

PARLIAMENTARY STATEMENT BY THE
PRIME MINISTER, MR BOB HAWKE,
"BUILDING A COMPETITIVE AUSTRALIA"
12 MARCH 1991

Mr Speaker

Early this year I determined that I should deliver a major statement about what we must do together to meet the economic challenges facing this country.

Today I want to speak with my fellow Australians, not in the jargon of economists, but in terms we can all understand. I do this because, while I will be announcing decisions of fundamental economic importance for the future of this country, the securing of that future is in the hands of each one of us.

Government has the responsibility to lead the community by getting the right policy framework - we will do that. But it is only with the understanding, the commitment, of all Australians - as individuals, and through their representative organisations - that our nation will best meet the challenges ahead.

What are those challenges?

The first is for us all to realise that this tough, increasingly competitive world of five and a half billion people does not owe, and will not give, seventeen million Australians an easy prosperity. The days of our being able to hitch a free ride in a world clamouring, and prepared to pay high prices, for our rural and mineral products, are behind us.

From this fact flows everything else.

The challenge for the foreseeable future, is to produce more than we spend. The rest of the world will not allow us to continue indefinitely to live beyond our means by borrowing from them.

Our rural and mineral products will remain important into the future. But the challenge is to add to them. That is, we must export more manufactured goods and services and substitute more quality Australian production for imports.

The challenge is therefore to make the decisions and adopt the practices and attitudes which will enable this and succeeding generations to achieve those basic goals.

Those are the challenges. How we are prepared together to meet them will determine the standards we can enjoy and the kind of Australia we will pass on to our children.

I will today announce a package of substantial new measures directed to the fundamental task facing this nation: improving the productive capacity of an economy that will be more internationally competitive.

Highlights of the package are: tariff cuts, reduced wholesale sales taxes for business, substantial business savings through simpler depreciation, retraining assistance, new support for apprentices and further initiatives in education and research to build the 'clever country'.

The Treasurer and the Minister for Industry, Technology and Commerce will today be making more detailed statements covering the announcements in their portfolio areas.

All these measures continue and intensify the far-reaching reforms my Government has initiated over the past eight years. Ultimately, they sharpen our ability to reduce the current account deficit and stabilise foreign debt.

I emphasise that they share one overriding objective: building a competitive Australia.

In this statement I will reaffirm for the Australian people the longer-term economic goals to which we aspire, and identify the progress we are making towards them.

And I want all my fellow Australians to understand where the nation is moving and to understand how all of us - workers, employers and Government - have complementary roles to play in achieving our common goals. I say it again: in the final analysis the challenges ahead demand the involvement of all Australians.

Mr Speaker

The Australian economy is currently at or near the bottom of a downturn that has been sharper, deeper and more prolonged than we anticipated.

I acknowledge the recession has hurt many people and cost many jobs, and that is something I regret deeply.

Higher unemployment is likely in coming months. Rural Australia in particular is experiencing a very tough period.

There are some important global factors at work. But I don't walk away from my Government's ultimate responsibility to manage the national economy.

And we certainly do not resile from having taken the necessary decision to squeeze demand by high interest rates.

Policy makers and commentators, in Australia and around the world, underestimated the strength of resurgent demand in the wake of the 1987 sharemarket crash.

But with the benefit of hindsight, it is clear that had we acted sooner to dampen that surge, some of the current hardship could have been avoided.

The question facing us now is not: will we emerge from the recession?

For the decisions necessary to end the recession have already been taken: official interest rates have been brought down by 6 percentage points over the last fourteen months; and tax cuts paid on 1 January will also stimulate demand.

Business will begin to rebuild stocks, and international confidence will be helped by the successful end of the Gulf War.

There are testing months immediately ahead. But the best estimate is that we will be coming out of the recession in the second half of this year.

So the real question, and the real challenge, facing us is: how can we ensure that when we emerge from the recession, we will be best equipped to take up the opportunities for sustained growth?

In particular we have the opportunity to secure economic recovery:

- with low inflation
- and hence lower interest rates
- in an increasingly competitive and productive economy.

And this Government is determined to seize that opportunity.

That is what this Statement is really about today. It is not about short term palliatives, but longer term structural change to make us a more competitive nation.

That was what my Government set out, eight years ago, to achieve - through fundamental reform of long established economic institutions and of deeply entrenched attitudes.

We still have a long way to go but today we can certainly say that, together, we have made substantial progress: we are more open to the world and we are more efficient at home.

We are becoming more competitive.

1. Tariffs and Australia's trading future

Mr Speaker, the most powerful spur to greater competitiveness is further tariff reduction.

Tariffs have been one of the abiding features of the Australian economy since Federation. Tariffs protected Australian industry by making foreign goods more expensive here; and the supposed virtues of this protection became deeply embedded in the psyche of the nation.

But what in fact was the result?

- inefficient industries that could not compete overseas; and
- higher prices for consumers and higher costs for our efficient primary producers.

Worse still, tariffs are a regressive burden - that is, the poorest Australians are hurt more than the richest. The Industry Commission estimates that the burden tariffs impose on lowest income Australians is three times heavier than that imposed on those with the highest incomes.

Right from the start, this Government deliberately and determinedly set about pulling down the tariff walls. By 1992 our existing programs will have slashed the nominal rate of assistance to the manufacturing sector by over one-third, from 13 to 8 per cent, and the effective rate from 22 to 12 per cent.

The results, the benefits, have been dramatic.

Since 1985, manufacturing output, employment and exports have all expanded at rates faster than the OECD average.

For the Australian consumer and business, prices for many goods are lower than they would otherwise have been.

Tariff cuts presented Australian manufacturers with a major challenge. To their credit, many of them are meeting that challenge. Their endeavours are too rarely appreciated and their success too often underestimated.

Mr Speaker, this Government will continue to open up the manufacturing sector and Australian industry generally through lower protection. I now announce:

- . the general level of assistance will be reduced from 10% and 15% in 1992 to a general rate of 5% by 1996;
- . tariffs on passenger motor vehicles will be phased down from 35% in 1992 in annual steps of 2.5 per cent to 15% in 2000;

This change can be expected to result in an average real reduction of \$2,000 to \$3,000 in the price of a \$20,000 car, in today's dollars, over the next decade.

I also announce:

- . tariff reductions on textile, clothing and footwear will be accelerated so that the maximum tariff will be 25% by the year 2000 and the termination of quotas will be brought forward two years to 1 March 1993; and
- . general agricultural assistance will be reduced in line with the pace of tariff reform in manufacturing.

The dimension of what we have achieved is demonstrated by the fact that these changes will bring the average nominal rate of assistance down to 3 per cent, and the average effective rate down to 5 per cent, by the end of the decade.

All these changes will help keep inflation, and therefore interest rates, down.

They will also make our exporters and our import competing sector more competitive by lowering the cost of their inputs.

The overall impact of the reforms will be a net gain in employment, although jobs will be lost in declining industries.

Throughout my public life it has been my firm conviction that if the community believes that change is necessary in the interests of the community as a whole, then that belief carries with it a necessary corollary - that the community must not leave those individuals or groups who are adversely affected to bear the whole burden of change. It must itself be prepared to share that burden of change, as well as reaping the benefits of change.

Accordingly, we will establish labour adjustment programs to assist displaced workers in our car and textiles, clothing and footwear industries with relocation, training, and wages subsidies for redeployment to other jobs. This will cost at least \$90 million over the life of the programs.

Mr Speaker, with these tariff cuts, we demonstrate once again our commitment to liberalising international trade.

The Government has been fortified in this approach by a number of recent reports, not least Dr. Ross Garnaut's report Australia and the Northeast Asian Ascendancy.

We have rejected the views of the so-called "new protectionists" because they are simply proposing, in effect, the same discredited policies that had isolated our national economy from the rest of the world and caused the great damage we are all working to repair.

However much our competitors might bend or break the principles of fair trade, our own self-interest is served by a steadfast refusal to return to the days of protectionism.

But I don't for a minute seek to excuse those nations who do flout the rules of international trade, especially those who have caused so much damage to our farm trade.

The problem lies in the inadequacy of the rules on agriculture under the General Agreement on Tariffs and Trade. GATT has been an outstanding success in substantially reducing manufacturing protection around the world. As a result, world trade in manufactures has boomed.

But at the same time, agricultural trade has been absolutely corrupted - particularly by the European Community and to a lesser extent by the United States and Japan.

Recently, their combined farm subsidies have averaged more than \$300 billion - a year! And this for a sector which produces only about 3 per cent of their GDP.

This has imposed a heavy burden on our farmers: despite consistent large productivity gains, they exported the same volume of goods in 1989-90 as they did ten years earlier.

While world trade thrived, agriculture, one of our most competitive and significant sectors, has marked time.

So what further steps can we take to improve our trading position?

First, we will maintain our vigorous international campaign to achieve equal treatment for agriculture under the GATT umbrella. The Europeans already accept, due in no small way to the efforts of the Cairns Group, led by Australia, that there can be no result in the Uruguay Round negotiations without substantial reform of agricultural trade. We will keep pushing them hard.

Members of both sides of this Parliament have recently visited Washington, and will travel to Europe in coming months, to urge both sides to avoid the chaos and insanity of a trade war.

This international campaign by Australia depends for its credibility and impact on one thing: on our general willingness to practice at home what we preach abroad.

Second, the Minister for Primary Industries and Energy will announce a rural adjustment package in April to ensure that those farmers most in need during the current rural crisis receive appropriate assistance.

Third, we will help our farmers and manufacturers take effective action against foreign producers who seek to dump their products on the Australian market at unfair prices. We will strengthen anti-dumping procedures, including by cutting 40 days off the time taken to process complaints.

Fourth, the preferential tariff arrangements for Singapore, Taiwan, Hong Kong and the Republic of Korea will be phased out from 1 July 1992.

Fifth, we will provide \$2 million to continue the Australian Made Campaign, since reducing our reliance on imports is totally complementary, in economic terms, to expanding our performance in exports.

Sixth, we will upgrade the services available to Australian exporters. In particular:

- . We will boost the capital base and range of services provided by the Export Finance Insurance Corporation by making available a \$200 million callable capital base to supplement EFIC's existing reserves.
- . A new \$50 million facility will be made available by EFIC, to enable Australian exporters to meet demands for performance bonds without using their own reserves.
- . We will create a new program of fellowships so that Australian business men and women, and recent graduates, can get direct working experience in the Asia-Pacific region.
- . We will implement the McKinsey report recommendations including refocusing Austrade's efforts on the Asia-Pacific region.
- . We will transfer responsibility for AUSTRADE to the Minister for Trade and Overseas Development from 1 September.

2. Greater Efficiency and Competition within Australia

Mr Speaker, with further tariff cuts, we are dismantling the barriers to competitiveness and efficiency that stand at the borders of Australia.

This Government is also set on dismantling the barriers that exist within Australia.

We have pioneered the concept, and the delivery, of microeconomic reform - seen by industry, rightly, as an essential means towards higher productivity and efficiency.

We are freeing up our transport systems; we have revolutionised our taxation system; we are creating more efficient workplaces; we are injecting competition where for too long Australian firms and public sector enterprises have been content with the quiet life.

And we are reforming the processes of Government itself through the Special Premiers Conferences.

In all this, perhaps no issue has achieved the prominence of the waterfront - essential to our export performance.

It is particularly satisfying to be able to report to the House on the achievement, just last week, of a new agreement that will deliver breakthroughs in waterfront productivity.

The agreement between the Waterside Workers' Federation and Conaust Ltd, following an earlier agreement with National Terminals (Australia) Ltd, now means waterfront employees and the two largest waterfront employers are committed to a total restructuring of their industry.

In describing the significance of this latest agreement, Mr Speaker, I can do no better than to quote the words of Mr Richard Setchell, the Chairman of Conaust, who said it was "a win for the economy and the international competitiveness of Australia".

By year's end, the national waterfront labour force will have been cut by over 1500 - in anyone's language, a major gain in efficiency.

In all, the agreements provide for productivity gains of up to 60 per cent; in smaller ports and in grain handling, 70 per cent.

What appeared an ambitious program when we commenced these reforms, is now proceeding on schedule, and without major industrial disputes.

In shipping, we are ahead of schedule in delivering smaller, more efficient crews on existing vessels and the introduction of new ships crewed at manning levels equal to or better than those of our major trading partners.

In telecommunications, in aviation, in road and rail transport, in removing through national uniform regulations the requirement for business to meet six or seven different standards, we are achieving fundamental gains in efficiency.

Mr Speaker, this activity amounts to the most ambitious plan, the most rapid pace, and the most comprehensive sweep of micro-economic reform this country has ever seen. Productivity is increasing, and new investment is taking place - all without industrial disruption.

And here we are witness to a paradox. Those who for more than a generation in office entrenched the inadequacies of the past and themselves effected no change whatsoever, now with an hypocrisy that is truly breathtaking, clamour for even faster change.

They bear an onus, which they simply cannot discharge, of showing how in a practical way this could be achieved without poisoning the better industrial relations and investment environment we have created - without, in short, bringing the whole reform process to a grinding halt.

It is a matter of our results versus their rhetoric.

We will press ahead with further reform, to increase competition and efficiency within Australia.

For the consumer, competition means lower prices and a broader range of better quality goods and services; for producers it provides the spur to better performance - at home and abroad.

We want to see the whole domestic economy opened up to this kind of positive structural change.

And we have established a sub-committee of Cabinet's Structural Adjustment Committee to examine systematically the whole economy for opportunities to promote this process.

The Trade Practices Act is our principal legislative weapon to ensure consumers get the best deal from competition.

But there are many areas of the Australian economy today that are immune from that Act: some Commonwealth enterprises, State public sector businesses, and significant areas of the private sector, including the professions.

This patchwork coverage reflects historical and constitutional factors, not economic efficiencies; it is another important instance of the way we operate as six economies, rather than one.

The benefits for the consumer of expanding the scope of the Trade Practices Act could be immense: potentially lower professional fees, cheaper road and rail fares, cheaper electricity.

This has to be done - and I have initiated the process, by today writing to the Premiers urging a positive examination of all we can do, at the May Special Premiers Conference, to widen the ambit of the Trade Practices Act to bring such excluded areas within the scope of a national framework of competition policy and law.

3. Investment for the 1990s

Mr Speaker, to secure sustainable economic growth and the living standards to which we aspire, we need to ensure that there is a fertile environment for investment.

Our efforts to repair the macroeconomic fundamentals underpinned rapid investment growth in the late 1980s - through the Accord, through floating the dollar, and through cutting Government spending.

There is, however, one other fundamental which is crucial to investment: inflation.

It is vital that Australians understand the debilitating nature of the inflation disease.

High inflation has brought high interest rates and a higher cost of capital than in our trading partners. This, in turn, undermined investment and made it harder for Australian firms to compete overseas.

It has also discouraged productive investment in areas that would generate jobs and exports in favour of speculation in real estate.

But today we have the opportunity, as I have said, of putting Australia on a low inflation path.

Australia's inflation is now below the OECD average: ours is 6.9 per cent and just 5.4 per cent in underlying terms and theirs is 7.2 per cent.

A continued lowering of inflation is, without doubt, the major contribution this Government can make to the climate for investment in the 1990s.

Of course new investment, combined with lower tariffs, has meant, and will mean for a time, higher imports and a higher current account deficit.

This becomes even more obvious at times when commodity prices are falling, as they are now due to the slowdown in world economic growth.

But this is a short-term cost we must bear if we are to wind back the current account deficit in a sustainable way and thereby reduce our foreign indebtedness permanently. We are taking the essential steps to build an economy that is stronger in the long term.

And there are other important areas where we can take action to foster productive investment.

The Government is very concerned at the difficulty which small and medium-sized Australian companies face in raising long term funds.

We are pursuing discussions with major financial institutions aimed at overcoming this difficulty by ensuring a readier flow of such funds.

The development of new industry and the rejuvenation of the old depends on ready access to appropriately skilled labour - access which is increasingly difficult in our sprawling cities, with their often inefficient transport systems. These factors also reduce the quality of life for the residents affected. We are cooperating with State and local government to develop effective approaches to these issues.

Mr Speaker, this Government has done more than any other to reform the taxation system so that, as far as possible, tax considerations do not distort investment decisions.

Today I announce:

- . a substantial widening of exemptions from sales tax for business inputs used by manufacturers, primary producers and miners. The cost to revenue of this measure will amount in 1992-93 to \$375 million. But the cost benefits to producers, allowing for the effects of mark-ups as goods pass along the production chain, will in that year total around \$700 million.
- . we have radically overhauled depreciation provisions to bring them more in line with business realities. The reforms provide, for the first time, a definition in the Act of effective life. And it will allow self-assessment by the taxpayer. This will result in savings to business of the order of \$100 million in 1992-93.
- . expenditure on environmental impact statements will be fully tax deductible over ten years.

An industry which will benefit from these new tax provisions is tourism, which has generated over 100,000 new jobs during the 1980s and has the potential for substantial further expansion.

One sector of the Australian economy is unique in terms of the investment environment in which it operates - the forest industries.

This Government's consistent commitment is to the proper protection of our precious native forests. This has been, and remains, fundamental to our approach to Government.

But we recognise that - in part due to this commitment - there has been a contraction of the forest resource allocated to existing operations in the industry. Concern about future access to the resource has made new investment uncertain.

Accordingly, the Government has decided to provide resource security for major new wood processing projects

- where the project involves a capital-intensive value-adding investment of \$100 million or more and is directed to export or to import replacement;
- where the proponent of the project makes a commitment to adhere to environment, heritage and Aboriginal policy requirements; and
- where the State Government agrees to enact parallel resource security legislation.

Resource security will involve undertakings, backed by legislation, guaranteeing an agreed volume of timber supply from an identified catchment area. There will also be provision in the legislation to establish plantations to provide for long-term timber supply. The objective is to phase out woodchip exports by the year 2000 or soon after, and replace them with value-added products. This new emphasis on plantations will also, over time, take pressure off our native forests.

Mr Speaker, the Government decided on resource security legislation only after receiving unqualified legal advice that it was the sole way the Commonwealth could provide a binding undertaking of the kind necessary to get major projects started which will provide new exports and new jobs.

Government has a duty to listen to and understand all legitimate community interests. It has a responsibility then to seek as far as possible to balance those interests where they compete. It should, where appropriate, establish processes aimed to achieve that purpose. In the end, Government must do what it was elected to do and make the necessary decisions. This will mean facing up to tough issues and it will rarely entail universal approbation.

So it is in this case where, I believe, my Government has struck the correct balance between environmental concerns - to which our commitment remains vital and unambiguous - and the interests of one of Australia's largest industries.

4. Becoming a Clever Country

Mr Speaker, I said at the outset that securing the future of the country is in the hands of each one of us. To achieve change, we must mobilise our most valuable resource: the talents of the Australian people.

This does not necessarily mean working harder; in Germany and Japan, both highly successful competitive countries, working hours are actually falling.

But it does mean working smarter - working more effectively, using new materials, new production technologies and new management methods. It means being, like Germany and Japan, a clever country.

During the last election campaign I said Australia needed to become a clever country. The centrepiece of my commitment to that goal was the creation of a network of Cooperative Research Centres. I said that these Centres would draw together outstanding research groups to provide new drive to our national research effort.

Today I announce that the Government has selected the first fifteen Cooperative Research Centres. These Centres will focus their research effort on projects in the following key areas:

- . resource based industries;
- . manufacturing and information industries;
- . the environment; and
- . medical research.

My colleague the Minister for Science and Technology will provide details of successful projects this week.

The Government has also decided to continue indefinitely the tax deduction for spending on research and development at 125 per cent.

Cooperation with our talented neighbours in the region is important if we are to remain at the frontiers of technology. The Multifunction Polis provides an opportunity to do this. Next month the Government will receive the report of the MFP-Adelaide Management Group which was set up to assess the economic and social viability of the MFP.

Cleverness is not confined to our universities and 'hi-tech' firms. Cleverness is something that should permeate the entire society - and especially our workplaces. And the foundation of a clever country is its education system.

I have repeatedly stated my pride in our achievements in virtually doubling the school retention rate, and expanding the number of tertiary places.

Quite simply, unless we give our young people the motivation and the opportunity to bring out the best in themselves through education, we shall never be able to bring out the best in ourselves as a nation.

Today I announce

- . an increase in the number and average value of Australian Postgraduate Research Awards;
- . extra funding of \$15 million over three years for the Country Areas Program to focus on greater rural school retention; and
- . \$10 million over three years in a community project to identify the key elements of good schooling.

Ours is a dynamic region, in a world of ceaseless technological innovation and burgeoning knowledge-based industries. In a clever country, all of us, as workers and managers, need to upgrade our job skills regularly.

A recession can savagely damage the job skills of a nation. Apprentices have been hit particularly hard in the past - young Australians seeking to acquire and improve their job skills have been laid off with their training incomplete.

Accordingly, I announce a new program of assistance so that employers can retain and improve the skills of apprentices and other workers who would otherwise be working reduced hours or have been retrenched.

We will also spend \$74 million over two years to provide work experience opportunities for people unemployed for more than six months.

And we will commit \$50 million over the next fifteen months to provide additional pre-vocational training places, and we will seek State cooperation in this.

We will provide \$6 million over three years to strengthen management skills.

Education is clearly a vital preparation for the workforce in a clever country, but it is in the workplace itself that the skills must be developed if they are to yield the productivity dividend we so desperately need in our enterprises.

Our trade union movement has made an enormous contribution to the creation of a more efficient Australia.

Union amalgamations involving workers in metals, the public service, health, textiles, timber products and telecommunications have already been concluded. There are some fifty other amalgamations currently underway. The Government will commit a further \$1.45 million to assist this process in 1991-92.

I also pay tribute to those employers who, in partnership with the trade unions, have secured major gains through award restructuring and workplace reform.

My Government has provided financial assistance to this process and we will virtually double our financial support over the next few years.

The Business Council of Australia has proposed a major research project on international performance benchmarks of business input services.

We have directed the Bureau of Industry Economics, with the cooperation of the BCA, to undertake this project at a cost of \$1.8 million over four years.

The Pappas Carter Report commissioned by the Australian Manufacturing Council, and recent publications by EPAC, have placed particular emphasis on the importance of changing the workplace culture. In cooperation with the AMC, we will develop a program to raise the efficiency of Australian enterprises to world standards. We will draw on the experience of our own world class companies together with the best practice that can be found anywhere in the world in this endeavour.

I am particularly pleased to announce that John Prescott, managing director of BHP and chairman of the AMC, has agreed to chair the board that will oversee the new program.

We have earmarked \$25 million over two years for the program.

Mr Speaker, the measures I have announced today are absolutely vital for the continued transformation of the Australian economy. At the same time, they compromise neither our demonstrated commitment to fiscal restraint nor our medium term objective to maintain the structural integrity of the Budget. Their total costs in outlays and foregone revenue are \$33 million in 1990-91, \$446 million in 1991-92 and \$854 million in 1992-93.

Mr Speaker, this Government has never been in doubt about the kind of Australia we wish to build - a modern, growing, prosperous and competitive economy, within a tolerant and fair society; a nation where quality of life counts for as much as quantity of output; an outward-looking community, enmeshed with the dynamism of the Asia Pacific region, and capable of taking on the best the world has to offer - and winning.

These are not short-term goals; they are not transitory values.

They are deeply embedded in the character of this Government and of the Party I have the honour of leading.

This process of modernisation, of adaptation to the changing world economy, is not something that has some future cut-off point. It must be a continuing process.

There is no point at which we can say, reform is finished - because there is no point at which the world will stop changing.

And this is the essential point, Mr Speaker. We live in a world of unprecedented, indeed breathtaking, change. Our own region is a crucible for change.

We can no longer afford the easy simplicities, the costly complacencies of the fifties and sixties and seventies.

I say "costly" because we are now paying the price for the neglect of those decades.

Our task now is to make sure that future generations are not called upon to pay a similar price for any neglect or complacency on our part, in this make-or-break decade.

We need the habit of adaptation - because the lesson of international competitiveness must be constantly learned and re-learned.

If we get the basics right in these critical years we need not set limits on our prospects.

I do not avoid the fact that I hold these prospects out to you at a time of recession. But we should understand that Australia comes to this task with two great advantages - enduring advantages that transcend the temporary, but real, difficulties of the recession.

First, we bring to the task our great natural and acquired endowments as a nation - our vast material resources, our vibrant multicultural community, our strengths as a free and prosperous people, our proximity to the fastest growing regional economy in the world.

Second, in meeting these tremendous challenges that lie ahead, we are not, in 1991, starting out from scratch. We are not, in this decade, coming to the task cold.

We have already taken many of the essential decisions, we have already learned many of the vital lessons, we are already enmeshing ourselves with our region, we have already mastered many of the skills that we will need, to enter the next century with well-founded confidence that we will reach our goals.

But we must face the fact unflinchingly that we need as a nation to equip ourselves, further, to meet the challenges of exposure to international competition.

That has been central to the endeavour of this Government. It is central to the theme of this statement. It is the central purpose of the measures I have announced today. It must remain the central challenge of this great nation for decades to come.

I restate my belief with which I began: the involvement, the commitment of all Australians is the vital ingredient to success in the challenge ahead. It is a challenge that, together, we can face and meet with confidence.

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