP WILL COMPRISE COMMONWEALTH AND STATE GOVERNMENT REPRESENTATIVES, AND REPRESENTATIVES OF UNION AND EMPLOYER GROUPS, AS WELL AS A REPRESENTATIVE FROM PROFESSIONAL ASSOCIATIONS. THE ADVISORY COUNCIL WILL MEET FOR THE FIRST TIME IN OCTOBER.

MY GOVERNMENT HAS THEREFORE PLAYED ITS PART IN MOVING TO IMPLEMENT THE KEY ELEMENTS OF THE ACCORD. THE UNION MOVEMENT SHARES WITH THE GOVERNMENT A RESPONSIBILITY FOR ITS SUCCESS.

SUCCESS OR FAILURE OF THE ACCORD WILL BE CRUCIAL TO DETERMINING WHETHER OR NOT THERE WILL BE A GENUINE RECOVERY AND WHETHER OR NOT ITS BENEFITS CAN BE FAIRLY SHARED BY THE AUSTRALIAN WORKFORCE AND ALL SECTIONS OF THE AUSTRALIAN COMMUNITY.

THE PRINCIPLES OF THE ACCORD MUST BE UPHELD AND SECTIONAL INTERESTS AND DEMANDS TURNED ASIDE.

MY GOOD FRIENDS, I DO NOT COME TO YOU AS PRIME MINISTER OF A LABOR GOVERNMENT WITH A MESSAGE THAT IS DIFFERENT FROM WHAT I HAD BEGUN TO MAKE CLEAR AS YOUR PRESIDENT.

IN 1975 I PERCEIVED THE CHANGING ECONOMIC ENVIRONMENT IN THIS AND OTHER SIMILAR COUNTRIES AROUND THE WORLD, I ATTEMPTED IN MY PRESIDENTIAL ADDRESS TO THE A.C.T.U. CONGRESS IN THIS CITY, ON SEPTEMBER 15TH, TO SPELL OUT THE IMPLICATIONS FOR US AS TRADE UNION LEADERS RESPONSIBLE TO OUR MEMBERS AND TO OUR COMMUNITY.

MAY I REMIND YOU OF WHAT I SAID THEN:

"THREE OUT OF EVERY FOUR OF WAGE AND SALARY EARNERS ARE EMPLOYED IN THE PRIVATE SECTOR. OUR MEMBERS, THE MILLIONS OF PEOPLE OUT THERE, DERIVE THEIR EMPLOYMENT WITHIN THAT SYSTEM AND PAY THE PRICES WHICH DETERMINE THEIR STANDARD OF LIVING WITHIN THAT SYSTEM.

"... IN THESE CIRCUMSTANCES I SAY TO YOU THAT OUR AFFILIATES MUST RECOGNISE THE FULL IMPLICATIONS OF THEIR ACTIONS. IT IS ESSENTIAL THAT THE SELF-INTEREST OF PARTICULAR GROUPS BE BALANCED AGAINST THE INTERESTS OF WORKERS AS A WHOLE. THAT, AFTER ALL, IS WHAT TRADE UNIONISM IS FINALLY ABOUT. AND AT THIS TIME THERE IS NO DOUBT THAT THEIR PARAMOUNT INTERESTS ARE TO BE PROTECTED FROM RISING UNEMPLOYMENT AND HIGH INFLATION. AS RESPONSIBLE LEADERS WE ARE BOUND TO PROVIDE THAT PROTECTION. NO RHETORIC, OR CONCEIVED PROVOCATION, SHOULD DIVERT US FROM THE BASIC DUTY.

"... THE TRADE UNION MOVEMENT IN THE CIRCUMSTANCES CONFRONTING THE COMMUNITY TODAY MUST BE PREPARED TO EXERCISE ITS OWN RESTRAINT. THE SPECIAL CIRCUMSTANCES MUST BE SPECIAL AND NOT SIMPLY THE USE OF SOME EXCUSE WHICH IF EXTENDED WIDELY WOULD MEAN THE GENERATION OF PRESSURES FUELLING MASSIVE UNEMPLOYMENT AND FURTHER INFLATION.

"THERE IS ABSOLUTELY NO DOUBT OUR MEMBERS WANT TO AVOID THAT SITUATION AND I TRUST THAT FROM THIS CONGRESS YOU WILL EXPECT YOUR INCOMING EXECUTIVE TO PLAY ITS PART IN ENSURING COMPLIANCE WITH THOSE EXPECTATIONS."

THAT WAS ALMOST EXACTLY EIGHT YEARS AGO. THE SITUATION TODAY IS MUCH MORE URGENT AND DANGEROUS. FOR WE HAVE HAD SEVEN INTERVENING YEARS -- SEVEN YEARS OF MISGUIDED CONSERVATIVE RULE CHARACTERISED BY AN ABSENCE OF ANY COHERENT ECONOMIC POLICY, PARTICULARLY IN THE AREA OF WAGES. THE CONSERVATIVES' OWN PHILOSOPHY OF THE FREE PLAY OF MARKET FORCES INEVITABLY LED TO ANOTHER UNSUSTAINABLE WAGES EXPLOSION.

WE HAVE REPLACED THAT CHAOS AND UNCERTAINTY WHICH LED TO A MASSIVE DETERIORATION IN OUR ECONOMY, WITH A COHERENT, COHESIVE AND POSITIVE ECONOMIC STRATEGY. THE PRICES AND INCOMES POLICY IS CENTRAL TO THAT STRATEGY.

THEREFORE I REPEAT IN 1983 WITH AN EVEN GREATER SENSE OF URGENCY WHAT I SAID IN 1975. BUT I SAY IT NOW WITH THE ADDED FORCE WHICH COMES FROM THE KNOWLEDGE THAT YOU ARE BEING ASKED TO EXERCISE RESTRAINT WITHIN THE FRAMEWORK OF A COMPREHENSIVE AND EQUITABLE STRATEGY FOR ECONOMIC RECOVERY.

SIGNIFICANT WAGES INCREASES EXTRACTED OUTSIDE THE CENTRALISED SYSTEM WILL UNDERMINE OUR POLICIES AND CAUSE THE ULTIMATE COLLAPSE OF THE INCIPIENT RECOVERY.

MY GOVERNMENT, A LABOR GOVERNMENT, WITH A PARTICULAR COMMITMENT TO INTERESTS OF AUSTRALIAN WORKING MEN AND WOMEN AND TO THE MASSES OF THE UNEMPLOYED, WILL NOT RESILE FROM ITS DETERMINATION TO UPHOLD THE PRICES AND INCOMES POLICY, TO SEE REALISED THE PRINCIPLES OF THE ACCORD AND TO ENSURE THAT THE POLICY SUCCEEDS IN ITS CENTRAL AIM OF ACHIEVING A SUSTAINED AND SUSTAINABLE RECOVERY.

ADHERENCE TO THIS APPROACH WILL BE OF SUBSTANTIAL BENEFIT TO ALL MEMBERS OF THE INDUSTRIAL PARTNERSHIP.

MY GOVERNMENT EXPECTS AND LOOKS FORWARD TO THE CO-OPERATION OF EACH AND EVERY AUSTRALIAN IN THIS ENDEAVOUR.

FINALLY, I WOULD NOT WANT YOU TO CONFINE YOUR DELIBERATIONS TO MATTERS OF STRICTLY DOMESTIC PREOCCUPATION AND CONCERN. THE INTERNATIONAL POLITICAL SITUATION, AND ESPECIALLY THE EXTENT TO WHICH RELATIONS BETWEEN THE SUPER-POWERS HAVE DETERIORATED, SHOULD COMMAND YOUR CLOSEST ATTENTION.

WE HAVE BEEN MADE VIVIDLY AWARE OF THIS IN THE PAST WEEK WITH THE COMPLETELY INEXCUSABLE SHOOTING DOWN OF KOREAN AIRLINES FLIGHT 007 BY THE SOVIET UNION. WE REMAIN DEEPLY CONCERNED AT THE CONTINUING INADEQUACY OF SOVIET EXPLANATIONS OF THEIR ROLE IN THIS TRAGEDY. WE ABHOR THEIR LACK OF CONTRITION AND EXPECT THEM TO HEED THE OUTRAGE OF THE INTERNATIONAL COMMUNITY.

THE WORLD TODAY IS FRAUGHT WITH TENSIONS. THE THREAT OF NUCLEAR WAR IS AS REAL TODAY AS IT HAS EVER BEEN IN THE PAST. THE NUCLEAR ARMS RACE HAS TO BE BROUGHT UNDER THE CONTROL OF EFFECTIVE AGREEMENTS. A CLIMATE MUST BE ESTABLISHED WITHIN WHICH A COMPREHENSIVE AND FULLY VERIFIABLE BAN ON NUCLEAR TESTING MIGHT BE POSSIBLE. WE OWE THIS TO OURSELVES AND TO FUTURE GENERATIONS.

MY OWN GOVERNMENT'S MOVES TO PROMOTE A NUCLEAR FREE ZONE IN THE SOUTH PACIFIC ARE A FIRST STEP IN THIS DIRECTION. WE INTEND PRESSING AHEAD WITH THIS AND THE OTHER INITIATIVES WE HAVE MOUNTED IN THE ARMS CONTROL AND DISARMAMENT FIELD.

ULTIMATELY PROGRESS SHOULD BE POSSIBLE -- ESPECIALLY IF, AS I BELIEVE LIKELY, POPULAR AWARENESS OF THE RISKS INVOLVED IN THE CURRENT SITUATION BECOMES SHARPER AND MORE DEMANDING.

IN CONCLUSION, MR PRESIDENT AND DELEGATES, MAY I STRESS AGAIN THE OBLIGATION THAT WE ALL HAVE TO THOSE SIGNIFICANTLY LESS PRIVILEGED THAN OURSELVES, PARTICULARLY THE UNEMPLOYED. LET OUR THOUGHTS, OUR DELIBERATIONS AND OUR DECISIONS HAVE THEM CONSISTENTLY IN MIND.

THAT IS WHAT OUR GREAT AUSTRALIAN LABOR MOVEMENT -- OF WHICH YOU ARE SUCH AN INTEGRAL PART -- IS AND OUGHT TO BE ABOUT.

BELIEVING THAT YOU WILL SHARE THIS CONVICTION WITH ME,
I WISH THIS CONGRESS WELL.

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