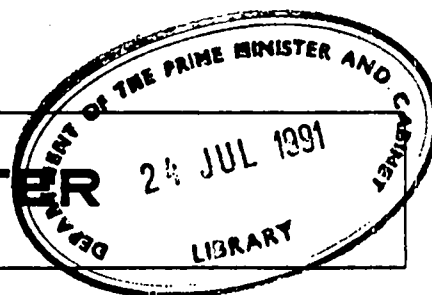




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PRIME MINISTER



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**SPEECH BY THE PRIME MINISTER
JOINT NATIONAL OFFICIALS CONFERENCE OF THE
NATIONAL UNION OF WORKERS AND THE
TRANSPORT WORKERS UNION
PENRITH - 5 JULY 1991**

Greg Sword
Ivan Hodgson
Friends,

This is an important conference, marking as it does a landmark event in the development of the Australian national economy.

It is of course a milestone in the history of the National Union of Workers and the Transport Workers Union - a tremendous achievement by two major unions to rationalise their structures in order to improve the level of services they provide to their members.

More than that, this conference, and this union amalgamation, provide proof - further proof - of the positive and constructive way the trade union movement as a whole is involved in the central task facing this nation in the 1990s: rebuilding the national economy.

And as such you are advancing the interests not only of your own members but of the broader Australian community.

My friends,

As you know, the Australian Labor Party this year celebrates its centenary.

In 1891, one hundred years ago, the trade union movement founded the Australian Labor Party in order to secure through the ballot box the enduring improvements in living standards that industrial action alone could not secure.

In 1991, one hundred years later, the trade union movement is still working to improve the welfare of the ordinary working man and woman - and has done so, for the past eight years, in the closest partnership with the Federal Labor Government.

As one who has led, first the industrial and now the parliamentary wings of the labour movement, I take enormous pride in the sustained and effective nature of that partnership.

It is a partnership best expressed in the Accord between the trade union movement and the Labor Party.

Since 1983, the Accord has provided the framework for an effective wages policy - based on the twin agreements first, by the trade union movement, not to exercise its power to maximise nominal wage increases and second, by the Government, to deliver reciprocal improvements in the social wage.

For more than eight years, both sides of the Accord have honoured their commitment.

And we do so still.

Despite the temporary difficulties following the recent National Wage decision, the trade unions remain totally committed to that central principle of the Accord - the setting and meeting of targets for the national aggregate wages outcome - and, through that principle the task of transforming Australia into an internationally effective economy.

That is a fact of crucial significance at this time.

Because Australia now is beginning to emerge from the pain and hardship of the recession:

- in the past 18 months we have brought down interest rates by seven and a half percentage points;
- housing finance approvals and building approvals are recovering;
- the Westpac/ Melbourne Institute Survey shows consumer confidence is at a two year high and inflation expectations at a record low;
- the June quarter CAI-Westpac survey shows manufacturers' expectations for the next six months improving significantly; and
- the OECD are forecasting a recovery in the world economy beginning in the current half year. And the OECD have endorsed our assessment that the Australian economy will also begin to recover in the current half year.

So the first signs of renewed activity and confidence are starting to emerge.

And the important point is this.

This is not a mere cyclical recovery.

Because of the Accord, this is a recovery that unambiguously repays pain with gain.

Emerging from this recession in 1991, Australia has low inflation in its grasp. The inflation level is at 4.9 per cent now - below the OECD average, and with further falls in prospect.

And the balance of payments has improved substantially.

Figures released this morning show that in May the current account deficit was just \$857 million - the lowest figure in three years. And the deficit so far this financial year is 30 per cent lower than a year earlier.

This improvement is largely due to a massive turnaround in the trade balance - or put simply, exports minus imports - from a deficit of \$3.6 billion to a surplus of \$1.7 billion.

Imports are down by 3.7% associated with the downturn but, more importantly, exports have continued to grow very strongly despite the world recession and the collapse in rural commodity prices. Exports are 8% higher than a year earlier and, importantly, manufacturing exports have been the star performer - up 24% over a year ago.

This is compelling evidence of the fundamental transformation of the Australian economy which is taking place right now. The economy is diversifying. The manufacturing sector is adding to our traditional strengths in mining and agriculture.

Only under Labor can Australia make this a permanent gain.

Because it is only under Labor that an effective low inflation wages policy can be pursued.

That is why we can speak with confidence of the period ahead, the period of economic recovery. Thanks to the Accord, it will be

- a recovery which will see the resumption of secure employment growth;
- a recovery in which the competitiveness of Australia's manufacturing industry will continue to increase
- a recovery in which we will see further improvements in productivity, through effective micro-economic reform
- a recovery in which Australian workers will continue to gain access to improved superannuation; and

- a recovery in which award restructuring and union amalgamation will continue to create better jobs, better training and better remuneration.

My friends,

That is the broad context which I want you to understand - the framework in which your conference this weekend assumes its full significance.

The Accord, for all its tremendous significance for the achievements of the past eight years, will remain a vital instrument of reform for the future.

Award restructuring and union amalgamation are particularly important elements of that future reform process.

Together, they are essential to breaking down the inefficiencies we have inherited from the rigid structures of our craft based union past - structures that cannot serve us well in a modern economy, because they limit our capacity for building competitive industries, for securing long term benefits in workers' pay and conditions, and for ensuring lasting improvements in living standards.

Through award restructuring, outdated systems are being transformed into modern structures that reflect the skills of workers and, through training, that enhance those skills and make them more relevant to a technologically advanced and competitive economy.

Through union amalgamation, we are building unions that are more responsive to changing needs, better equipped for consultation and negotiation, and less susceptible to the debilitating disease of demarcation disputes.

Through the cooperation and commitment shown by the unions represented here today - the NUW, the TWU, the Federated Millers' and Manufacturing Grocers' Employees Association and the Federated Cold Storage and Meat Preserving Employees Union - you will assist the food processing industry and the transport industry improve their efficiency and productivity - again, for the benefit of the economy as a whole.

So you are genuinely engaged in a reform task of fundamental importance both to your members and to the broader community.

I want you to know that you have the unqualified support of the Federal Government in your amalgamation.

Through legislative changes and through financial support to the trade union movement, we are actively promoting union amalgamation as an integral part of our overall task of economic reform.

In all this, we remained convinced that the only effective path of economic competitiveness lies through winning the informed cooperation of the trade union movement - not, as our political opponents would, through regressing to the days of senseless confrontation and ceaseless union-bashing.

Our agenda depends on securing the support of the union movement, through the processes of consultation and cooperation embodied in the Accord.

Throughout the life of this Government the trade union movement has delivered that support consistently and farsightedly.

In opening this Conference, I express my gratitude to you for that contribution, and I express the confident hope that through the amalgamation of your unions your efforts will grow in effectiveness, to the benefit of Australia's working men and women.

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