



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING, MP
ADDRESS TO THE COLLINGWOOD FOOTBALL CLUB POST-BUDGET
LUNCH, HYATT HOTEL, MELBOURNE, FRIDAY, 13 MAY 1994**

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Thank you Chief Justice John Phillips, Leader of the Opposition John Brumby, guests at the official table, my friend Bobby Rose amongst them and ladies and gentlemen.

I really am glad to have the opportunity the Collingwood Football Club extends to me as Allan (MacAlister) said, for the first time in the week of the Budget to offer up a few thoughts. And, of course, I always get a few thoughts around the table.

Since I first became one of the many thousands of Collingwood members and one of the millions of supporters, this lunch has become a bit of a tradition and we might have moved the date of the Budget, but we maintain the tradition of the lunch. The thing I've learned is you don't tamper with Collingwood traditions. As a result of all this I now get to pay a visit to Melbourne while there are still a few leaves on the trees and a little warmth in the air and I am very pleased to be here.

As this national recovery grows, Melbourne is emerging as a major player - and that has to be good.

Victoria took a hammering for a few years, and I think it is a real measure of the character of the place and the people that they did not lose their nerve or drop their collective bundle.

This is a city with genuine spirit and toughness. It does have class - it must have because Leo Schofield has decided to move down here. Leo hasn't come for the football - he's come for arts and because he's grown to love the place. And this is a great compliment from a Sydney sider for this great city.

Australia needs Melbourne to succeed. If this particular part of the nation's heart isn't pumping our whole constitution is weakened. So when we see companies down here beginning to thrive again, we're pleased. And when the Committee for Melbourne says it wants to build the Domain tunnel, we want to help. When the Goulburn Valley gets a plan for its future together, we'll kick in with some Commonwealth assistance.

You might notice there are not a lot of Labor voters among any of those categories, but, I think, the important thing is we all work together.

It's like working with Jeff Kennett. I don't mind that, but what's more important, is given that he reckons we'll win the next election, he can work with me.

But I want to say, I do like working with my mate John Brumby and I've done a bit of work with him over the past and we'll be doing a bit in the future.

Mind you, the relationship will be more amiable if Jeffrey refrains from taking credit for Commonwealth projects in Victoria. I don't like him riding on those trams in Spring Street when I pay - we the Commonwealth - to put the rails down or plumbing to the Treasury building which we decided to refurbish.

And I also hope that in this new era of growth he doesn't forget - I hope no one in Melbourne forgets - that Melbourne's future depends on not just development but planning and preservation.

The world is full of second and third rate cities skewered by sixty-story plinths towering over planning disasters. Monuments to myopia and short term private interests over long term public ones.

The great cities of the next century, like the great cities of any century, will be those that look good and are good to live in.

They will be efficient and vibrant cities which maintain their character and quality.

In a very real sense that is what this last decade of the century is all about - building the quality into Australia. Into the economy, into the society, into the nation. I mean knitting the skills and technology into our ambitions and traditions. I mean pulling all that great diversity and vast distance into a cohesive nation - a loose federation and a singularly independent-minded and unregimented people, but a cohesive people.

We have learned a lot about these things in recent years.

We've learned that it's not enough to just grow and mine things - we have to make things as well and service things too. And what we grow and mine and make has to be the best.

That has implications for how we grow it and mine it and make it and service it - we have to do it as well as, or better than, anyone else in the world.

So the quality has to be built in. I don't think this is the time to give you a talk on international best practice except to say that, whatever the degree or detail with which business applies it - as a code for the pursuit of excellence - best practice will increasingly govern the operations of the Commonwealth Government, and should increasingly govern those of state and local governments and regional organisations of this country.

The nation itself in the 1990s should work to that same goal.

We have built this into the regional development strategy we announced in the Government's White Paper because regions have to find what they do best and the best way of doing it. They have to find their niche in the modern Australian economy, and in the international economy.

We are also bringing the same sorts of principles to the federation - through the Council of Australian Governments, the States and the Commonwealth are beginning to remove a lot of the impediments to national efficiency. This is a great thing, working together co-operatively in a way we've probably never done before.

The Commonwealth has a decade of economic reform behind it. The truth is that the next wave of change will have to substantially come from the States. We have improved the environment in which our firms operate through substantial microeconomic reform. Further progress is in store as we work with the States to extend greater competition to the public utilities. Recently, the COAG meeting in August will also consider specific reform to electricity, gas, water, legal services and the maritime sector. So a lot will depend on what they do and on the sort of cooperative agreements we can strike in the national interest.

The last decade of the nineteenth century, in some respects, followed an uncannily similar path. It began badly and ended in unprecedented national unity - which is to say it ended in federation.

We need to end this decade the same way - we need a degree of national unity, cohesion and purpose such as we have never seen before.

I think we sometimes lose sight of the fact that we made some really fundamental progress in this direction in the last decade. The Accord between the Government and the trade unions was a real and symbolic manifestation of the capacity for Australian workers and Australian management and the Australian Government to work together in the national interest. We have seen a cooperative culture develop in our workplaces as a consequence. And we are seeing the rewards in low inflation, higher productivity and greater competitiveness.

The challenge remains to maintain and extend this progress. To do it, we will have to vigorously push on not just with the microeconomic reform agenda, but with enterprise bargaining. Because, it is not simply the agenda of the government business enterprise which will determine how successful and competitive Australia is or will be, but the competitiveness and efficiency of each employing unit.

A lot of the responsibility lies in realms which are not the Commonwealth's. In the case of government business enterprises or the States and regional governments and with employers and employees in the case of firms. We will only be truly successful when we build in the efficiencies from the ground up; when the quality flows right through the economy; when in every tier of government and every workplace the same goals and principles apply - to do things as well as they can be done.

That is what being internationally competitive means. It is also the precondition of a good society in the twenty-first century. If we want a place in the front rank of nations and the prosperity, opportunity and fulfilment that goes with it, we are all going to have to work for it.

If this sounds a bit like a three-quarter time address, that is probably in the stage of our development, now, appropriate that it does. Because in the final analysis the words won't matter - it will depend on what the players do and that's where the issue will be settled.

I don't want you to get me wrong in thinking that prime responsibility to lead the process of reform and, in spirit and effect, encourage national unity and purpose lies other than with the Commonwealth Government - it doesn't. But it has to be a shared responsibility and we will put the pressure on the States, on regional governments and on business and in the trade unions to make sure we all move along together.

Perhaps the best illustration of what I'm talking about can be found in two reports we commissioned on regional Australia. Bill Kelty's Taskforce and McKinsey and Company surveyed the regions of Australia and each came up with the same essential conclusion - the key to success in the regions was in the leadership and organisation. The key is finding the means by which the material and human resources, the talents and energies of regions can be put to best effect. This is a very telling set of surveys, a very telling couple of reports which reveal that, as always, there's no substitute for leadership and wherever we see it, we always see an organisation or a region doing well. The successful ones are better helping themselves.

The lesson for the Commonwealth is neither to abandon regions in this country nor to pour in material assistance - the lesson is to give strategic assistance, to give strategic help, the sort of assistance which will enable the regions of Australia to get the best out of their physical resources and their people.

You see how the parallel with the three-quarter time address returns. And the message is very similar - we will succeed best if we share a sentiment and an identity, if we are working to the same purpose, if we cohere, if we call on everyone's talent and everyone's energy and will. In other words, we won't make it as a nation, as an economy or a society if we don't make it together.

Success will depend on these factors - tangible and intangible. But, the other thing it is going to depend on is skill.

The phrase that is used these days, often in Australia, is value-adding. I daresay a decade ago very few Australians had ever heard of it. These days it is widely used and understood. It means, of course, adding another dimension to a product and, in doing so, adding to its value in the market.

If value-adding was the catch-phrase of the last decade, skills must be the catch-phrase of this one. Our success as a nation - the success of any nation in the modern world - will depend on the capacity of our workforce to add value to products, and that will depend on their skills.

It follows that our ability to create jobs for Australians depends on the skills of our workforce. Skills are our greatest resource. We will never return to a time when there were vast numbers of unskilled jobs. If we want that place among the front rank of nations in the twenty-first century, we need our people to be skilled.

The White Paper on employment and growth is very largely about just that. It is about skills. It is about making the country stronger and more efficient by giving the unemployed, and those at risk of becoming unemployed, the skills they will need if they are to find a job. That will make the country vastly more efficient and, of course, vastly more just.

Some people have said that by training and giving work experience to the long term unemployed, and removing disincentives to work in the social security system, we are creating competition for new entrants to the labour market. This is a polite way of saying - don't worry about the long term unemployed. just leave them behind. But commonsense and compassion tell us, I think, that we can't do that and with the White Paper the Government has said that we won't. It was never an option.

It has also been said the cost is too high. The answer is the same: we can't leave them behind - not if we want to maintain our national self-respect and our social cohesion and order. The answer to those who say that the cost is too high is - count the cost of doing nothing. Count the cost to their lives and to ours. The cost of wasting their potential.

There are others who have said that the only answer is to so change our system of industrial relations, that wage rates should be cut and conditions of employment degraded. Well, this is a very old argument and a discredited one.

In effect it means emulating the model of Great Britain and the United States. In Great Britain you will find men working as security guards for \$2.50 an hour for an eighty-four hour week and women doing piece work for \$6.30 a day. In the United States, where the unemployment rate is six and a half per cent, there exists an army of working poor, they are in jobs, but they are jobs which keep them well below the poverty line. In both countries the gaps in wealth are wide and profound and there are unmistakable symptoms of social disorder and decay - symptoms which we do not want to see in our country, in our society.

So, with the White Paper, the Government has signalled that Australia will be a high wage, high productivity country making innovative, value-added products. We have no intention of creating a first class economy but a second rate society - even if it were possible to do so.

With the White Paper I believe all Australians should understand, and most of our political opponents should understand - that the days when economic progress was construed to mean a dog-eat-dog society are over forever. There are two very good reasons for this. The first is that by their decision at the last election, the Australian people registered the notion of such a society, they voted for social compassion and cohesion, for a safety net and for bringing the unemployed with us. As I said the other day at the National Press Club, in 1993 the Australian traditions of fairness and equity which had been born in the 1890s were profoundly reasserted.

But the people did not just vote with their hearts. They also voted with their heads. They recognised the waste in leaving a great body of unemployed people behind. They recognised the folly in a doctrine of unmitigated economic rationalism - the folly in believing that economic progress implies a return to the social conditions and mores of the 19th century.

So, put another way, with the election of last year behind us in 1993 and the White Paper of 1994, Australia has embarked without qualification on the path towards a sophisticated social democracy underpinned by a sophisticated modern economy.

We have made a decision to play in the premier league - and that compels us to build quality into every sphere of our national life.

That is what the White Paper is about and the Budget which consolidates it which takes those costs and fits them into the national, annual economic parameter. With them we say that economic policy and social policy go hand in hand.

We say that a first rate Australia, like a first rate city, will manifest not just the evidence of growth and development but of character and tradition. It will have a human dimension as well as an aesthetic one.

We also say a first rate country, like a first rate business or a first rate football team, will be characterised by the strength which comes from shared sentiments and fellow feeling and the competitive edge that only skills provide.

We say that a first rate country has all these things built in.

And finally we say that in 1994 we have opportunity unprecedented in our history to do these things.

And every reason, every confidence that we will be able to do it and in the doing of it set Australia out as a place that never lost its fix, its judgement or its values. Thank you very much indeed

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