



PRIME MINISTER

E. & O.E. - PROOF ONLY

TRANSCRIPT OF SPEECH TO TASMANIAN ALP STATE COUNCIL - 25 MAY 1985

The President and delegates may I at the outset thank you for the invitation to be here to address your council and the warmth of your reception. I want at the outset of my remarks to put this council meeting in its right context because there is at this stage, as I see it, attempts on the part of some people, our political opponents, to try and distort the current political realities in Australia. Last December, our party, our great party, had an historic victory. It was attempted in some quarters to be feted as some form of defeat. Indeed Labor is back in power, in Canberra, in its second successive term, with the second highest majority that it has ever enjoyed in Government.

Now of course it is a tragedy for us, particularly for you, that Tasmania in terms of House of Representatives seats wasn't able to join with us directly in that great victory. But that shouldn't hide the great contribution that was in fact made here in Tasmania. As Leader of the Party, as your Prime Minister, I want to thank you for the effort that you made. Because despite the fact that those seats were won you did in fact show the underlying strength of Labor support in that in this State there was a swing to Labor against the national swing. I want to say to you that that represents a springboard for the achievement of the two tasks ahead of the Party as far as we are concerned in Australia generally, and you are concerned here in particular in Tasmania. The first task is to achieve the third successive national victory of our Australian Labor Government and then here as far as Tasmania is concerned, return of the Wriedt Labor Government whenever the State elections are held.

That December result in itself, delegates, should be more than sufficient to give the lie to one of the more fatuous propositions currently being pedalled by the present Premier of this State, and that is this suggestion that in some ways the people of Tasmania are going to be penalised harshly, or treated unfairly by me and the Australian Labor Government. I want here to nail that lie directly. It's not just an insult to me and to our Government it's an insult to the intelligence of the people of Tasmania. We're just not in the business of deliberately inflicting political punishment on this, or any other part of the Australian.

nation, or any section of the Australian community. That's not my way and it's not the Labor way, and it won't be the way of any Government that I have the honour to lead. And that's my direct answer Mr Gray.

You'll recall delegates, that the principle of justice and fairness to Tasmania was the very first rule of conduct I set for myself and my Government on the great night in March of 1983 when we won Government on the 5th March. And I said it in our very first moment of victory, I said as I made my way into the Canberra tally room on that night, that there would never be any question as long as I was Prime Minister that the people of Tasmania might have to pay some sort of price or penalty for the political choice they had made on that day. You know that we have honoured absolutely the undertaking that I gave the people of Tasmania that night and we will continue to honour that undertaking without qualification, without reservation and without equivocation. And it is absolutely essential that the people of Tasmania should refuse to be the burden at this time by the alarmist and completely distorted speculation which is currently emanating from the Premier's office in this State.

I had brought to my attention before arriving here today, the spread in today's press which sets out what I believe is called the Cuthbertson Report, which purports to tell you the horror stories of what will happen in this State as a result of the bringing down of the Grants Commission's Report. It's very important then for you, and through you the people of Tasmania, that we place next week's Premiers' Conference in perspective. Now the first thing that needs to be understood, of course you wouldn't know it if you listen to Mr Gray, is that the existing arrangements governing Commonwealth-State financial relations were established not by me and this Government but by our predecessors. Now part of the legacy, like so much else that we inherited, there accumulated over the years as you know distortions, inefficiencies and inequities. The important thing to understand about the Commonwealth Grants Commission that every member of the Commonwealth Grants Commission was appointed by Mr Fraser. That's the independent body Mr Gray is bleating about. I didn't appoint the Commonwealth Grants Commission. Mr Fraser appointed every member of that Commission. It's an independent body, and I hope Mr Gray, the media here, the people of Tasmania will understand that point. I didn't commission the Report. I didn't appoint the people. They were appointed according to the independent and proper processes by the Fraser Government. Now that Fraser appointed body made its report and that report is subject for consideration by the Premiers next week. Our approach to the Grants Commission's recommendation will be the same as we have always taken in our dealings with the States and in particular with Tasmania over the past two years.

What our record demonstrates with absolute clarity is that we will not allow the interest of any State to be trampled on. We will not allow the welfare of the people of any State or region or

section to be disadvantaged. You and the people of Tasmania can be assured that in making a start in removing distortions and discriminations that have developed in the system over a decade. We're not going to create new distortions or new discriminations against any State and certainly not against Tasmania. No way will Tasmania be singled out for harsh treatment of any kind for any reason.

Tasmania, as part of Australia, will have to exercise restraint. Tasmania is not going to be put in a special position of privilege but it is certainly not going to be singled out for particularly and especially harsh treatment. As I say, our record has shown that we do not work that way. Any suggestion that Tasmania is going to be saddled with new unrealistic burdens or that we would allow drastic draconian curtailment of Tasmania's services and standards should be dismissed for what it is and for what it transparently is. And that is a diversionary tactic to obscure the Tasmanian Government's own inadequacies and shortcomings. Let me say this, that if you look back over the period that we've been in Government, if I had had to rely, and my Government had had to rely on Mr Gray and his representations for the protection of the interests of this great State, then the people of Tasmania would have suffered badly.

I have been greatly assisted in that period by the unostentatious, quiet but nevertheless determined representations that have been made to me and my Government by Ken Wriedt. Also, as distinct from the political grandstanding the counterproductive political grandstanding, of the Premier of this State, Ken Wriedt quietly and not seeking to score political points, has come to us and said these are the things that I think you ought to take into account if you are reasonably going to deal with the fractured situation which you inherited. And we listened to Ken Wriedt because we knew that he was coming honourably. He wasn't concerned with trying to distort a situation. And in the result you can see that in this period there has come about what I promised in March of '83 - that Tasmania would not suffer, remember all the horror stories that you were told after March '83 about what would happen to unemployment in this State as a result of what we've done. I made a clear promise during that the first election campaign. I said we will not allow unemployment to deteriorate in this State as a result of the principle position that we had taken in the lead up to and following that election.

As a result of listening, to Ken Wriedt, we were able to make sensible decisions about the allocation of funds, and as a result the unemployment situation has not only not deteriorated here, but is somewhat better in that respect than the national average because specifically of the funds that we have supplied and the approach that we have adopted.

I would hope therefore that the people of Tasmania would learn from that experience of the past, they are better off now because there has been that balance provided by Ken Wriedt against the

hysterical distortions that the Premier went on with prior to March '83 and immediately following March '83. He does not seem to have learned because your press today has a repeat performanc., This stark horror story is spelt out. Now I'm not helped, but most importantly the people of Tasmania are not helped, by those hysterical distortions. And as I was helped from March '83 onwards by Ken Wriedt I believe that in these days immediately ahead I will again, and the people of Tasmania will again be helped by the quiet, deliberate and purposeful representations of Ken Wriedt. And I can assure you here, I can assure the people of Tasmania that we'll be listening to his representations because I know that from those representations, as distinct from the hysteria of the Premier, we will be able to arrive at a position which ensures that while adjustments that will have to be made Australia wide - the restraint that will have to be exercised Australia wide - while that will be done, it will be able to be done in a way which does not impose unnecessary hardships upon the people of Tasmania.

I repeat, I take this opportunity Ken, of thanking you and I believe the people of Tasmania should thank you because the runs are on the board here in Tasmania as a result of your representations and they will continue to be on the board in the days ahead.

Delegates, I said at the begining of my remarks that I wanted to put into its proper perspective the political realities of Australia today. And in the rest of the time that I have available I would like to speak directly with you and through you to the people of this State and the people of Australia to, elaborate those realities in some more detail and in a way which I believe is relevant to what the people, the ordinary people of Australia are thinking about, and what they are concerned about.

There have been some attempts to suggest in recent times that your Government your national Government, has not been concentrating on the major issues - that we may have lost some sense of direction. Nothing could be further from the truth. Of course the real truth is this - that some of the most conservative elements of Australian society are starting to become worried that in fact this National Labor Government is so effectively starting to change the structure and direction of the Australian economy and the Australian society in a progressive way that if we are allowed to continue in this way, there will in fact be achieved the situation where the people of Australia will fully realise that Labor is the natural constituency of Government because it will have produced those things which the people of Australia want. And so there is an increasingly desperate attempt to suggest that there are inadequacies or uncertainties about what we're doing.

So let me dismiss that stupid speculation. Let me take you briefly through what we have done, what we are doing and the vision and purposes that we have for Australia in the years ahead. And all those things in connection - what we've done, what we're doing and the vision ahead.

Now what has been the essential basis of what your Government has been doing. It is this; that when we came to office on 5th March 1983 we inherited an Australian economy which was in the worst shape that it had been in for fifty years. It was in the worst recession since the great depression of the early 1930's. And I on behalf of our great party, and what has become our great Government, said to the Australian people - we will restore economic growth because economic growth is the foundation upon which can be built the welfare of individuals of those in employment and upon which can be built the capacity of our great society to do for those who are in need and who will not be helped directly through employment, to do for them what a compassionate society should do, to give them some opportunity in sharing in the growing wealth of our society. So that was the foundation, the very basic foundation of our approach, the necessity to restore economic growth.

And we have succeeded not just beyond the cynicism, the cynical expectations of our opponents, but we are proud to be able to say that the rates of growth that we have achieved, have even been beyond those that we imagine ourselves we may have been able to achieve. Let me say this, that in our first two years of Government we achieved record levels of economic growth, that had us identified and pin pointed in the international forums who were adjudging what was happening in the developed countries of the world as the country whose economy was performing better than any other, but we weren't just achieving economic growth to be able to put figures up on the board and be at the top of the index. What it was about was creating jobs. And the creation of jobs has exceeded the target which I set on behalf of this party and this Government. We have already created over 300,000 jobs and we will reach a target of half a million new jobs in the first full three years of office.

It is important to understand your great party in Government is able to do these things because we chartered a new course of relationships between people and groups in our society. We effectively brought to an end, the divisions, the divisiveness, the seven years of conservatism. We went beyond the rhetoric of consensus to establishing a framework in fact, whereby people could work more effectively together. We started that as you know, in the summit. We didn't content ourselves with the mere fact of the summit. We then established EPAC, the Economic Planning Advisory Council, and in those consultations we have together worked out how best we can utilize the resources of this country. And in that process we never forgot the promise that we made, that as we grew, as we provided significantly more jobs for those who had been designated to the unemployment scrap heap. As we did those things we would also move responsibly to improve the position of those Australians most in need, and that we have done. Where we have increased in real terms the payments in the Social Security area they have, and this of course has been very much to the credit of Senator Don Grimes, who in the first two years oversighted our move in that direction. We have helped those most in need and we will continue to do so.

We have said that we will transform the basic infrastructure of the Australian economy so that there would be the release of forces within Australia that would help to guarantee as we went into the future the maximum opportunity for growth. And so we have done a number of the things that our conservative predecessors should have done, but isn't it the great paradox of politics today that your eager Peacock's and your Howard's and your Sinclair's say there is no determination about this government.

Look at what they talked about and what they never did. They talked about floating the dollar, talked and talked and never did it. They talked about the need to free up the financial system, talked - long on talk, short on action. They left a situation in this country where we had the most profitable banking system in any country in the world - four banks the great friends of Labor, who were the most profitable institutions in the banking industry anywhere in the world. No wonder that they were, because they had no competition. Your Howard's your Peacock's, and your others talked about releasing the three forces of the competitive market, but they didn't have the courage, the consistency, the determination to do anything about it. We've done it. And in the event the Australian economy will now have a financial infrastructure within which the competitive forces of other banks and other financial institutions will enable innovative Australian enterprises to develop and to provide jobs, in a way that should have been done years ago. It only happened because we have done it.

So you can go on and look at the great changes that we have made. Changes in developing more co-operative approaches between the great elements of our society, fundamental changes that we are making constructively in the infrastructure, in the Australian economy. We have not stopped there. We have instituted great fiscal reform, great financial reforms, not to help industry just to say we've helped industry, but the helping of industry is there so that more jobs will be created. In honesty, it is said at times that we are a government or have been a government which has been smiled upon by elements of business. Of course we have, and I'm proud of it. The reason for this has been that we've made these decisions to ensure that we will have a more efficient, competitive Australian industry which is going to have a greater opportunity to provide more jobs for Australians, because it is the fact that three quarters of all Australians are employed in the private sector, so it makes great sense, according to the philosophy of our party, to see that it is a healthy private sector able to provide more jobs. Of course, that's where we've been.

We're recognised in Australia and internationally as a remarkably successful government because we've got those runs on the board. But because we know that economic growth is the basis, the continuing basis of being able to provide jobs, and to help those in the community most in need, we are pressing on steadfastly with the task of reform.

Now the other great area that we are dealing with most particularly at the moment is the area of tax reform. I can't obviously spend a great deal of time in going through all the details of where we are there, but there are certain things that obviously I should say to you but let me make these points. The first, most obviously fundamental point that needs to be made and needs to be understood by the whole Australian community, and I suggest most particularly by our own party, that the present taxation system is haemorrhaging, decaying. The revenue bases is disappearing. And in that process, as will always be the case unless you have a government there concerned with the welfare of the people as a whole, the people who have suffered much are those on the lower income, those who depend upon Social Security payments. Because the rich, the privileged are always, and I say this without any venum bufit is in the nature of things - those people are the ones who are always most capable of looking after themselves. And so a Government which is concerned with trying to secure equity into our society must ensure that there is a reform of the tax system which means that all people as far as it's possible to do, should meet their obligations to contribute to the common wealth, the common revenue.

And so we, as we promised in the election, have drawn up a white paper which exposes the increasing inadequacy of the existing system and opens up the avenues for reform, including the putting of a preferred option. We recognise that in that preferred option there are problems, potential difficulties, but we believe that they are capable of being overcome. We do not go into the tax summit, beginning of July saying that we are the fount of all wisdom, we know exactly what is right. We have derived in the past two years enormous encouragement from and contributions from the important elements of Australian society and we expect to do something about it. And so we will expose this white paper in the first week of June, there will be the best part of three or four weeks in which it can be digested and studied and analysed by the people who are going in a representative fashion to the tax summit.

And then as a government, once we've had the opportunity of listening to the Australian community, we will discuss these issues further and then seek to bring in a reformed tax system in which the principles, equity, efficiency and simplicity will be reflected, so that the great mass of Australian people will believe that justice is being done. And so that we can really get to what always in any society is the heart of fiscal reform and it is this. There are certain things that as individuals we cannot do out of our own expenditure. And so the society is based upon the proposition, in a democratic society, it is based upon the proposition that individuals and corporations will transfer part of their income to the government as a whole which will act on behalf of the community to do those things which individuals are incapable of doing themselves. As individuals we can't build our roads. We can't build our schools. We can't provide our defence forces and so on. So as a community we have those things provided through government. And the government has the where with all to do those things because as individuals and corporations we pay over some of our income. And so the secret of decent and effective government is that the community be satisfied that they

are paying over as individuals and as corporations, their revenue in a way that is most effective to give government that level of revenue which will enable it as a government to do those things that as communities they want done.

The money that we yield in government is not Hawke's money, not Keating's money, it is not the government's money. It's the peoples' money. So we want to ensure that the money that people provide to the government to perform the services they want done is provided in a way which they as a community regard as the most equitable. Now we, I guess, could easily be deterred from that task because of this information campaign which has put around the attempt to divert from this course. I make no apologies for the fact that since the election we have been working hard upon this task because we regard it as our responsibility to ensure that people do have the best possible opportunity of directing their minds as to how we best deal with this situation. I can assure you, we will not be diverted from the task.

When we have completed that, and when we go on with the further dedication that we have to the processes of ensuring economic growth we will have produced as we go towards the end of our second term, a convincing exposition and exposure to the Australian people of the capacities and the integrity and the determination of your great Australian Labor Party, to move to provide more rapidly growing economy and importantly one within which we will increasingly do those things for the people in Australia most in need to improve their situation.

In pursuing that course, let me say quite clearly, that there will be a need for the exercise of restraint by the Australian community because it is the case that at the moment we are living beyond our needs. We have to address ourselves to that fact. We commenced that process with the May statement in this second term of government. And I believe there has been a general acceptance of the equity with which we approached that task. There is going to be further need for co-operation in this by the great elements of our community and I pay tribute to the fact that the great Australian trade union movement accepts that it has a part to play in this role, and we will co-operately with them, try and ensure that the exercise of that restraint is done in a way in which we may quickly guarantee positive economic results.

Before I come to wind up what I have to say, it would be much less than adequate if I concluded these remarks by simply talking about things of domestic economic significance, or domestic social significance. I believe that one of the great injustices of the later period of our first government, was that there was not a sufficient recognition of the pioneering works that this government has done in the international area. In co-operation with Bill Hayden as Foreign Minister and the appointment of the first Ambassador for Disarmament, the first Hawke Labor Government did play a pioneering role in a number of international forums, in advancing the causes of peace and disarmament. A course which was openly and specifically recognised by many nations in what they have to say about Australia, which I think is overwhelmingly reflected in the record vote, that we, Australia, got in the election for the Security Council. It didn't happen by accident.

It happened because the range of the nations saw, distinct from rhetoric, we in those two years steadfastly and consistently in all relevant forums pursued realistically the issues of the peace and disarmament. We will continue to do that.

We have coming up in September of this year, the Non-Proliferation Treaty review and Australia has already played a foremost role in the preparation for that review. And I will say that in regard to the issue of a nuclear free South Pacific the initiative which I launched in Canberra in July of 1983 at the meeting of the South Pacific Forum is rapidly moving to fruition. We set up a working party following the second South Pacific Forum meeting that we were involved in Tuvalu last year. We set up a working party. The fourth meeting of that working party has just been going on in Suva and I believe that when we meet in Raratonga in the Cook Islands in August of this year, we will have before us, as a result of the initiative of this Government, a draft Treaty for a nuclear free zone in the South Pacific.

Now these are the sorts of things not rhetoric but actions, quiet but effective actions that your government has been and will be involved in. I give you the assurance that through the life of this second Hawke Labor Government we will leave no stone unturned in those international forums to continue those tasks, use our influence upon not only the superpowers but the other nations with which we have influence - try as rapidly as will be a significant reduction in the level of armaments particularly of nuclear arms. So that with a greater degree of confidence, the people, and particularly the young people of this world, who will be able to look to the future free of the devastating effects of nuclear holocaust.

And so my friends I go from there to come back in conclusion to you here in Tasmania. I thank you for what you've done in the past. I know there have been difficulties. I ask that you in the council and that you in the party will in the future do all that you can to make the contributions that you can to ensuring first of all the return, as they say, of a Wriedt Labor Government so that Ken Wriedt will be able from the official position of Premier to do what he has been doing unofficially from the position of Leader of Opposition - to see that in a non-hysterical and affective way the interests of the people of Tasmania are advanced. And I say in return to you that I give you the commitment of this Federal Government, not merely in regard ... here in Tasmania, that we will continue to have regard and real regard to the interest of the people of this State. But that we will continue to advance the work of economic and social reform so that we will be able to go into the next election showing the demonstrably true form of what we have done to make this a better country so that we will again have a mandate to go further to producing a more prosperous and more equitable Australia. And I say at all times we will be undertaking those tasks in the knowledge that we must continue internationally to work for a world of peace, a world of disarmament, a world free from the threat of the nuclear holocaust. These are the things that we will do and I ask you for your support in those great tasks.

ENDS