



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
NEW SOUTH WALES ALP DINNER, PARLIAMENT HOUSE, SYDNEY,
WEDNESDAY, 27 JULY 1994**

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Bob (Carr), Terry (Sheahan), John Della Bosca, Neville and Jill (Wran), Lionel and Clare (Bowen), my parliamentary colleagues, Mr Speaker and distinguished ladies and gentleman.

Well, it is a bumper audience. It's the largest I've seen in this room, and I've been to many of these over the years, and I thank you very sincerely for the tribute you pay us in coming. I thank Bob also for his very generous words towards me and for the thought, the good thought, that the things we have to do are to do things together and to get things done because as we all know in public life, and in business, the system runs itself. What matters are the changes. And the changes are promoted in the public sphere by Ministers and, in the case of leaders, by Prime Minister's and Premiers, by Governments, and that whole co-operative notion that Bob has just raised is of course, central to that.

Now, I want to see Bob Carr as the Premier of NSW. It's not particularly because I don't get on with John Fahey, it's just that he won't do anything. Now, the thing is, this is not a partisan remark. you go to Queensland - all sorts of things happen. You go to Victoria, you can get things to happen, but you can't get them to happen in NSW. Because, this is the state where major - when is the last time you ever heard of a major project starting in NSW? - this is the state where they crimp them off. This is the state where there's a scandal a week. There's someone falls out of the ministry every second week, and out of the Parliamentary liberal party every off week. And that's how it goes along. But above all else, the public interest doesn't get a go because the place isn't going ahead. And here we are, with the most conducive circumstances and it's not happening.

But Bob touched on a theme when he started to speak, saying we've always had , and I think we, the Labor party, or certainly, certainly since the period when Neville was Premier, beginning with his governments - a great relationship with business in NSW, particularly in Sydney. And we think, I know it's unfashionable, that we've got to earn our freight. And we try and be relevant, and we like you to be relevant too. And we see a relationship between us. But Jeffrey Kennett is down there hopping into the business community in Victoria today, I don't know if you read that, those little bon mots there saying, you see if you're not part of the Ron Walker squad, well you're not in it. If you can't join ol' Potato-face Ron and his crew, you're not in the game. And if you don't line up the way they like, well then you get a serve from Jeffrey.

And then of course, you had Mr Downer a couple of weeks ago, saying to a question from some journalist - naive it must have been - saying: "well, Mr Downer, what have you got to say about what the Christian churches had to say about you today?", and he said: "Oh well, the key point here is the Christian Church are in my good book at the moment." You see, you've got to have a lot of front to say a thing like that.

But it comes from, you know, those days when he was in Stoke Lodge in London for so many years, going down to see the British Conservative Party in the House of Lords. And of course, there, all the Church elders sit in the front pews. And it's a case of who's running who. It's a case of whether the State sort of runs the Church, or the Church ... this is the sort of game he's in. Now, that's his view of life, of course this is right at the time, dare I say, that Prince Charles is saying well I don't think there should be just one official church in Britain, but Alexander Downer says well, the Christian Church is in my good book at the moment. Giving them a hint that, you know, all those Bishops out there, they better stay there. Meanwhile, in the great southern state, the business community has got to line up with Ron's little team otherwise Jeffrey will not approve of them and he'll admonish them as the case may be. Now, the Labor Party - I mean, poor silly us - we're out there saying look, can we do some more for you? 5per cent GDP growth, 3.5 per cent employment growth, under 2 per cent inflation, we're still working at it, stock market back to 1987 levels. The profit share in the economy, with no historic precedent, spreading enterprise bargaining through the workforce, creating structures in the Asia-Pacific for trade, but somehow there's a game we're not on to, you know.

I mean I thought today, sort of said something about it. You know, here was the news from the conservatives that the Citizen Initiated Referendum was now off the agenda, that the potpourri of constitutional changes was to be scrapped. Now this was Mr Downer's sole policy since becoming the Opposition Leader. The Citizen's Initiated Referendum, the support for 4 year terms - after Mr Reith, by the way, was promoting these, was the principle opponent of the 4 year term - measures to prevent the Commonwealth signing international treaties. Now this is the potpourri of reforms. I mean, some reform. You see, clip the Commonwealth's wings so

the Commonwealth can't sign international treaties, and put a time limit on double dissolution bills. Well, that's really going to change the way we live.

Now, and I thought, well here I was this morning at the launch of the wonderful history of the Australian Olympic movement written by Harry Gordon - it was a very nice event - and here were these journo's rustling around for a comment about the Citizens Initiated Referendum, and of course overnight we had Tim Fischer saying it was a law-making cancer, and then Alexander Downer stepping back from it, giving the journo's the hint that during the day that he would walk away from it. And they're all asking, you know, is the Prime Minister going to give us a comment? And of course, silly me, I'm interested in the inflation rate. You know, I'm such a dag, I'm actually interested in the inflation rate. And there it came out at under 2 per cent. Decelerating the trend inflation down from 2.1 to 1.9 per cent in the face of the fastest growth in the Western world. With all the attendant influences for inflation for interest rates and for everything else. And I thought, I normally give you know - one hopes - you know a studied...well the underlying rates are down to such and such and such and such, meanwhile back at the coalition ranch, they're hopping out of these Citizens Initiated Referenda - and you've got to say, what's going on in the public debate in Australia, really? What is going on in this country? I mean, what about a bit of rejoicing in the fact we got 5 per cent growth? And Western Europe has got about 1.5 per cent. What about a little bit of rejoicing in the fact that our workforce has seen the value of wage restraint for employment and we are sitting today with further confirmation that inflation is decelerating and we've broken the back of a 20 year scourge with double digit inflation, and comprehensively broken it, and watching this year, 3.5 per cent employment growth. I saw buried on page 2 of the Australian and the only paper that reported it last week from the IMF: Australia and Canada leading the world in employment growth - 3.5 per cent - OECD leading us. Not page one, not splashed over the front page of the Herald, down on page two. But at least Tthe Australian reported it. On the back page of the Economist, where they have the OECD, the 27 member states of the OECD economies, each month, this month - what's the little banner flash across it? 'Australia ...dot. dot. dot... still ahead of the pack.' Still ahead of the pack. Well God you wouldn't know it here. You wouldn't know it. But people in business know it, and people in the community know it because we are coming back very strongly and we are doing it in a way that is going to be great for Australia, with low inflation.

People say to me, I had someone (journalist) ask me today, you know, "The polls say you are arrogant, what have you got to say about that?" I said, "well, if people knew me as much as you do, they would like me much more than they do now, and when you get to know him, you sort of can't help but like him" - that sort of thing. And they said, "oh yeah, ok, well that's the answer to that one, what about the next one? And, it went on like this. They got down to saying, "well look, you know, Mr Downer is ahead of you." I said, "yeah well that's very strange isn't it, because this guy is a policy free-area. He hasn't got any policies." I said, "let me just tell you something here, it was only six months ago that Bronwyn Bishop was ahead of me". And she was,

she was. She was preferred Prime Minister. So you see, you cannot react to this stuff, you've got to let it wash over you a bit, but I think it is worth, you know, worth actually saying.

You really wonder what has happened to public comment in Australia, where it used to be the case the news was where the weight was. An editor wrote his stories where the weight of the news was and people would give you the story and let you read it. And you would make your own mind up about it. But now, it's never the weight, it's the angle. You know, it's the poll, it's someone new, it's not the weight. And the reason why the weight is the weight is because it affects everybody. And so the Government has been concentrating on weight while the coalition and other people are into floss and nonsense and I think the weight matters but you feel like getting out on a loud haler because it's almost a dark secret about the things that really matter.

Now, I just want to say a couple of things about the Government in this term of office because, I think, it is worth saying. In the last election campaign, John Hewson said we would have a double-dip recession and a depression. He said we had all the workers in the gun sights. Remember the gun-sight ad? In fact, we are growing faster than any western economy and we have had 3.5 per cent employment growth. The Government focused on that recovery. The One Nation spending is now running strongly. We are spending \$1 million a day on the rail system - right this minute. From Brisbane to Melbourne and a standard gauge across to Adelaide, all that spending is going on. We pulled the right policy lever with One Nation, when private spending was down, we put public spending up and we pulled Australia out of the recession faster than any other Western country. We've now got it up and running and we are still yet to have, in full measure, the investment phase come through and I'm pretty sure it's going to come through strongly. So it is going to go on. We've had first public demand, then public demand in housing, then consumer spending and housing, and now, investment: a rolling recovery. So we concentrated on that recovery. And it's coming through. And you can imagine the claims, had the coalition won the election. It would have been all their doing. They would have said "oh remember the Government - the former Government members were down there, has us in a recession - all this growth is because we're in office. The growth is here because of the policies of the Federal Government - the Federal Labour Government and the success is there because of the commitment which the Australian people have given to the recovery. And I think Australians deserve the chance to rejoice in their own work and we should acknowledge the fact that the place is coming up very strongly.

Now a number of things have occupied us since the election, since March 1993. Let me just run through them quickly: there was Mabo, APEC, Hilmer, the White Paper - Working Nation - the Accord and the new jobs arrangements and the Republic. Let me just say a couple things about each one. Let me say something about Mabo. Now, for a lot of people, Mabo is an extraneous matter, it doesn't affect them immediately, they live in the cities,

it's not a matter which comes their way. But ask yourself this. How many Governments and how many countries could cope with the fact that its most supreme of Courts said that native tradition and custom is a source of national common law and that there's a native title in the common law? What do you do with a decision like that? That means that every title in this country issued, and certainly since the Racial Discrimination Act of 1975 was introduced, was under question. And in mining, that's most of it. That's the great mining tracks of Queensland and Western Australia and New South Wales and South Australia and there's big pastoral areas and it could be resolved by one court case after another, one claim after another, which would take 20 or 30 years, but how would we go for certainty of title? How do you resolve all of the legal uncertainties? What happens when a bank says "we are no longer supporting your facilities, because you can't guarantee us title?". That is what it meant. But the opportunity of Mabo was to make right a wrong. To overturn the fiction and the untruth of terra nullius and to repair something which should have been repaired in our history long ago. And that was to say to Aboriginal and Torres Strait Islander Australians - we will be the stronger, and this place will be the fairer when we are all as one and we share in this country equally. That was the promise of Mabo and the Government took it up. And the other thing is, we were not going to leave the High Court out to dry. Now, you often hear these Tories tell you, we believe old law and order, they get law and order out every half a dozen years. They're always in favour of the law and the rule of law but remember the cat-calling and the attacks upon the Court from those who formally were great supporters of this institution until it happened to say something that they didn't like. And we had the Justices make what I think was a courageous decision; not one that could work in terms of an administrative solution, but as a point of principle, a courageous decision - and it was for the Government to take the opportunity and to preserve the Court's prestige and encourage them to make such decisions.

And so from a clean sheet of paper, we put together one of the largest pieces of property and cultural law of its kind in the world with lovely straight lines of logic after long consultation with Aboriginal people and as a consequence, we brought certainty to all those titles; we have given the opportunity for those with the traditional association with the land to claim it, we got a chance to hold our head up and say that we are no longer going on with the lie that there were no people here at the time of European settlement. Beyond that, of course is the land fund which extends the rights to land for those who can't avail themselves of Mabo. In doing all that we did it in 13 months. It would have taken, I'm sure, the United States 10 or 12 years, or somewhere else. And there are a lot of lawyers in this room. Look at the property laws of New South Wales - a great collection of tomes - it's a most complex area of the law. But to start from a clean sheet of paper and say "how do we build this structure?" We've done it. And we did it with the consultation with the Aboriginal community who for the first time negotiated with the national Government as never before, and both Houses of Parliament passed it. And we will now see it coming into affect - the tribunals are being established.

Now apart the inherent decency of it, when you go to Asia now, people say "that's very interesting because these European tribes never give anything away and maybe the Australians have turned over a new leaf. Maybe they really mean what they say. They want to be in it with us and we approve very much of the way they treat their indigenous." Now I think that is important to Australia. I think Mabo was important for what it meant, it was important to do for our self-esteem and for the simple justice of it and it was not just done, but it was done in a way that I am sure most Governments couldn't have contemplated. It was one of the things we have done in the last 15 months and a coalition Government wouldn't have done it. They opposed it - tooth and by jowl - all the way and John Hewson described it, as we brought the Bill from the Senate then back into the House of Representatives to support the last amendments, as "a day of shame".

Now, that's the difference between weight and quality and no quality and nonsense and it is one of the things we have done. Let me move on.

APEC. Neville is Australia's eminent person on the APEC Eminent Person's Group. We are seeking to build an Asia-Pacific economic community. We are seeking, from our country, to interest others in a structure which turns what was a co-operative sort of mini OECD information sharing secretariat into an executive head of government body. Now, we worked this initiative up. I pedalled my way around the Pacific through most of 1992. Neville worked on the Eminent Person's Group. Our Foreign Affairs Department put their shoulder to the wheel and gradually we got people to support it. So much so, with some real confidence, I was able to say to President Clinton that I believe that it's possible to put together a head of governments' meeting for the Asia-Pacific, but we needed a catalyst for it to happen. That catalyst came when Bill Clinton extended the invitation for people to attend in Seattle last year.

When those fifteen leaders sat down, half the world's production and over half the world's population sat down there with them. And, for the first time in our long history, Australia was at a very big table. But, not only that, a table which it, in some substantial part, had put together itself. This Labor Government did that.

I had Alexander Downer a couple of weeks ago saying 'I don't think we ought to be having foreign investment in the measure we're having it'. He caballed the fact we are investing abroad. Last week he was saying 'we belong to Oceania, we don't belong to Asia.' Now, if one wants to get technical and go back to the atlas, we are in the bottom end of the South-Pacific and we belong to Oceania - or what used to be called Oceania. But, 75 per cent of our exports are in the Asia-Pacific. That's where the markets are growing 6 to 8 per cent a year. So, what price the Liberals being able to conceive, much less put it together, when they are even disputing the fact we're in the region that APEC is all about. But, the Government has pursued it. Neville has just come back from an Eminent Persons' meeting and I've just met President Soeharto to talk further about the upcoming meeting which is in Indonesia in

November at Bogor and we have every prospect there of advancing the APEC agenda.

And, when Australia is linked and linked well into the Asia-Pacific, when are exports are growing as they are now - rapidly - by these bilateral linkages, but as we multi-lateralise, multi-lateral agreements within the Asia-Pacific area then we are really going to see Australia plugged in in a way it has never been plugged in before. Because, we are not part of natural growth areas or big markets like the European Community. We don't have contiguous borders with France or Spain or anywhere else, or North America. We are not part of NAFTA. We are an island continent. We've got to do it ourselves. We've got to be part of something if we can we must create or be a part of something someone else can create with us. But, if we get set in the Asia-pacific, we are set for at least a century.

Now, that's what this Government is about. It is about that sort of weight. Not citizens initiated referendums and mucking around over treaties or saying the Queen doesn't matter, she is irrelevant and quaint. It's not about that sort of babble. We are about things that matter.

Then there is Hilmer. Hilmer is an attempt to - the Hilmer Report on competition policy - is an attempt to make the States' authorities as open to competitive pressures as the rest of us are. I mean, there are a lot of unions here tonight. They have been open to competitive pressures. They have had to find themselves a productive place in Australian enterprise. They have had to adjust the way in which they are organised. They have had to adjust their awards. They have had to amalgamate unions. They have had to restructure. They have had to accept productivity related wage adjustments. They have had to adjust. Business has had to adjust. But, the States are sitting taking hundreds of millions in monopoly rents, out of electricity, out of water, out of gas, out of ports, and sticking them into State budgets. And what the Commonwealth is saying is "well, hang on, we've now opened Australia up by knocking the tariff wall over, removing exchange control, we have got a free flow of funds, a free flow goods, we've got natural advantages in this country. We have got a coal seam right down the east coast of Australia. We've got quite a large supply of natural gas. We have got natural advantages, we can actually promote ourselves, give us a comparative advantage. God knows how hard it is to get a comparative advantage and we are trying to open this up". And we got the States to agree at the last COAG meeting - the Council of Australian Governments - to do that.

But, I got a letter in the mail this morning from Jeffrey. He is on my mind today Jeffrey. Most of the time I like him, but I don't much today. But, anyway, he said we are not going to be in this reform unless the Commonwealth pays for it. Well, when we cut tariffs in the 1980s, I don't remember the Americans giving us a cheque. When we did things that cost the Commonwealth budget, no one paid for us. So, they are saying well look, we'll introduce these reforms, but if you pay for it. Well, anyway, we are going to argue about that, but the important thing is the quality of the reform.

Get these competitive changes in the States authorities of this country and the Commonwealth authorities and we've already got the competitive disciplines in business and we are off and running. You know, you are flat out holding Australia back. It is another issue. We are going to debate it soon at COAG. It is another issue of enormous weight.

And then there is, of course, the White Paper - Working Nation. I said on election night that we wouldn't forget the long-term unemployed. People may say "well, that's the Labor Party, it is a party of compassion, it believes in these things, these people are part of its natural constituency." All that is true. But, what's also true is that we will make a tragic mistake as a country believing you can have an underclass. Believing that we can move on - those of us who are well off, got a job, some incomes, some assets - that we can go off and pick up the joy of a recovery, but the people who carried the shock or the absorption of a lot of the change are left as long term unemployed people. And, we are yet to see how societies live with underclasses. The United States is now trying to handle it. So is Britain and the British people have shown over the years they'll take a hell of a lot of pressure and a lot of social stress because they are a very strong and robust people.

But, this is a new era, a really new era of two speed societies. What we decided in March 1993 at that election is that Australia would be one society. Now, it is all very easy and well to say "oh well, yes of course that is decent rhetoric, you expect the Prime Minister to say one society". But, while, we say one society, we mean one society. When the Liberals say one society, they don't mean it. They mean one society for those well off and the others, well, they can just take their place further down the queue. And, you have got to draw a line under it and you've got to say, well, should 350,000 people be long term unemployed? And at any rate, where is our labour market complementation, skills formation going to come in this recovery? It is not going to come from migration as in others. It is going to come from the labour market. We have to train, re-train those 350,000 people and get them back into work.

In the next four years, we will spend \$10.5 billion on labour market programs creating 650,000 places a year. Now, the unemployed - I can't remember the exact number, it is around 900,000 odd - 650,000 places will actually be created by the Commonwealth. We are going to be spending \$10.5 billion over four years - an enormous contribution - but one which we've put with a declining trajectory of our deficit to go and do that. We will be personally case managing - that is one to one - one person talking to another person about their employment background, their educational attainment's, their skills, their aptitudes, one to one we are going to be case managing, next year, 560,000 people. This is an absolute revolution in social policy. This is the first country in the world which will have done this and as always, it will only be done by a Labor Government.

And, it will mean, that we will get people back into work. We are also saying that we won't accept the fact that any young person under 18 slips out of the

system. If they slip out we will personally case manage them back into the mainstream education system or into training or into work.

The same with the training wage. In terms of apprenticeships and traineeships, there is going to be a huge expansion in apprenticeships and traineeships and, of course, all of this comes on top of these massive participation rates in schools. Ten years ago the Liberals were happy enough to see four kids in ten complete secondary school. This year it is over eight in ten. Next year it will be nine in ten - 40 per cent of them are now streamed through university and we are now building the TAFE system beside the universities to take the balance so that the whole of that group - 15 to 19 - which we will regard now as a period of vocational preparation, will go on to become part of the clever country, the smarter society, the trained workforce and the ones that drop out - the young people who drop out - we will pick them back and put them back in. And, in secondary school, in Years 11 and 12 for the students who know they are not going on to a tertiary education, we are going to start to give them accreditation for TAFE courses in Years 11 and 12, for units of TAFE in Years 11 and 12 and some work experience. So, their lives pattern starts in Years 11 and 12.

I mean, these are the things that the White Paper means. It is not just a one day Parliamentary flash in the pan. It is a change to the way we live. It is a restatement of our values - Labor values - that say, one nation we will be, an inclusive society we must remain.

Finally a couple of words about the republic. I'd turn ... no, we can't turn the pictures over, it would be rude. We will never fully appreciate or exercise the full limits of Australian sovereignty and Australian aspirations whilever our head of state is the monarch of another country.

It stands to reason that the Australian head of state should be an Australian person. It is as simple as that. It is not some frumped up, phoney constitutional set of grab-bag potpourri like the citizens initiated referendum, or crimping the Commonwealth's right to sign an international treaty, or mucking around with the time a Bill can qualify for a double dissolution which is a little bit of political nit picking and messing around. It's the real thing. It's the real thing that matters to us. Now, here we are with all these great changes in this country and the whole country has been in them - knocking down exchange controls, watching our investors go off shore. You know, 12 or 11 years ago, we have 3 per cent of our GDP invested abroad. This year it is 20 per cent. This year it is \$80 billion invested abroad - \$80,000 million of Australian funds are invested abroad. If it wasn't you could cut our debt by \$80,000 million. But, are we better with the debt and investment abroad. Well, of course we are, because we are in those markets building organic positions.

Now, we have seen those chances. We've seen the tariff wall come down. People are saying if you do that you will kill our manufacturing. What's happened? Manufacturing production has doubled. Manufacturing exports

have tripled in the time since. I mean, there was a time in that crazy debate with John Stone, you know, the great Treasury guru saying "well, we don't think you can have a competitive manufacturing sector beside an internationally competitive primary exports sector because wool, wheat and minerals will over value the exchange rate and that will produce cheaper imports, so you can't have a manufacturing sector." Well, you didn't have to be a political scientist or a graduate of the London School of Economics or somewhere to know that that was absolute balderdash. And, we've knocked the tariff wall over and what's happening? All the innovative companies are going for it - look at the McKinsey Report. Hundreds born global. Didn't starve domestic industries at all, just straight out into exports.

I was up there in Indonesia two weeks ago at a huge trade fair which had everything from St Vincent's Hospital and the Austin Hospital in Melbourne to the water authorities to the electricity authorities to the big product companies like BHP and Pacific-Dunlop to the smaller innovative companies and the telecommunications companies like AWA, represented here tonight, the retailers, and there is Australia out there, going out to the world to do all these things. And, we put these changes into place, but we can never really say "here we are.", "here we are," borrowing the monarch of another country. So, here we are, we're not quite certain of ourselves, not quite sure, but look, we are getting our pecker up, we are getting our confidence up, but we are not quite confident enough to put an Australian in the job. So, for the moment we will keep on borrowing the Queen of Great Britain. But, when she goes abroad she promotes Britain and British goods. But, when the Governor-General goes abroad, and he went recently to some of the old Soviet States as you know, and they had to ring the British Embassy to find out whether they could receive him. Ding-a-ling, "Mr Ambassador, look the Australian Governor-General wants to come and see us, is it ok?"

Now, this is the head of state that Alexander Downer wants us to have - the deputy of a foreign monarch. And, of course, we can't have it. That nonsense has got to stop. So, the Government is saying this and we will, in this debate, at the appropriate time and some of that is going to be sooner rather than later, put down very clearly where we think the debate should go.

So, you round the things up. Mabo, APEC, Hilmer, the White Paper, the spread of enterprise bargaining which is now ... we expect to see 80 per cent of federal awards by 1996, turning this rigid labour market into a flexible one, the republic, all of these things are the things of weight and of value. And the Liberals, there they are out with their ... Alexander Downer said, and let me just quote him here, he said 'Australians are entitled to reasonably detailed policies from both parties'. He said that eight weeks ago. This week he said 'the forthcoming policy statement will be only very general in nature'. So, in other words they are going to hand us pap.

And, of course, you know why with the Liberals, you see, in 1984 they had Andrew Peacock as the Leader. Now, Andrew went around pulling faces - serious faces, happy faces, funny faces - right throughout the 1984 election

and he lost it because he didn't stand for anything. And, the Liberals said "oh, well, I suppose it's only one loss, but we ought to learn our lesson. Let's not get in the habit of having the Labor Government around, we'd better get someone with some policies." So, they said "we'll get John Howard." Now, John was a former Treasurer, he had a bit of a clue about the economy - made a bit of a mess of it - but still a clue about it. A few crude notions, a tax bribe he had in the so-called 'Boxhill tax package', out he went and we blew the tax package to pieces, his numbers fell away all over the place and he started articulating his policies, particularly some of his immigration policies and he lost. They said, "the problem is here you don't go fighting elections with policies. You don't fight elections with policies, you fight the Government who has got policies, you have notions and you attack the Government. You don't have policies." So they went back to Andrew Peacock. And, Andrew was out again - a bit older, a bit smarter, but not much - and in the 1990 election, you know, flim-flam again stuff, no policies, you know, as sure as night follows day - remember that one - you know, as sure as night follows day. They went through that for three weeks and they lost again. So, it was really then back to the drawing board, all the hard heads the Petro Georgios and the ... all back to something. With, really, three elections on the trot lost, they can't have that, "look the problem really is we have got to have policy. Let's find a policy guide. Now, there is Hewson. There he is, a professor of economics, he went all right in the election campaign, we will get him." So, they give him the job. He is the Leader. Before he knows it - he is shadow treasurer - and next thing he is the Leader. And, then he starts and he thinks, "well, what I'll do, I'm really on a roll here so I'll really go for the big one - Fightback, the consumption tax, I'll take a big slap of income from the low paid, kick it up the wealthy, we'll knock off Medicare, give the doctors a break, the lot, we'll really have dot pointed policies - 'i's dotted and 't's crossed." He had policies, but they were the wrong policies and, of course, he lost. So, they said, "you can't win with policies, you've got to go back" ... so they've got Alexander.

That's what I said the other night. See, if you go Peacock to Howard - soft, hard - Peacock to Hewson - soft, hard, soft. Soft, hard, soft, you get the pattern. Now the pattern is that Downer is the softie again and, of course, this is where the flim flam policies come from.

Meanwhile, the Government, naively is back on the weight - Mabo, APEC, the recovery, Hilmer, the White Paper, enterprise bargaining, the republic, but, he is going to give you feeling about his policies. Give you some little things and meanwhile Peter Reith will run off with some and if they don't go to well they'll get pulled back. The republic, the monarchy, he was going to take the Government to the wall and, me in particular, on the monarchy and when I had an opportunity and I did in France, I was encouraged by Francois Mitterand, I mean, he can be a bad influence on people Francois sometimes about republics and I come out and said that I think Australia should be a republic, that we can't have the monarch of Great Britain and straight away Alexander one step back, two steps, two weeks later the Queen didn't matter, she was irrelevant and only quaint.

The thing about Alexander Downer is he stands for nothing. Seriously, he stands for nothing. He is a policy flake and he'll go the way of policy flakes, and that is to the political graveyard. Now, there is some distance between now and then, but I've got a route mapped out for him.

Now, they have had a tremendous go, and of course, they think that's what the game is. So, this thing about Alexander Downer is is he thinks he is currency. Well, he is, but he is pre-decimal. He is back there in the 1950s and so whenever they have a new idea - the Liberals - it is always back to some idea. It is never forward. They always believed in going back.

So, there it is. This is going to be an interesting period for Australia because, I think, we are on the verge of a change of quality to our economy, to our society and inflation is, I think, a measure of that, of our social compassion, of our sense of inclusion, for the first time living near the biggest and fastest growing markets in the world, with linkages we've never had before, we've never been in a decade of this promise - not ever.

So, what I say to Australians is let's take up the challenge. Let's rejoice in the challenge. Let's take it up and let's go for it. And, let's get the weight back into the newspapers. Let's get the real issues back in the public debate and let there be some understanding about the merit of big policy outcomes and not see great national achievements, like today, again with inflation frittered away in the flim flam comments what passes for the public debate, covering an Opposition that have run out of ideas, with a leader who hasn't the courage or the wit to fabricate any.

That's why the Labor Party is the great party of change in this country. It's already made huge change in the last decade and we'll go on to make more. And, in this State - let me finish were I began - in this State, as Bob Carr said, you'll never do better than a really conducive working relationship between the Prime Minister of Australia and the Government of the Commonwealth and the Premier of New South Wales and the Government of New South Wales. And, when Bob Carr is the Premier and a Labor Government is here, New South Wales will join the recovery which it's not doing to date and then when the bigger State kicks along, the whole of the country will kick along. And then, when you come again, we can report further progress. Thank you.

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