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PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
SPEECH AT ALP FUNDRAISING DINNER, TERRACE INTER-
CONTINENTAL HOTEL, ADELAIDE, 7 OCTOBER 1994**

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My Cabinet colleagues that I am pleased to have with me tonight, Leader of the Opposition Mike Rann who I am also delighted to have with us tonight, John Hill, Party Secretary, and most particularly you, ladies and gentlemen, thank you for joining us and being with us. It is an occasion to come to a State and to focus upon its problems, and to get to understand it, perhaps better than its fortunes being touched in the normal ebb and flow of events, of national events, be they in Canberra or elsewhere. And no doubt, the Cabinet coming here today - as Nick has said - has focused us up on South Australia: its strengths and its weaknesses, its capacities and its needs - and I think that as a consequence of doing that, and as he said, getting the bureaucracy focussed on it as well, is a good thing for us and a good thing I hope for South Australia because I think, as he said, in the next day or two, some announcements will come from it. But the real value is probably, what we get through gatherings such as these: an idea of what is happening in South Australia, and how we can better integrate it into the mainstream of the economy and society in this country. So, that is why we're pleased to be here, and I'm sure and know that we will enjoy the opportunity.

I think that there are a lot of superlatives thrown around in public life - adjectives are dreamt up every day of the week - but I'm quite sure that one could say truthfully, almost advisedly, that this is probably going to be the most exciting decade in our history. Because I don't think that there has ever been a time when we are more, see ourselves more, as a nation with an identity of our own, I don't think we have ever enjoyed the confidence we currently enjoy about our capacity to do things in the world. We have never, ever had markets the size we have, with the proximity we now have them - in the past our markets were always in Europe, and some in North America. Now, the fastest growing part of the world is on our doorstep in Asia. We are more appreciative, I think, of Australia and what we have been given - of the opportunity we have had than perhaps any generation has ever been. We now know, because of the mobility our generation enjoys through the 747 and television, we can appreciate what Australia is, and know that not all nations have been endowed as we have. And it is unique. We are the only nation in the world that has a continent to itself, and that big moat of the Pacific

around us gives us that security, that natural security, and of course the temperate nature and the tolerant society we have bred here makes this I'm sure, the best place in the world to live.

It's certainly going to be the best place to be living and doing business, particularly in this part of the world. And I don't think you could have said these things in the decades past. And I like to think - and I was speaking to a Labor audience earlier tonight - saying it was a century ago you started to see some of these things in the 1890's. The parallels between the 1890's and the 1990's are quite striking - it was the period of the great drought, it was the period of our deepest recession, it was a period when Australian nationhood was really brought together, when the threads were bound together. When the States and the nation decided to federate - to cede powers to a greater national government. And the social experimentation, and the sense of being an Australian that developed in that decade, and went on to the First World War. I mean, we have all lived with the consequences of the First World War - it having automatically introduced the Second. But one of the great consequences - sad consequences for us - was it snuffed out Australian nationhood, and we went back into that conservative sort of cocoon. And even after the British Parliament passed the Statute of Westminster and said, "look, you can actually have the place and run it yourself", we said "oh, no no thank-you - not quite yet". They said "we're actually going to give it to you." "Oh no, no, no, we don't quite want it." And we then went through the torpor - what I call the Menzies years. The Rip Van Winkle years, when the place culturally went to sleep, and we regarded Britain as home etc. And, you know, people say - there was quite a nice thing on Menzies last week on SBS - and they say well, you shouldn't be too hard on Menzies for his time. You know, this was a view that was about - that we didn't assert our Australian identity - we didn't assert the notion of being an Australian, we didn't have that inner confidence about ourselves. We did regard ourselves as a Branch Office and as some sort of derivative place. Well, this may be fair political analysis, but George Washington wouldn't have had a bar of it, I can assure you. And he had the jump on Menzies by about 150 or 200 years, and so I don't think it necessarily follows that you have got to say that...but it was a state of mind. And a state of mind not only that was one that tied us up, in a sense, to markets in the Northern Hemisphere, as sensible as that was, and as understandable and obvious as that was at the time, but it sapped our confidence in ourselves. And the reassertion of Australian values and our confidence, we saw a glimpse of it during the Whitlam Government, and it basically faded again, and that is why I think that now, with the great changes of the 1980's behind us - the opening up of Australia, the knocking down of the tariff wall, the removal of exchange controls, the free-flow of funds, the free-flow of goods, the competitive culture, the Accord, the change in relative wages, the lift in the profit share, the strong rates of employment growth, the development of the sophisticated Social Security system - all of that has put us in a position where now we can actually understand that our identity and our confidence can be not simply an adjunct of what we do, but a central power-house, a central powering element, that pulls into it all of those changes, and uses and springs from the

changes that were made in the 80's and are still being made. And that's why I think that you can go back through the decades but there are none where you could see Australia in the position where it can be quite as excited about the prospects as now. Because here we are, opened up to the world. No longer sitting behind a tariff wall. No longer sitting with double-digit inflation. A competitive country where competitive breezes have been well and truly flowed through the economy, where people - good managers, investors, people with some clever instincts can now do well - because when we opened up the financial markets in the 80's, we gave a freedom to the clever that was formerly, under regulation, only enjoyed by the wealthy. This is the great levelling up of de-regulation - it actually gives the clever a chance against the wealthy who formerly were able to take more than their share of the rations supply of savings that came out of this banking system of the day. It is a great irony that it took a Labor Government to give Australia a market economy, but it did. And that is why if there is to be the outward manifestation of this change, it is as I said in the last election - that is, outward meaning into the growing markets of the Asia-Pacific - better to have the authors of the policy running the policy than the usurpers. That is why it was important - as Nick said - to win the 1993 election. Important for Labor, important for the country.

Now, I think that if we take stock of where we are and understand the changes which have been made, a number of important ones come to mind. One, I think, is education. This has been in the past Australia's great comparative advantage. There is only one other country in Asia that has an education system like us, and that's Japan. But in 1983, only 3 kids in 10 completed secondary school. This year it's 8 in 10, and it will soon be 9 in 10. And we are streaming 40% of those students into universities where we have added 65% of places since 1985, and we are now building up the Cinderella of Australian education - Technical and Further Education, vocational education - to play the proper role it should have always played in skills formation in this country. This great change - which is going to power product innovation and opportunity in this country - is also doing one other thing. And that is this massive participation rate in schools is now being enjoyed by Australian young women who were not enjoying this before. In my generation, young women invariably - mostly - didn't go on to complete secondary school, and the number of university places granted to them were few. Now there are more women in universities than there are young men. So, this is a very liberating change as well as one which is innovating and pushing the economy along. And it is, I think, playing to our real strengths and our comparative advantage, which is not basically the wool we shear from the sheep, or the coal we dig from the open-cut mines, or the iron-ore mountains we wear down, but rather from the skills which we have, and the capacity to do innovative and clever things. And we are now seeing that, and we are seeing it in places like South Australia where smaller companies - and even larger companies - are doing things of world class in a world environment, and being competitive. And that is off the back of good management, which is essentially powered along by innovations and education.

Education is one of these things which gives communities a chance. We have, as a party, said that we believe that Australia will be stronger if we move along together - that we believe in the policies of inclusion. That's a word which is now dropped around the political landscape - most parties say it and don't mean it. We say it, and mean it. That is, that we will be stronger if we are together. That is why the Government, in the course of the election campaign, said we would not leave the unemployed behind - that it is insufferable for a society to damn around 300,000 people who - through no fault of their own - find themselves to be long-term unemployed. And why it is also an economically inefficient thing as well as an inequitable thing to allow people to drop off the end of the queue and become an underclass. We are too wealthy for that to happen, and when the Government decided - and I had the pleasure of introducing the White Paper, Working Nation, which devoted a very large parcel of resources to the long-term unemployed - we drew a line in the sand which said we will not have an underclass. If America wants an underclass, it can have one. If Britain wants an underclass, it can have one. But we won't have one. And as a consequence, we are already starting to see a very high proportion of long-term unemployed people taken up in the labour market - we have had 4% employment growth this year, over 360,000 jobs - 75,000 of those have gone to the long-term unemployed. If we were looking at comparable numbers in the 80's, it would have been only 7 to 10,000 jobs that went to long-term unemployed. So these programs are working - they're starting to work now as a large systemic change, and the other important thing from it is that we are going to need skills formation in this recovery - as it bubbles along, there is going to be pressure in the labour market, and we can't afford to have a block of people unemployed, or their resources under-employed - their skills under-employed. We are not going to see skills formation from migration as we have done in other recoveries, and that is why in this one it is important that we bring this category of people along, and bring them back into the mainstream of society. So the White Paper is one thing - it's an equity issue, it's a social justice issue, but it is also an economic issue.

Another is Mabo. Now, some may say well, it doesn't affect us very much. The High Court said that there is a Native Title coming from indigenous custom title - a native title in the common law - but that the title is subordinate to the Crown. That is, that the title is subordinate to issues of interest in land by land managers or land ministers of the States. So in other words, a freehold title extinguishes native title. And therefore, one would say, in the capital cities, well, why should I worry about that? Mabo doesn't mean much to me. Out in the back blocks, Aboriginal and Torres Strait Islanders can have access to land if they can establish the traditional connection with it. The important thing is that the principal, perhaps defining feature of Aboriginal culture, is the association that Aboriginal people have with the land. And we cannot, absolutely cannot, go on saying that we are a fair society, that we believe in justice, we believe in inclusion, but we don't believe in inclusion for Aboriginal and Torres Strait Islander people. You can't say that, and give meaning to the word inclusion. And you can't go on

in this part of the world holding your head up - particularly in Asia - saying, "well, here we are, the largely European tribe who happened to inherit a continent, but we're here, but our indignities aren't. There's no equal place for them". Now, Mabo was a wrong that needed to be...the whole notion of terra nullius, that the continent was basically without people and without a culture, was wrong and needed to be righted. And the High Court made that decision, and the Government supported the High Court by putting the legislative framework to give effect to the decision into place. That is, the Court didn't say what the title was, how it will be dispensed etc, who should have it - all those mechanisms were put into place in the Mabo legislation. To have not done it would have been to have denied Aboriginal people justice. To have not done it would have been to hang the High Court out to dry.

Now we often hear our conservative opponents talking about the rule of law. They are always interested in the rule of law until it affects them, and when a majority on the High Court found in favour of Mabo, they sailed right into the Chief Justice and all the other judges and the former position of respect that the Court had was very quickly being assailed by those who basically didn't believe that black people should be given land. Now, it is very hard to create institutions in any country, and as you know in our constitution we established the High Court in a position of some substantial pre-eminence under separation of powers from the legislative branch of the government, and we have seen - for an 1890's constitution in a period of telecommunications and television and aviation and all these things that were not really around in those days - we have seen a change to the powers of the Commonwealth and delineation of powers by the Commonwealth and the States through the High Court. And so, therefore, I thought, and the Government thought, that the High Court having made an historic and courageous decision, that we should keep the institution strong, and in the doing of it, provide justice to Aboriginal people. That has happened - it's a very great change in our society. It's another element of the inclusion that I speak of in saying that if we are to go along together, it has to be together.

So you look at these things - Mabo, Aboriginal and Torres Strait Islander Australians, long-term unemployed - these are all the sorts of things that will bind Australia together. And as we grow - as this recovery comes through, this low-inflationary recovery - we will be able to hold our head up high, and we will approach the world we live in and say, "here we are as Australians, we are a unique people with an identity of our own, at peace with each other in a society where we will not have underclasses. Where we are as one". Not everybody will have an equal distribution, an equal lump of the wealth or the opportunity, but at least we will be committed - truly committed - to the notion of equality, and with it of course, fraternity. This gives us the entry ticket to play in the bigger game on the world stage, and this Government has thought about that, and it has thought about how we can not only create structures within Australia for Australia, but outside of Australia for Australians.

And this is where we have committed ourselves in international forums to things like the Uruguay Round, and the GATT, in which Australia played a very important role over 7 years putting the Carines group together and prosecuting the fight against the Europeans on agriculture, and other nations on services and property rights etc, to get a result which will change the world in terms of free trade and opportunity. Particularly now we are seeing for the first time since the First World War, Russia rejoining the world economy, South America rejoining the world economy - and for the first time ever, India joining the world economy, China joining the world economy, and providing a back-drop set of rules under GATT which will allow that to happen. That is one thing that this Government has been involved with, and it will mark out for a trading nation like Australia huge opportunities over the longer run. Another is APEC. APEC is the development of an Asia-Pacific economic community. It started off as a fledgling information exchange body - we have now got it up to a Heads Of Government body, and its second Heads Of Government meeting is in Bogor in Indonesia next month, and that will be attended by the 18 leaders of the 18 member states of APEC, including of course the President of the United States, the Prime Minister of Japan, the President of China, the President of Indonesia of course is the Host, and all of the other Heads of Governments from around the region. Why have we interested ourselves in this? Basically, to see that Asia, that the big decision that is going to be made in Asia in the next 5-7 years, is an Asia-Pacific decision, and not an Asian decision. In other words, Asia - the comprehension of Asia - is a Pan-Pacific view, and not simply a continental Asian issue where we see largely the world developing into three blocks - the European Union, NAFTA travelling through Central and South America, the Americans extending their dialogue with the Latins and running into South America, staying at home, and China becoming the dominant central economic force in an Asian economic union of some kind. It's in our interest to see that the United States economically and strategically engages in Asia. Now one of the ways we can do this is to open up trade and investment opportunities for all the countries of the Asia-Pacific, and this will mean that the United States will not then be focussing on South America, but will be focussing on the opportunities of the great growth of the Asian markets, and in the doing of it, maintaining that unique strategic relationship it has with Japan, and in the doing of that, keeping the strategic environment in North Asia much more passive. This then becomes a very strong point for us in terms of the environment in which we live.

As APEC goes on and we adopt a trade-liberalising agenda, we then open up in our immediate neighbourhood as we get trading barriers - tariff and non-tariff barriers down - so we are doing something above the GATT. We got the GATT as a back-drop, but we add to that through APEC, so APEC becomes a GATT-plus outcome. Now, it is a very big issue and it's a very hard thing to do, and it may take us some time. But we are in there trying, and that is why President Soeharto's Chairmanship of this meeting in Indonesia in November of this year is going to be so important. So there is APEC.

The other issue is the developing of our relations with Indonesia. This is the fourth largest country in the world - it's just on 200 million people. It is an archipelago 8 flying hours across. It has been held together by President Soeharto's new order Government now for over a quarter of a century. In my view, it poses no strategic threat to Australia. We pose no strategic threat to it, therefore we should be friends, and that is what this Government is seeking to do - to develop a relationship of trust, understanding and value with the Government and the people of Indonesia. This will open up tremendous trading opportunities for Australia, and will develop a relationship which will make us stronger, and them stronger. And then, as perhaps we open up the opportunities of AFTA - the ASEAN free-trade area - where we have a proposal to look at Australasia - that's CER, the trade agreement between Australia and New Zealand - being part of AFTA, an extension of AFTA, we would then not only see a people to people relationship with Indonesia, but a trading relationship with ASEAN. ASEAN, with Australia - it's worth remembering that the Australian economy is about the same size of all the ASEAN economies combined - that's Indonesia, Singapore, the Philippines, Malaysia and Thailand - they are together just larger than Australia. Put Australia and New Zealand together, and we are as large as ASEAN, put the two together and it is a market of \$1000 billion and 300 million people. When we make that connection, Australia's trade opportunities will really blossom.

And that is why I say, think of any other decade where this was possible, and you can't think of one. So, the structures inside Australia - the opening up, the great social changes like access and opportunity in education, universality of access in health, age care, child care, occupational superannuation for the workforce, strong rates of employment growth, economic policy focussed on employment, wage restraint for economic growth and employment growth via the Accord, a change to the competitiveness and the competitive culture by low tariffs and the removal of exchange controls, the inculcation of a competitive culture inside Australia and the opportunities of that abroad, the opening up of the structures and the development of the structures outside of Australia for Australia - all of these things are things which this Labor Party, and this Labor Government have fashioned for this nation. So, when we come to South Australia and we see the things we are doing here, and people say "where is South Australia's place in this?" And I say, "in the centre of it". Because the culture here has always been one which has been about making do, changing, adapting, finding a role for itself in the country where natural opportunities haven't existed - that's happening today. That is happening in the innovative products we are seeing from this state. We are seeing it in services, we're seeing it in regions and we say, if we create the environment - both economically, socially - and we get that right, we get that sense of togetherness, that sense of inclusion right, and we are accepted as a nation with a culture and an identity of our own in Asia, South Australia will have no trouble at all finding its place in all that. So, when we come here and we talk to you, we try to listen for those little bits of information which have their place in the matrix, but the matrix is the much bigger picture of Australia's place in

the world. And that is why, when you hear our opponents say the republic is basically a distraction, you say that's wrong - the republic is central to our economic fortunes. Because otherwise, you go around Asia with the Queen of Great Britain - the Head of State of another country - as your Head of State. That is, for this country, untenable. Untenable. And that is why, over time, the whole question about identity, inclusion, inclusiveness, social justice and social democracy - rejecting the hard-hearted views of Thatcher or Reagan, or the centralised economies of the old Eastern Bloc - but going for something new and better, a good competitive economy grafted on with an equitable social policy and an enlightened foreign policy, are concurrences of policy events that I don't think Australia has ever had before. This is why I say, this is the most exciting decade in our nation's history, and why I think South Australians should think that too. Thank you.

ends.