



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
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A century of Australian nationhood has almost passed.

The Australian Labor Party was there at the beginning. It is still here - and in 1994, we can truly say, it is stronger than ever before.

We were born with the Australian nation. We were born of and for the Australian people. Our tradition is with them both - the nation and the people.

Our responsibility is to them both.

Through wars and depression, through triumphs and calamities, through every chapter in the story of Australia the Labor Party has been there.

We have gone through all manner of travail with Australia - and for Australia. And now, a hundred years after our foundation, we lead Australia.

That is one magnificent fact - the fact we should not forget this week.

And I'll tell you one more great fact: if we have the courage - the love, the labour and the imagination - we can lead Australia into the twenty-first century.

And I mean lead. I don't mean manage, or re-arrange. I don't mean occupy time and space. I don't mean talk until the people of Australia stop listening.

I mean do the things which need doing. Live up to our ideals of what a good society is and how great a country this can be.

It is the most extraordinary party, the Australian Labor Party. I am in no doubt it is one of the very great political parties in the world - lumpy, grumpy, difficult thing that it is, no party in the world of its faith and vintage looks so strong today.

In the 1890s the men and women of the Labor movement had enough faith in themselves and their ideals to imagine that they - the working people of Australia - could determine the shape of their country in the twentieth century.

And in the 1990s - this is the remarkable thing, and I might say, for the leader of the Party, the humbling thing - we are superbly placed to determine the shape of our country, according to our ideals and our faith, in the twenty-first century.

Our responsibility is as great now as it was then.

The dimensions of the task are just as great.

But we could scarcely be better placed to succeed.

In the hundred years of our history the Labor Party has been all but mortally wounded once or twice. We have been lost. We have stumbled. we have split. we have been becalmed.

But not now.

We are in office. We are doing what we do best - which is making the changes, preparing Australia for the future. And we are bringing the people with us. And let me pause here to recognise and applaud the contribution of the party and the trade unions - those who kept the faith and who made such a mighty effort in 1993 to see that Labor was returned.

We are doing what we said we would do. We are doing what Labor should do. With the unemployed, employment and training. With child care. With Aboriginal Australians. With industrial relations.

And it is because we are doing what we do best that we have run the Opposition ragged.

We should not forget that. Modern politics might look like a game of personalities, but it is really a matter of policies.

What won the last election for Labor?

The things we stood for won it for us.

The social policies, Medicare, the rights of Aboriginal Australians, the rights of women, the central place of the arts, the republic. We won it with our vision of Australia.

And that's what ultimately brought John Hewson down this year.

Not his personality, or mine, or anyone else's. The Native Title legislation brought him down. The White Paper on Employment brought him down.

When the Liberals were called on to support legislation to right Australia's oldest wrong - the lie that the continent had been empty before Europeans came - nothing in their hearts and minds could make them do it.

It was beyond their moral reach. They said the passage of the Native Title Bill was "a day of shame".

When they were confronted with a thoroughgoing package of programs to bring the long term unemployed back into the mainstream - the people on whose backs they had attempted to ride to power - they sneered. They said it was "irresponsible" to reach back for the unemployed.

The Coalition response to those two initiatives made plain for all to see that the soul of the Liberal Party is an empty place - a vacant lot, a void once filled by the solid bluestone face of Australian conservatism.

And what has brought our opponents to this sorry state? Putting our convictions on the line.

If we have one thing to thank John Hewson for it is that his brand of radical conservatism created a contest between fundamental beliefs - and, even with the effects of recession all around, ours were stronger.

Let's not forget what our opponents intended to do. And let's not forget what defeating them meant.

Ten billion dollars cut from public expenditure - one billion from social security, \$400 million from public housing, a 25 per cent cut in labour market spending.

Youth wages of \$3 an hour, a training system under which unemployed people could have been paid 70 per cent of the award, with no requirement that the employer train them.

Full fees for university, the abolition of bulk-billing under Medicare for most people, a \$1.3 billion cut in funding for public hospitals.

Never did the Australian people have a clearer reminder of what profound differences lie at the heart of the political contest.

Our opponents have now poured a blancmange into the hole John Hewson dug for them. They are trying to soften the debate. They are spouting embarrassingly juvenile and disingenuous flim flam.

But pleasurable as it is to defeat our opponents and re-affirm our political ascendancy, the real pleasure is in what we have done. And what is now open for us to do.

What we have done in regard to Aboriginal and Torres Strait Islanders is a case in point. I dare say we have done more of a profound kind than any other Government since Federation - and by doing it we have left the way open to do a great deal more.

I count the Native Title Act as one of Labor's great achievements. It is legislation of which every member of this party should be proud.

With the National Aboriginal and Torres Strait Islander Land Fund, which will enable Aboriginals who will not directly benefit from the Act to purchase land, we now have the legal and moral foundations of a new era for indigenous Australians.

There is a great deal more to do. The \$500 million allocated in this year's Budget to improving the health of Aboriginal Australians will go some way to doing it.

No-one believes that change to the law or the expenditure of vast amounts of money will get us there alone. But both are essential. What matters between now and the turn of the century is good will and uncompromising application on both sides.

We have lived with this shame throughout the first century of our nationhood. I don't believe that any Australian - indigenous or non-indigenous - should have to live with it in the next century.

As long as I am Prime Minister, ending that shame will be one of the great goals of the Labor Government.

And so will be ending the blight of unemployment.

When I said on election night that we would not leave the unemployed behind, I have no doubt that there were people on both sides of politics disinclined to believe me.

Some may have doubted the Government's intent, some the Government's ability.

The White Paper on Employment which we brought down in May was proof that we had both.

I am not sure that the dimensions of *Working Nation* have been properly appreciated. But it is a document of infinitely more prescriptive detail and sophistication than the famous White Paper of the 1940s.

For the Labor Party, jobs have always been the highest priority. For the Labor Party, unemployment is the greatest pain. So the White Paper is a quintessential Labor Party - Labor Government - document.

No other country has produced an integrated strategy as wide-ranging and ambitious as *Working Nation*. No other country has created such a complete employment package.

And it has already helped thousands of Australians.

The White Paper rests on the basic principle that while economic growth is the best way of generating new and worthwhile jobs, by itself it is not adequate to the task of reducing unemployment, particularly long-term unemployment.

That growth is creating jobs is beyond doubt - 340,000 new jobs have been created since April last year.

But what is also beyond doubt is that Government policies are helping to find work for the long-term unemployed.

In the 1980s only 7 per cent of the 1.6 million jobs created went to the long-term unemployed, compared to 22 per cent - or 76,000 - of the 340,000 new jobs since the last election.

Overall, we've seen the number of long-term unemployed drop to the lowest level in 31 months.

This is not an accident; it's in part a consequence of a better performance from the CES, and in part a result of the White Paper which has seen 116,000 people enter case management under the Job Compact.

I want to remind the Conference of just how ambitious this Job Compact is.

Essentially it offers a job guarantee to the most disadvantaged group in the workforce. It means that all people unemployed for more than 18 months are entitled to a job, training or individual case management. It means that the Australians worst hit by restructuring and recession and least able to share in the recovery will be brought into the mainstream.

It is an argument about both equity and efficiency.

Re-skilling the unemployed means a greater pool of resources with which to fill new jobs. It means more employment and, therefore, less unemployment benefits and more tax revenue. And because it means a more effective labour supply, it means the economy can expand more rapidly without running into wage inflation pressures.

It means, according to one academic analysis, that the annual net production of goods and services can be increased by around \$2 billion a year.

It is one of the distinguishing features of conservative ideology that it will not admit that there is efficiency in equity.

We say the two go hand in hand. We say that no society can afford to leave large numbers of people on the margins - it cannot be justified on moral grounds or social grounds or economic grounds.

We say that not to strive to bring the long term unemployed back into the mainstream is to betray both our own principles and this and future generations of Australians.

The White Paper is not merely a matter of salvaging the unemployed from hardship and despair, and preventing the development of an underclass.

It is about developing a training system to match any in the world - and, eventually, a workforce as skilled as any in the world.

The measures of the White Paper are the means by which every young Australian will have a place in education, training or employment.

We often talk about the social safety net. No broad policy commitment so distinguishes us from our opponents.

We see it as a measure of a sophisticated society. We say sophisticated societies are cohesive and inclusive. Put another way, we say they are measured by the degree to which the bonds of care run through the social system.

We say that as we measure families and communities by the degree of effective care and security they provide, we measure countries.

And we say those who talk about the virtues of families and communities while advocating a reduction in the size and effectiveness of the social safety net are talking humbug.

On this side of politics, we believe in the family and in the community. And we say that the safety net is essential to their well-being.

Medicare is essential to the health of Australian families and communities. It is one of the world's most successful health systems. Before Medicare, nearly 2 million Australians had no health cover. With Medicare, every Australian has health cover. And, with Medicare, health expenditure as a proportion of GDP has been kept well below most comparable countries.

So is child care essential to Australian families and Australian communities. From 46,000 places in 1982-83, we have grown the national child care system to 242,000 places and we are committed to meeting all demand for work-related care by 2000. We are providing fee relief for lower to middle income families and assistance for all working families through the Child Care rebate.

Support for working women is essential to the health of Australian families and communities. Child care is one major means of support. So is the Superannuation Guarantee Charge which has increased superannuation coverage for women working full-time from 47 per cent to 87 per cent, and for those working part-time, from 19 per cent to 65 per cent.

The Child Support Scheme is essential to the health of families and communities. Before the Scheme, only about 30 per cent of non-custodial parents paid child support - now 75 per cent of liabilities are collected.

The Labor Government's achievements in promoting the rights and status of women have made Australia a world leader.

It was Labor which introduced the Sex Discrimination Act in 1984. Ten years before that, a Labor Government established the Office for the Status of Women which is still going strong in its 20th year.

There is a great deal yet to be done. We must get more women into the parliaments of Australia and we are now committed to doing that. When half the population is more strongly represented we will all be stronger for it.

For all our shortcomings, wherever you look for milestones for women in Australia in the past 20 years it is Labor which has put them there.

Just as it is Labor which has put the vast majority of social programs there.

We have created social policies and programs with few equals in the world. Our emphases have shifted in many regards, yet the thrust of our thinking today still echoes the aspirations of those who founded the Labor Party 100 years ago.

What we have delivered is a real, measurable, felt degree of social justice. A tangible slice of the fair go. And by fostering stability and cohesion, broadening opportunity, and calling on all the skills and ambition of all our people, that fair go will help deliver us the future.

The safety net has another function which our opponents seem not to recognise - it is not just a component but a condition of change.

Nowhere is this more apparent than in the Accord.

The Accord delivered a truly effective social wage. It enabled us to cut inflation, lift employment and reduce strikes.

We can measure its value over the past decade in terms of a 30 per cent reduction in labour costs on the one hand, and a 35 per cent increase in real disposable household incomes on the other.

Over that same decade we have seen inflation reduced from more than 11 per cent to less than 2 per cent; the number of working days lost reduced to a figure which last year was the lowest since the Australian Bureau of Statistics began publishing the series in 1967; and we have seen the creation of 1.7 million jobs.

The debt which this Labor Government and the Australian nation owes to the modern labour movement is immeasurable.

Far from being a matter of discomfort to us, our close relationship with the trade unions is a matter of great satisfaction. I can think of few relationships which have delivered Australia so much.

Now as we reform Australian workplaces and develop an industrial relations system based on enterprise bargaining, the Government's Accord with the unions is providing the essential transition mechanism.

The Accord is allowing increased Labor market flexibility without the high costs of strikes or wage breakouts that might be expected to accompany such substantial change.

The Accord is also providing the safety net to protect lower paid workers who would otherwise miss out on wage increases. Enterprise bargaining alone cannot protect lower paid workers. It will not protect the industrially weak. Only enterprise bargaining under the Accord will provide both flexibility and a decent level of protection.

Last week with the IRC decision to grant a \$24 a week increase to low-paid workers, we saw the system working - the system which this Government has put into place since the election.

Yet, just in case any of us needed reminding, we heard the employers caviling against the decision. There they were, complaining about a wage increase for the low-paid which will see wages increase by only half a per cent, while executive salaries have risen on average more than 4 per cent, and the profit share is at record levels.

And there was John Howard saying that the award system was a terrible thing.

Australia has economic growth the equal of or surpassing any in the OECD. Employment growth is high. The profit share is high. The inflation rate is low. We have new flexibility in the labour market.

Yet they are carping about the benefits of this recovery flowing through to the Australian people. You have to ask - what meanness inspires them?

It really could not be more ironic. Working Australians have been made to respond to competitive pressures. Unions have had to adjust and re-structure. They have had to accept productivity-related wage adjustments.

Business has had to do these things too.

But those who preach competition loudest, who condemn the safety net and parade up and down flexing their laissez-faire muscles - the Liberal-led states - shrink from implementing competition policy.

Never mind about the rights of the vast majority of Australians who stand to get cheaper services and more jobs out of the implementation of competition policy. And never mind about the nation which will be made that much more competitive by it.

The conservatives ask us to believe that the Federation was created for the purpose of enshrining the unassailable rights of the states.

Wrong. Federation created an Australian nation and the purpose of the nation is to protect and further the interests of the people - the Australian people, not Victorian people or West Australian people, or Northern Territory people, but the people.

It seems to me the difference between the Labor Party and its opponents is that we draw strength from the past while they seek refuge in it.

It seems to me that our opponents are drifting further and further away from the direction Australia is going. They are losing touch with contemporary Australia.

My reading may be wrong, but I think there is a new mood emerging - a renewed concern with our national identity and national destiny which reflects the changes in the social composition and economic structure of Australia, and an awareness of the opportunities which await us in the next century.

I think that as a Government and as a Party we have to move with the mood. I believe it is the mood of younger Australians and that it may well be defining the direction of our history.

I am sure it is taking us toward a Republic.

In recent times, effectively we have handed the baton of the Republic to the Australian people and I am in little doubt that they will carry it across the line.

A healthy debate is now underway. We want to see the idea of the republic become clearer in the public mind. As it becomes clearer the resolve will grow stronger.

So we have the economic fundamentals, the social fundamentals and increasingly, I believe, we have a spirit at large not dissimilar to the one which 100 years ago created the Australian nation.

We have as well, for the first time in our history, the world's biggest and fastest-growing markets at our doorstep.

Australia's public policy - Labor's public policy - is for the first time comprehending this development by seeing it as part of the national policy reach.

That is why we have so vigorously pursued the development of APEC.

Perhaps APEC does not at first glance sound like a Labor agenda item.

But I assure you it is.

The Australian Labor government has been a driving force in APEC. We have taken on this role because APEC offers the means by which Australia and other countries in the region can keep the dynamics of growth going among half the world's population.

To put it simply - the great growth in our trade, including our trade in manufactures, has been in Asia and the Pacific. That is where our future prosperity lies.

It is on growth there that our opportunities substantially depend.

A more liberal regional trading environment will encourage and sustain that growth. The APEC leaders' meeting in Bogor in November is therefore of importance to a lot more people than Paul Keating or Gareth Evans or Bob McMullan - it is of profound importance to Australian exporters, Australian farmers, Australian workers.

The Labor Party should not underestimate these sorts of initiatives from Labor Governments.

Our role as a convener of the Cairns Group of agricultural producers was instrumental in getting a Uruguay Round result which is likely to add \$3.7 billion to Australia's GDP.

No one can estimate what even modest success with APEC might be worth. But we can readily guess what the consequence of not trying would be - it would be to live with the knowledge that we saw necessity and turned away, that we had a chance to provide opportunities for succeeding generations of Australians and passed it up.

I count it among the Government's most important achievements that we have established a creative role for Australia in the region; and whether it has been in APEC, or the ASEAN Regional Forum or the South Pacific Forum, we have built that

role around promoting prosperity, limiting friction and encouraging cooperation and stability.

If the national interest means the interests of the Australian people, and the interest of the Australian people is in their future and the future of their children, then there are two other less traditional Labor subjects the Labor Government must address.

You will be aware that in the last few weeks I have visited some of the drought areas of Queensland and New South Wales.

You will also be aware that we have delivered a comprehensive drought package to those farmers in the worst hit areas.

The problems for those farmers and communities are acute - they are human and social problems, as well as financial and economic ones.

Our response, I believe, has been an appropriately comprehensive, compassionate and intelligent one.

And I might say in passing that for this Bob Collins has received less credit than he deserves. It is always easy for a Minister, when faced with a problem, to turn up with the hand extended. It is one thing to ask for money, another thing altogether to develop good, constructive policies.

Drought, of course, is a familiar problem. Generation after generation of rural Australians have had to endure them, and so have the national balance sheets.

Yet as a nation we may be able to contrive something positive from this drought.

Perhaps it can remind us that the bonds between Australians are much stronger than the divisions.

Rural Australians may not always vote for us, but that will not prevent us providing help when they need it. The unemployed are no less unemployed for living in the bush. Frustrated ambition is no less painful there than it is in the cities.

What this long drought has put at risk is the future of the family farms which sustain and in large part define the bush. There is an element of our culture at stake here, a way of life, as well as a vital element of our economy.

And perhaps it can be the spur to recognising an even greater problem than the drought itself.

No one can visit these drought affected regions of Australia - or virtually any region of rural Australia - without being struck by the degree of land degradation of one kind or another.

You do not need expert training to recognise it. Nor do you need to be a particularly conscientious environmentalist.

You only need an eye and an ear.

The eye will tell you that this is not the way the country used to look, nor how productive land is meant to look.

The ear will tell you what the farmers say themselves these days: that we are losing great tracts of land to salinity and erosion. That there has been too much clearing. That our streams and soils are degraded. That along with the natural environment we

are losing productivity - and that, in some cases, is threatening the foundations of regional economies.

Through a variety of programs, including the extraordinarily successful National Landcare program, the Government has been combating these problems.

In Working Nation we took a major initiative with Australia's regions: we decided to help regional development organisations find the best way to sustainable, long-term productive land use.

Through the Rural Adjustment Scheme we will help to create a more rational and environmentally-sensitive pattern of land use. We will help people to get off land which is not viable. We will help people use viable land in more sustainable ways.

I am sure that we will be helped in this process by the dramatic change in thinking which is occurring in rural Australia. We have a new breed of farmers aware that good environmental practice is good farm practice, and good business practice. And we want to encourage them.

The drought might just spread the message wider, and it might get the whole country on a path to sustainable development.

It might be that another generation will look back on this drought and say that it was a turning point. That it was the drought which made us aware of the need to renovate and restore the land, to use it sensibly and sustainably - that this was the moment when rural industry and the environment got onto the same track.

The land is a major challenge for our generation. It is a major challenge for the Government.

There are some uncanny parallels between this challenge and that of a century ago: in this one, as in that one, economic downturns and drought have been accompanied somewhat paradoxically by themes of national identity and nationhood.

In this decade I hope, as in that earlier one, we have grown more conscious of the values and interests we share - that for all our differences and the vast distances which separate us, our primary loyalty and affection is to this nation and we are remarkably close.

In the 1890s, the spread of telegraph and railway lines gave a material dimension to the national sentiment.

In the 1990s it is the information highway.

Someone wrote in the American magazine, "Harper's", last month that the information revolution is "the most transforming technological event since the capture of fire."

We do not know quite what the dimensions of this change will be. But we do know it is already upon us, that it is going to change our lives profoundly, and that it is all going to happen very quickly.

Whether we like it or not, it will change the way we communicate with each other, the way we learn, the way we do business, the way we create - the way we lead our daily lives.

Perhaps some of us don't know. But if we don't, our kids do. We know what a CD is, but they know what a CD-ROM is. We know what a VCR does, they know how to program it.

What the Government knows is that we are fast approaching a moment in our history where how well we play the information game will determine how well we prosper.

We know that the information superhighway has the potential to create great new industries and new jobs for Australia. It has the potential to serve us very well.

The important thing is to make sure that we don't become too obsessed with the highway itself. Building the highway is important, but inventing the things that go on it is more important.

The production of content is the key for Australia. If we can use the information highway to find better ways of, say, delivering our Social Security programs, teaching our children, getting health programs to all Australians, taking art and science beyond the major cities - the information highway will not only improve the quality of our national life, it will create a whole new industry, a whole new milieu.

And given our natural advantages, that industry can export to the rest of the world.

Those natural advantages include an advanced film and television industry, a highly educated population, the English language - and the many other languages Australians speak.

You will see these sorts of issues addressed in the Government's cultural policy which will be launched next month.

The immediate challenges are to find ways of linking our creative and software communities. We need to get more PCs and CD-ROMs in our schools. We need more university and TAFE programs focussed on multimedia.

There is a lot more we need to do. But none of it is beyond us, and if our children are to have the best possible chance as the information revolution unfolds, we simply have to do it.

Most crucially, the superhighway - the optic fibre highway - must be a highway for all Australians.

If we can readily share and disseminate information among ourselves, we will be a far stronger and more prosperous country. We will avoid becoming a nation of the information-rich and the information-poor.

That reason - the access and equity reason - is one of two principal reasons why the information revolution is a primary concern for a Labor Government.

The other principal reason is that it represents an enormous challenge - an inescapable challenge for any Government which believes its duty is to Australia and the Australian people.

As I said when I began, the Australian Labor Party was born with the Australian nation and the Australian people - as they were defining themselves.

And those two elements still define our role.

The people depend on us. We are in Government because a lot of people depend on our being there: the people who would not have medical cover without us; the people

who would not get the necessary help to restart their lives after a period of unemployment; the people who would not have the protection of an industrial award: Aboriginal Australians.

We need to be in office for these people - for Australian working men and women. For those who fall behind.

But that is not the only reason.

We need to be there to lead Australia into the next century. To deliver on the promise the future holds. To state the common purpose above the parochial. To project our nationhood. To take up the social and economic challenges, the challenge of the region, the challenges of technology and the environment. To meet the twenty-first century with confidence. To do justice to the rightful expectations of our children - and to the memory of those who have brought us through.

It is daunting, but certainly not beyond us.

I think we should delight in the prospect.

The great thing is that at the end of a century we have earned the right to lead Australia into another.

And our faith is as strong as it ever was.

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