



PRIME MINISTER

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SPEECH BY PRIME MINISTER - ACTU CONGRESS
SYDNEY - 12 SEPTEMBER 1985

Mr President, Delegates,

Let me first, take this earliest opportunity to congratulate your President-elect on his election as leader of the great Australian trade union movement.

I do that, first, Simon most sincerely, in the personal sense.

But as one who had the privilege of being one of your predecessors, I do it with a deep sense of both the honour and the responsibility your colleagues have conferred upon you. And I know you share my view that the responsibilities involved in this office cannot be limited to the trade union movement alone; but, precisely because of the fundamental role of the union movement in the very fabric of this nation, must extend to the welfare of the Australian people as a whole.

And I congratulate you, as Prime Minister of Australia and as leader of the Australian Labor Party; and in doing so, I reaffirm, without inhibition, with pride in the unique history, tradition and achievement of the Australian Labor movement, the solidarity between political Labor and industrial labor. And I believe that solidarity has never stood on firmer ground than it does today.

Even more important, never in our movement's long history has the unity of purpose between political and industrial Labor been used so effectively, so constructively and so successfully in the interests of the Australian economy, the Australian people, and the Australian nation.

And in that achievement - what we have achieved together over the last two and a half years - no-one has played a more important part than your retiring President,

Cliff Dolan.

It was under his leadership of the ACTU that the Accord was developed and brought into being.

It has been under his leadership that the Accord has worked - something our opponents and the scoffers and the cynics said could never happen.

And it has worked because, under Cliff Dolan's leadership, the Australian trade union movement has honoured the undertakings he gave on its behalf, and has exercised the restraint and responsibility so essential for the purposes of the Accord - and that too is something our opponents and the scoffers and the cynics said would never happen; and, of course in truth, was the last thing they ever wanted to happen. And the final week of his presidency has seen the renewal of the Accord.

Cliff, this union movement you have served so long stands in your debt. The Labor Government is in your debt. Australia is in your debt.

And let me say delegates, when the dust has settled and when the people of Australia come to look back at the events of the past week, it will not be that charade in Canberra - the liberal leadership fiasco - they will see as most important or relevant to their welfare, their families, their country.

It will be the renewal of the Accord - the guarantee we have given them together, that we will continue to work together, and with the business community, and all sections of the Australian community, to sustain the recovery, to maintain growth and fight inflation.

Delegates, I emphasise the point I made to you at your 1983 Congress - the first time I addressed you as Prime Minister.

I said then that it was not the function of the Labor Government to be the handmaiden of the trade union movement - that our overriding responsibilities were to the people of Australia as a whole.

And that is how our relationship has been conducted in the past two years - on the basis of co-operation, mutual respect, but never subservience.

Now delegates,

We've heard a great deal about the relationship between the Australian Labor Government and the Australian union movement.

With the lurch of the Liberal leadership to the reactionary Right, we are going to hear a great deal more nonsense about it.

As I said before, I make no apology for the solidarity of political and industrial Labor. It is an historic partnership that is now better than ever, working for the good of Australia.

But for the moment setting that aside - setting aside, for the sake of the argument, the most important single fact in Australian political history - the fact is, delegates, that every Australian Government, Liberal as much as Labor, must have, of inescapable necessity, a relationship with the trade union movement.

That is not a matter of choice.

The only choice is what sort of relationship it is going to be.

It is a choice of whether the relationship is to be positive or negative, constructive or destructive - a choice between co-operation or confrontation.

You know from experience delegates - and the people of Australia know - the difference that choice makes.

And it's not only a difference in economic terms - the difference between record growth or record unemployment.

It's not only a difference in terms of industrial relations - the deliberate fomentation of disputes under the Fraser/Howard approach - and our achievement of record low industrial disputation.

It is a difference that goes to the very fabric of the Australian society - the difference between the deliberate setting of group against group, Australian against Australian, or the effort we have sustained for more than two years to get Australians working together.

And let one thing be made clear from the very beginning of this so-called new leadership - and that is simply: there is nothing new about it.

There is nothing new except the clarity with which we can now see their real intentions: to cut wages and cut standards of all Australians.

In all its essentials, what is offered is a return to "their discredited past" - all the worst and most disastrous aspects of the policies, which created Australia's worst economic crisis for fifty years.

I repeat: the nostrums - the snakeoil remedies, as Peter Robinson put it in the Sun-Herald - being trotted out under the guise of a new Liberal leadership - are not new.

It is the recipe as before - the methods and policies of the seven years before March 1983.

And at the heart of those policies lay the confrontation with the trade union movement, the attack on the arbitration system, the denigration of the Arbitration Commission and - decisively and disastrously in July 1981 - the enforced abandonment of effective central wage fixing.

And that is the precise approach being advocated by the new leadership, so-called.

And what was the result? Another wage explosion, followed inevitably by a new bout of inflation, then the worst recession and the highest unemployment for fifty years culminating in a unique double: simultaneously, double-digit inflation and double-digit unemployment.

No, delegates, they did better than that - they scored the trifecta: double-digit inflation, double-digit unemployment, and zero growth.

Or even better - the quadrella: zero growth, record inflation, record unemployment and record industrial disputation.

This was the magnificent result of policies which are now being revived as something new.

As your President before 1980, I had pleaded with them not to take that course and warned them of the inevitable consequences - that without a system of wage indexation through central fixation - there was no possibility of achieving wage restraint.

These people are not just the Bourbons of Australian politics; they are even more stupid.

For if the Bourbons learnt nothing and forgot nothing, our opponents have learnt nothing and forgotten everything.

Well delegates, the people of Australia have learnt, and they have not forgotten.

They know and remember that in the year before we came to government, 160,000 Australian jobs disappeared and unemployment increased by over one-quarter of a million. They remember that inflation reached more than twice the OECD average in the same period.

Contrast this with the approach and performance of the Labor Government, a performance which has generated 410,000 new jobs.

The central thrust of our approach has consistently been to develop policies based on a shared appreciation of our problems and of the way ahead - to get Australians working together for the good of all Australians.

Right from the outset we all were convinced that an effective prices and incomes policy was an essential condition for achieving sustained non-inflationary economic recovery. That was the basis of the Summit agreement between governments, business and unions.

And, underpinned by the Accord and its associated machinery and policies, the extent of the recovery has exceeded the expectations of some of the most optimistic observers at the time.

Our success to date far exceeds these expectations and amply demonstrates the manifest correctness of the Government's economic policy approach - an approach based firmly on our Accord.

During our period in office, Australia has experienced one of the strongest recoveries of all the OECD countries - already over 12 percent growth through our first two years.

In only three years we shall have achieved more real growth than our conservative predecessors did in their full seven years in office.

Australia's strong growth has been the key to the 410,000 new jobs created since the Economic Summit in

April 1983. In 27 months we have created 70,000 more jobs than our predecessors managed in their entire term in office - a dismal 88 months.

And now we are moving confidently towards our goal of creating 500,000 jobs during our first three years of office. We are well on target.

But delegates, let us at all times acknowledge and emphasis this:

The Accord goes far beyond being simply a unique - and uniquely Australian - method of controlling inflation and reducing unemployment. It is a complex of agreements and understandings about economic and social goals for this nation - the goals which are fundamental to Labor's vision for Australia.

And it is this aspect of the Accord which makes our common commitment - as a government, as a union movement - so fundamental to Labor's cause. We reject a narrow commitment to growth for growth's sake. We embrace growth as the means to build a better, fairer Australia.

The extent of our commitment was convincingly demonstrated again this week.

I am, of course referring to the historic understanding reached last week following discussions between the Government and the ACTU wage negotiating committee over the agreed policy response to ensuring continued economic growth and maximising the jobs dividend from depreciation.

I congratulate the trade union movement for your moderation and responsibility. You have shown your willingness to respond to the new policy challenges created by our dynamic economy. Clearly our prices and incomes Accord is both durable and flexible.

I strongly commend your ratification of the Government's agreement with your ACTU wage negotiating committee.

Our agreement is historic in showing the flexibility inherent in the Accord - an Accord which is able to deal with changed economic circumstances. And this manifest flexibility is a direct repudiation of those Jeremiahs who claimed that this Government's unique relationship with the unions was going to founder on the dollar's depreciation.

Instead the Government and the union movement have again demonstrated our shared commitment to responsible economic policies that lay the basis for sustained economic growth and jobs into the future. We have Australia's future uppermost in our minds.

Now that we have agreed on a way to handle the adverse effects of depreciation of the Australian dollar, we can take advantage of the golden opportunity that it provides to end the patterns produced by past poor competitiveness.

This Agreement means two things above all else.

First, it means that the economic recovery can continue. That means continued expansion in jobs on the pattern of the past two years.

And in addition, it gives our export and import competing industries a golden opportunity to benefit from the depreciation. Our manufacturing industries can increase their exports, and also the share of the domestic market that they supply. This alone could mean 100,000 new jobs over time.

Only with competitive industry can we Australians be sure that those now in jobs will be able to enjoy job security into the future.

This is surely the fundamental objective of the Labor movement - the Labor Government and the trade unions.

You are aware that our agreement includes the provision that in April 1986 the cost of living adjustments to wages be reduced by some two percent to take account of depreciation-induced price rises.

But we are not asking for a cut in real living standards. We will be supporting, before the Arbitration Commission, a claim for a three percent increase in remuneration in the coming productivity case, with that increase to be paid in the form of occupational superannuation over the two years from mid-1986.

In addition - and assuming that the remainder of the package is in place - the government has agreed to modify its tax reform package. Income tax deductions sufficient to compensate workers for the two percent wage increase they have foregone will take effect from 1 September 1986.

Our new agreement avoids the inflationary consequences of depreciation and preserves our new competitive advantage.

As part of our new agreement, the Government supports the extension of superannuation on an industry by industry or an occupation by occupation basis.

We are agreed that such improvement will be offset against national productivity.

The Government is committed to the establishment of genuine superannuation, and intend, after consultation with employers and unions, to establish a set of guidelines covering the necessary features of genuine superannuation.

These provisions will be the basis on which taxation concessions are provided for occupational superannuation and will be announced well before July 1986.

Consistent with our commitment under the Accord the Government will legislate to establish a national safety net superannuation scheme. We shall provide for superannuation changes consistent with the productivity case outcome to our own employees.

In seeking further restraint in the community, my

Government is concerned that the burden of restraint should be spread equitably. For our part we will be seeking price restraint consistent with the wage restraint being sought from the trade union movement by our new agreement.

As a counterpart to the continued adherence to the principle of no extra claims by the union movement that my Government expects, we will not support price increases which exceed general movements in costs. We will be instructing the Prices Surveillance Authority accordingly.

A further part of the new agreement is the support by both parties to amendments to the current wage fixing principles in respect of:

- . allowing claims for the reduction of standard hours to 38 to be arbitrated; and
- . a special review of the problems associated with the difference between paid rates and minimum rates awards, including the issues of supplementary payments and the making of paid rate awards.

We expect to make appropriate submissions on these matters in the review of Principles case in due course.

The continuing success of my Government in achieving the shared goals of continued economic growth and continual improvements in living standards for all Australians will depend crucially on a continuation of the co-operative and constructive relationship that exists between us.

A crucial element of this process will be to ensure that our industries remain competitive in both domestic and world markets.

We have already taken major initiatives in respect of the steel industry and the financial sector. Our policies will continue to ensure that we can continue this process of improving the efficiency of our industries through policies based on a clear understanding of common interests, of employee and employer.

The success that has been achieved so far in economic recovery and social change is the clearest indication of what we can continue to achieve if we continue to work together and maintain our commitment to the Accord.

Delegates,

There has perhaps never been a juncture in our history when the need for a strong Labor Government and a strong trade union movement was so vital to the progress and prosperity of Australia.

It follows therefore, that anything which detracts from the strength and standing of the trade union movement diminishes not only the strength and standing of the Labor Government but Australia's prospects for progress and prosperity.

It is true that our political opponents have specifically announced their intention to weaken, if not indeed to destroy, that strength and that standing.

And it is also true that the greatest source of the strength of the Australian union movement is its standing and reputation in the community and the support derived from the people of Australia, whether or not they are union members.

And all of us as unionists have a responsibility to be vigilant at all times to protect the reputation and standing of the trade union movement as a whole.

In his address to you Cliff Dolan correctly touched upon some of the sources, actual and potential, of anti-unionism in this country.

And it is one of the great paradoxes of our age that at a time when the Australian trade union movement has demonstrated in the clearest possible way its capacity for restraint and responsibility and at a time when that restraint and responsibility has produced great benefits for the whole nation, the union movement should be the target of such tactics.

But let me say frankly delegates, as one whose whole career is inextricably linked with this movement and its great cause, it is not the Howards and the Bjelke-Petersens that we have to fear for the reputation and standing of the trade union movement, in the eyes of the people of Australia.

The thing which is most calculated to discredit the whole union movement and weaken public support for unionism - that public support which is so necessary for the movement's success and survival - is the intrusion of the tactics of intimidation and even violence. They are tactics which of their very nature are anti-union and anti-worker. They have no place in the Australian union movement.

And this Labor Government makes no apology for acting as it has done to root out violence and intimidation and to protect the reputation, the standing, the solidarity, of this great Labor movement of Australia.

But the really important thing delegates, is that as a Government and a movement we must not permit ourselves to be diverted from the great tasks ahead - neither by the disruptive tactics of mavericks, or the diversionary tactics of our opponents.

Your Congress this week has made a magnificent contribution to the reputation, standing and solidarity of the Labor movement.

You have overwhelmingly endorsed the renewal of the Accord.

That is the most resounding reply you could have given to the cynics and scoffers who said that the Accord would never work, that it cannot last, and that the trade union movement would be incapable, in the long haul, of the foresight and responsibility involved in making the Accord work.

And you have given a resounding rebuff to our political opponents who have placed the destruction of the Accord and the principles which underpin it at the very head of their own agenda.

But far more important delegates, you have said to the people of Australia in the clearest terms, that this great union movement will continue to make the maximum contribution to the sustained economic recovery and will continue to play its part in the fight against inflation.

Delegates,

It is exactly ten years to the day that I spoke to you at your Congress, as your President, in these terms:

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 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 perceived provocation, should divert us from the basic duty.

Delegates,

Your renewal of the Accord this week stands as testimony that those words of mine ten years ago expressed the true spirit of this great Australian union movement.

And those words remain as true and relevant today as they were ten years ago, despite the tremendous changes since then and the transformation in Australia's prospects.

By following the principles I stated then, as you have done so constructively for the past two and a half years and as this Congress has undertaken to continue, you have not only served the best interests of the working men and women of Australia you represent, but the great cause of the Australian Labor movement, which, in the final analysis, is the cause of the people of Australia.
