



## PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**SPEECH BY THE PRIME MINISTER  
AUSTRALIAN LABOR PARTY CENTENARY CONFERENCE  
HOBART, 26 JUNE 1991**

I know that you all share with me a sense of privilege on this special occasion.

As delegates to this Centenary Conference, we meet as the representatives of Australia's most important and enduring force for change and progress - an institution uniquely Australian in its creation and character, uniquely Australian in its values and in its achievement - the Australian Labor Party.

A proud name and a proud achievement over one hundred years - one hundred years of co-operation with the Australian union movement which brought it into being; one hundred years of commitment to the cause of parliamentary democracy; one hundred years of struggle and service on behalf of the people of Australia.

We meet as the representatives of Australia's greatest political Party - the engine room of national renewal, the generators of change, the pioneers of reform.

We are the Party that built Australia's system of social justice; the Party that created an industrial relations and wages system in the early years of this century; the Party that founded great institutions of our public life, not least the Commonwealth Bank; the Party that first provided the means by which Australia could defend itself; that led Australia through its most perilous days; the Party that after the Second World War rebuilt Australia and laid the foundations of modern Australian society; the Party that inaugurated a program of mass immigration that has changed and enlarged and enriched the very character of our nation; the Party that in the 1970s gave new impetus to the quest for social justice.

Our Party fixed its course by the light on the hill - never wavering in our determination to reach that goal, but never fearing to modify our means and abandon old methods if that was necessary to make us more relevant and more effective in the service of the people of Australia.

8318

2.

And delegates, your Labor Government today stands foursquare in this, our grand tradition of nation building.

Created by the trade union movement, the Labor Party has forged with the modern trade union movement an Accord partnership that is rebuilding the Australian economy. We have opened a new era in industrial relations, delivering in exchange unparalleled improvements in the social wage - not least Medicare and the Family Allowance Supplement. We have secured the future of the steel industry and turned around our national export performance. We have made taxation fair and efficient. We have offered new opportunities to young Australians through expanded education and training. We are dedicated to justice for Aborigines and Torres Strait Islanders. We protect the environment from shortsighted destruction. We have engineered national self reliance in defence and, at a time of unprecedented change in our region and the world, we have sought constructive and co-operative paths in foreign policy.

Ours has been a ministerial team of unrivalled quality.

Our partner has been a trade union movement of unrivalled commitment.

And it has been Conferences such as this over the last decade that have underpinned our success with drive, vision and unity. It was our last National Conference in September that accelerated our fourth term with its historic decisions on telecommunications and aviation.

So we are rightly proud of our past and we rightly celebrate it.

But I use that past to speak now of the future. We are the party of Australia's future.

And never in our Party's history has our responsibility for the future been greater.

It has fallen to Labor, once more, to set the agenda for the future of Australia - to set the goals which will determine the nature and quality of the Australia we take into the 21st century, and to set the course by which the Australian people will attain those goals.

That is our task at this Centenary Conference - to ensure Labor's platform expresses that agenda, sets that course, and ensures our organisation is in every respect ready for the next great electoral challenge we must face.

Delegates,

The next Federal election is still some two years away.

But in a real sense we begin the campaign now - a two-year campaign not just to win the election, but to win the future for Australia.

8319

Over this two year campaign, we will conduct the fight on two fronts:

First, we will continue the tasks of reforming and rebuilding Australia:

- to maximise for the people of Australia the gains which will come with sustained low-inflation economic recovery;
- to continue building a more competitive Australia;
- to continue building a more compassionate and sensitive Australia.

And our second task is to expose the real character and purpose of the Opposition - to ensure that the Australian people have no illusions or misunderstandings about the fundamental choice they will have to make in 1993.

For this Liberal opposition is unlike any that has preceded it in the forty-odd years since the foundation of that Party.

Collectively in its leadership, it represents the most ideological and the most divisive alternative presented to the Australian people in the post-War era.

And in its program it is, more than any before it, obsessively determined to entrench privilege at the expense of fairness and compassion.

So the choice in 1993 will be very clear indeed.

And let me say at the outset that I have one clear message to this Conference, to this Party, to the people of Australia, and to our political opponents. It is a simple message of confidence:

- . confidence in Labor, that we will successfully perform these dual tasks over the next two years and that, in doing so, we will win the Federal election in 1993.

Delegates

That confidence is firmly based on a sober assessment of the facts - as, may I say, was my confidence that we would win in 1987 and 1990.

First, then, let us consider what will happen in the Australian economy over the next two years.

I begin from the point that the start of economic recovery, as I have repeatedly predicted, will be evident in the second half of this year.

No one regrets more deeply than I the pain that has been suffered by many Australians through the tightening of monetary policy.

4.

But Australia is beginning to emerge from the pain and hardship. We have brought interest rates down over the past eighteen months by seven and a half percentage points. And now, the first signs of renewed activity and confidence are starting to emerge.

Delegates, the important point is that this recovery will be totally different in quality from any merely cyclical recovery this country has seen in the past.

This will be a recovery that unambiguously repays pain with gain - gain not only for workers and their families but for all Australians.

Remember, in 1983 we inherited an inflation rate of 11% from the conservatives' recession. Now, coming out of this recession, inflation is at 4.9 % - below the OECD average, and lower than this country has seen in two decades. And further falls are in prospect.

Australia has low, competitive, inflation in its grasp.

Under Labor, and only under Labor, Australia can make that a secure and permanent gain.

Because under Labor, and only under Labor, can an effective wages policy be pursued - a wages policy based on the agreement by the trade union movement not to exercise its power to maximise nominal wage increases, and on the complementary agreement by the Labor Government to deliver improvements in the social wage.

That has been the basis of our Accord - a direct lineal descendant of the decision one hundred years ago by the trade union movement to establish a parliamentary Labor Party.

For more than eight years, both sides of the Accord have honoured their commitment - to the enduring benefit of the people of Australia.

And for every one of those years, the national aggregate wages outcome we have agreed with the trade unions has come in at or under target.

Despite the temporary difficulties following the recent National Wage decision, the trade unions remain totally committed to this Accord principle - and through it to the task of transforming Australia into an internationally competitive economy.

That is precisely why I can speak with confidence to you about the character of the next two years as we go into the period of recovery. Through the Accord, it will be:

- a recovery which will see the resumption of secure employment growth;

8321

- . a recovery in which the competitiveness of Australia's manufacturing industry will continue to increase - so far this year, the value of manufacturing exports is 23 per cent higher than last year;
- . a recovery in which Australian workers will gain access to improved superannuation and, through award restructuring and union amalgamation, to better jobs, better training, better remuneration;
- . and a recovery in which we will see further improvements in productivity, through effective micro-economic reform.

And, delegates, through this recovery your Labor Government will continue the broader agenda of economic reform - just as, through the recession, we never lost sight of the long-term goal of a more competitive Australia.

We will be implementing the reforms that flow from the decisions we have already taken:

- . to make housing more affordable through the national housing strategy;
- . to ensure cheaper and better services in the telecommunications and airlines industries;
- . to cut tariffs - while providing significant associated labour adjustment assistance;
- . to implement an active and effective competition policy for the benefit of consumers;
- . to expand our new network of Cooperative Research Centres as an important part of creating the clever country;
- . to develop and implement the policy of ecologically sustainable development;
- . and to continue our vigorous engagement in the current trade round, at this critical time, to win a fair go for Australia's efficient and competitive farm producers.

The Special Premiers Conferences next month and in November will open new avenues to productivity improvements in areas that require the co-operation of the States: new investment in rail in return for better practices; better focusing of roads expenditure on priority routes; sensible pricing of rail and road so together they serve our industries better; a coordinated approach to electricity generation in southern and eastern Australia; and improved efficiency and delivery of community services, within a framework of agreed and acceptable national standards.

But, delegates, when I speak of the character of these next two years, I do not speak only in economic terms.

Under Labor, through the Accord, Australia has become more competitive. Just as importantly, under Labor, Australia has become more compassionate.

Understand with me and share my pride in the platform and process of achievement from which we will further advance our social goals.

Behind the discipline of our significant reduction in Commonwealth outlays as a proportion of GDP, lies an achievement of immense significance for us of the Labor Party; it has cleared the way for us to deliver Labor's social priorities in a way that has surpassed the pioneering social reforms of all previous Labor governments.

How have we done that? We have done it the Labor way. On the one hand, we have reformed the tax system - we have eliminated the rorts and introduced effective capital gains and fringe benefit taxation.

On the other hand, we have made sure that those people who do not need welfare assistance from the community no longer receive it. Thanks to fair and effective assets tests and income tests, we focus that community assistance on the people who really need it.

That's the real equation, that's the Labor equation - historically unprecedented fairness in revenue-raising matched by equally unprecedented fairness in the targeting of resources on those who need them most.

Labor's ninth Budget in August will continue to deliver on the Labor equation.

It will be a budget of necessary fiscal discipline. But within this discipline, I am determined with my colleagues to develop initiatives that will further assist families.

Details obviously are a matter for the Budget, but our firm commitment is that low- and moderate- income families with kids will be the beneficiaries of such initiatives.

Our budget will also start to deliver on one of the most urgent social and economic challenges of the 1990s - to make our cities work better. In co-operation with the States, we must start to improve people's access to work, services and education through better transport links, more affordable and appropriate housing, and a cleaner urban environment.

Further, we are reviewing our system of health care to make an already great social justice reform, Medicare, even better.

And we will pursue that fundamental goal for Australia - that goal which in the first decade of our nation's third century is long-overdue - the goal of reconciliation between Aboriginal people and the broader community.

## Delegates

That is how we will discharge the first of our dual tasks - we will fight the '93 election on the basis of a sustained economic recovery with low inflation, in a more competitive economy, and a more equitable and compassionate society.

That will be good news for Australia - but grim news indeed for our opponents.

Which brings me to the second of our tasks, that is to expose the character and purpose of this Opposition.

Delegates, let me be quite blunt and to the point - this Opposition is planning the most concerted attack in the history of this nation on the living standards of the poor, the underprivileged, the aged and low- and middle-income families.

The centrepiece of this attack is their broad-based consumption tax, a fifteen per cent tax on all goods and services - it would increase the price not just of every item on the supermarket shelf, and beyond, but also every phone and electricity and gas bill, every doctor's bill, every meal you buy, every ticket for the footy, every repair bill for every car at every garage.

By these means it would extract, over and above the present wholesale sales tax, an additional \$12 billion from the Australian community.

It would do so in a profoundly regressive way - it would have a relatively greater impact on the poor and on families with kids because they spend a greater proportion of their incomes than do those who are better off.

This regressive new tax is designed to replace the progressive structure of the existing wholesale sales tax which exempts the basic necessities of life, while taxing luxuries at a higher rate - so the Mercedes would be cheaper, and bread and milk more expensive.

With this tax, there could be no adequate compensation for its inflationary consequences - and, as the Australian Catholic Social Welfare Commission observes, there appear to be no serious proposals for compensation of retirees and others for the loss in the value of their savings.

This savage attack on ordinary Australians is appalling enough in itself.

But it becomes totally repugnant when it is understood that part of the purpose of this \$12 billion impost is to finance their intended abolition of the capital gains tax

to restore to the most wealthy members of the community the right to accumulate capital gains on assets which will never be taxed

8.

and in doing so to free any capital gain made but not realised since 1985 - a retrospective windfall to the rich amounting to billions of dollars.

That is the Liberal-National Party equation, an equation stunning in its simplicity, abhorrent in its purpose: pay the rich by slugging the poor. And not just the poor, but middle-income families too - to shove billions of dollars back into the pockets of an already privileged minority.

In smashing the welfare of ordinary Australians, they would put Australia straight back into the high-inflation league. And with their commitment to abandon the Accord - to abandon any capacity to determine or even to influence the level of wages - they would keep Australia there.

And the Australian economy would be prejudiced further by the fact that the absence of a capital gains tax would disastrously distort the allocation of investment resources.

They are committed to cutting Government spending by \$3 billion, including \$1 billion from social welfare spending.

They are committed to abolishing unemployment benefits after nine months providing \$750 million of those savings.

They are still ideologically committed to dismantling Medicare, putting two million Australians back outside the umbrella of health insurance. And now they float some far-fetched system of health vouchers.

They speak of asking voluntary welfare agencies such as St Vincent de Paul and the Brotherhood of St Laurence to take over the payment of social security payments.

They are set against the spread of superannuation throughout the workforce.

And in industrial relations, they promise a return to the confrontation of the past, even with troops on the waterfront. That was Tory policy one hundred years ago at Barcaldine. And it's Tory policy today. They have learned nothing.

#### Delegates

All this is ideology gone mad. It is a deliberate and systematic assault on the welfare of ordinary Australians. But it is more and worse than that. It would have the effect of creating a more divisive, divided, confrontationist society than any we have experienced before.

To complete the exposure of what this Opposition stands for, let me, briefly, refer to two other areas - privatisation and the environment.



We have had our internal arguments about aspects of privatisation. We have introduced competition into the telecommunications industry, but let the Australian people understand this point with absolute clarity. The Opposition would totally privatise this industry by selling off Telecom-OTC and would leave the Australian community without the protection of any publicly owned utility. We remain totally committed to retaining that protection by keeping Telecom-OTC in full public ownership. That too will be the stark choice before the Australian people in 1993.

Consider what Labor has done to protect the environment of this nation for future generations - not least here in this State.

But right from the start, from our immediate decision to save the Franklin, through our decisions on the rainforests of North Queensland, on Ozone Protection, on the Tasmanian forests, on the Greenhouse Effect, on Kakadu, the NSW Rainforests and Shark Bay, and most recently on the enormously complex issue of Coronation Hill, through all these difficult but necessary decisions, the conservatives have opposed us at every step.

That is their record in the past, and their promise for the future is no better. That too will be the stark choice before the Australian people in 1993.

#### Delegates

On the basis of our achievement and on the basis of our readiness for the challenges ahead, I make this assertion, not in any boastful spirit, but as an assessment of solid fact:

No Labor Government has applied the spirit of Labor ideals with greater fidelity. No Labor Government has been more faithful to Labor's true traditions.

And it has been our special challenge to apply those ideals, follow those traditions, in this era of the most rapid change in the whole of recorded history. It is the mark of our strength that we have had the courage to change.

Of course, we have our differences. How could it be otherwise, given the rich diversity of our Party?

But the great strength of our Labor Government has been and remains the constructive contribution made by each of the groups which compose it.

I also salute again the tremendous contribution of our colleagues in the trade union movement. You have been magnificent.

Delegates, at this point, you may excuse a brief personal, and I trust relevant, reflection.

8326

10.

Now in my 45th year of membership of our Party - the best part of half its existence - I have been afforded unique opportunities to feel its history; to understand the passions and commitment that drive it - sometimes in upon itself; to see its capacity for adaptation; but at all times to be nourished by the steadfastness of that commitment to its fundamental goal - the welfare of the Australian people.

I have, through leadership of the industrial and then the political movement, come not just to understand the relationship between the trade unions and the Labor Party, but in my own life, for a generation, to live out that relationship.

I have never needed to be reminded that our Party was formed by organised working men and women. That history is imbued in me and has become part of me. That same history tells me how ruthlessly the bastions of privilege in this country will fight to destroy the challenge they see in a strong, united and committed labour movement.

As we enter the crucial months and years to 1993, that same history tells me that we should be guided in all our efforts and action by what I believe are the two central truths of Australian political life on the threshold of the 21st century.

First, I deeply believe that never before has the alternative - an anti-Labor government - offered a greater contrast, and a more devastating prospect, for Australia and its people.

And with equal conviction, I believe that never before in Australia's history has the existence and continuance of a strong effective Labor Government been more essential to securing the future for the people of Australia.

And that is why I am determined, delegates, to work to the limit of my capacity for a fifth Labor victory in 1993. My obligation to this Party and to Australia demands nothing less.

Together, I am certain that we will achieve that victory - the victory for this great Party, the victory for this great nation.

\* \* \* \* \*

8327