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## PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING, MP  
NATIONAL STRATEGIES CONFERENCE  
SYDNEY - 24 NOVEMBER 1994**

It's a great pleasure to be here tonight to open this very important National Strategies Conference.

It is an auspicious curtain raiser for the revamped EPAC, and I congratulate the organisers, particularly Glen Withers.

I think a couple of comments need to be made at the start.

The first is that this is a conference of ideas: it is by way of a think tank, a discussion among a very wide range of Australians about where our opportunities lie, what our ambitions should be, and what are the best ways to realise them.

In other words, it is a means of creating some national strategic ferment. If we create enough of it, new policies will follow in due course.

The second comment that needs to be made is that the focus here is not on economics alone.

The focus is on the things we need to do (and need not to do) if we want Australia to remain a very good place to live - a pre-eminent and improving place to live - and work and raise our children.

While the strength and flexibility of the economy is fundamental to this goal, a strong economy will not by itself generate a strong society, or a compassionate and creative one.

If the various aims of this conference can be boiled down to one, it might be this: how do we balance economic imperatives with human ones - for security and peace of mind, for a decent environment, for cultural nourishment, and, particularly in this era of relentless change, for confidence, hope and belief.

On the one hand, I imagine, this conference will be examining where change is needed and the best way to achieve it.

On the other, I should hope you will be looking at ways to cope with change.

Perpetual motion is stressful. The new is exciting but we know it also has an element of shock about it.

This conference will make a contribution to our national life if it can help us find solutions to these problems which beset modern life. If it can help us keep moving at a respectable clip, but with everyone on board and without too much motion sickness.

In fact, we are doing this better than most. In the past year, the Australian economy has grown at more than 4 per cent.

At the same time, we have added to one of the most sophisticated social security systems in the world a revolutionary Job Compact and other education and labour market programs, to extend opportunities to the long term unemployed and make Australia's safety net more secure.

There is every reason to be positive.

We have an outstandingly favourable conjunction of circumstances, the best for 30 years - economic growth combined with rapid employment growth, falling unemployment, low inflation, record profit levels and continuing high levels of international competitiveness.

The foundations of Australian society are very strong - they have never been stronger I believe - and the opportunities have never been greater.

I know some people have been saying in recent times that things were better a generation ago.

It is true that unemployment was lower then and there is no doubt that Australians enjoyed a high standard of living. But it is also true that the labour force was much smaller and a smaller percentage of Australians participated in it.

This is not the time to enter into a debate with the past and those who continue to prefer it to contemporary Australia.

But some of the nonsense should be shown for what it is.

Real household disposable income is about 50 per cent higher now than at the end of the 1960s.

And we are surely much richer in the less tangible things.

In cultural terms - so much less provincial, inward looking and xenophobic. Much more open to the world and very much more worldly.

This is an infinitely more interesting Australia - and one much more in charge of its destiny.

I hope you bring to this conference a sense of achievement and optimism which Australians are entitled to feel.

Not smugness or complacency, because too much remains to be done and because, in this very competitive world, the process of change and adjustment never ends.

But we have every reason to feel proud of what we have done in recent times and confident about what we can do.

And it would be as foolish to leave this sentiment out of your equations as it would be to leave out that other great intangible of Australian life - I mean a people who, by tradition, recognise that cohesion, tolerance, and fairness are the greatest social virtues.

Tie these things to the unprecedented opportunities which now exist - particularly those opportunities in the region - and the conclusion is inescapable.

The starting point of this conference should be - that at this point in Australia's history, things are very much in our favour.

So what we need and what this conference can help provide, I hope, are practical, coherent strategies to consolidate our gains.

It would be inappropriate, of course, to pre-empt any of your deliberations; but perhaps I should spell out what are, broadly speaking, the Government's priorities.

- . First, of course, we need to maintain a competitive growing economy if we are also to maintain steady improvements in living standards and lower rates of unemployment.
- . For this reason we continue to seek greater economic and political engagement with the region where the opportunities are greatest - the Asia-Pacific. That is an essential element of Government strategy.
- . Our physical environment is our greatest natural asset and a defining force in our national life and character. It is crucial to any national strategy that we redouble our efforts to achieve sustainable development across the continent.
- . Finding paths to social and economic justice for groups that have long been disadvantaged has, I

think, been a hallmark of this Government. Because it makes not just for a fairer society but a more cohesive, confident and productive one, it remains a policy priority.

- . We will also continue to encourage a creative and cultural environment which enriches all Australians and fosters ideas and innovation in an era when, as probably never before, such things determine the success of individuals and nations.
- . And because we are always stronger when we are sure of our identity and we will continue to do those things which are necessary to encourage a better understanding of our democratic heritage, a deeper faith in it and a deeper sense of what it means to be Australian.
- . Australia's success self-evidently depends upon the faith and belief of its young people, and that in large part depends upon their education and skills - their capacity to create and to seize opportunities. Education and training are fundamental to the Government's national strategy, particularly the development of the TAFE system.

Let me take you briefly through these objectives one by one.

The challenge to economic policy is to sustain the favourable conditions we now have while reducing unemployment to the level of around 5 per cent we have set as a target by the end of the century.

This obviously implies a need both for effective monetary and fiscal policies and for continuing microeconomic reform to increase our productive capacity.

We have set out a program to reduce the budget deficit to around 1 per cent of GDP by 1996-97.

Not only is this one of the most stringent targets set by any OECD country, it is also being pursued by an economy which has one of the strongest public sector balance sheets in the world.

On the monetary side, we have reacted quickly to emerging trends, and clearly the authorities will continue to monitor developments closely and take whatever action is necessary to sustain the recovery.

We have achieved a great deal in the area of microeconomic reform but the forward agenda remains prodigious.

We will soon have the report of the National Transport Planning Taskforce.

In December, the Broadband Services Expert Group will deliver its final report, which I will discuss a little later.

But the central microeconomic game at the moment is competition policy, including the proposed reforms to the electricity and gas sectors.

The ball is very much in the States' court. Their case for so-called compensation is more strident than reasonable and if they try to drive too hard a bargain the Commonwealth will simply go it alone.

We will pursue it in the national interest.

As I have said more than once in recent times, the States are a permanent part of the political culture and their sovereignty and integrity are not in question.

What is questionable is the constant "States rights" refrain, as if the federation was created for this purpose rather than to make an Australian nation.

The rights on microeconomic reform, like every other issue, pertain to the rights of Australians and the Commonwealth's responsibility is to protect and advance those rights.

The Commonwealth's responsibility is to continue the campaign for a more competitive and productive nation.

Every one of us knows that microeconomic reform is fundamental to this. It is, therefore, fundamental to our continuing success in the region and the world.

Last week's APEC leaders meeting in Bogor was a critical turning point for Australia and the region, and really no one should be in any doubt about it.

First in Seattle, then in Bogor, we have settled some fundamental questions about the shape of our region and the institutions that will serve it into the next century.

APEC makes less likely the division of the post-Cold War world into three competing blocs. By engaging China, Japan, the United States and the developing economies of ASEAN in a multilateral economic framework, it also gives us greater political and strategic assurance during a period of very rapid change.

The firm commitment which leaders made in Bogor to free trade in the region by 2010 for developed countries and 2020 for developing countries, is the best sign we could have that the dynamic growth which has characterised East Asia over the past ten years, will continue.

APEC, as I have said recently, did not have to happen. There were many other alternative futures for the region, and among them the most likely candidate was drift. All of them, I am convinced, would have been less happy outcomes for Australia and for the countries around us.

But APEC is not the only or even the primary, means of our engagement with the region. Strong, trusting, bilateral links with our neighbours are essential - both in their own right, and if APEC's ambitions are to be sustained.

In our strong and diversified ties with Japan, our rapidly deepening relationship with Indonesia, our long-standing links with China and our growing relations with Korea, our ties with the region have never been better.

This is a strong foundation on which to build.

Building a bilateral relationship of substance and trust with Indonesia has been a prime aim of the Keating Government.

Indonesia is our largest, nearest neighbour - much of our future and theirs will be governed by what we are able to do together.

At the cultural, commercial and strategic level, Indonesia is the country of the greatest importance to Australia; hence building that co-operation and interdependence is central to Australia's long run interests.

The development of APEC will have important consequences for the way the countries of this region interact, and therefore for Australian security.

The maintenance of a strong, self-reliant defence capability is a central requirement. We must be able to deter and defeat any attack on Australia.

The Government will shortly be tabling its Defence White Paper which will look at the way the Australian Defence Force should be shaped over the next fifteen years. The White Paper will build on the changes we have instituted over the past decade to ensure that Australia can protect its security in a rapidly changing external environment.

A critical element in maintaining defence self-reliance is the role of Australian defence industries. We have already shown in the construction of the Collins-class submarines and in our Anzac Frigate Program that Australia has the technological capacity to match the best in the world.

We want to build this into a core capacity for defence procurement, for our own needs and for the region as well.

Our economic success and, no less, maintaining our quality of life into the next century depends on sustainable use of the environment.

We have been blessed with a superb physical environment and our responsibility to sustain it is total and inescapable.

We owe it to more than ourselves - we owe it to future generations of Australians and just as certainly we owe it to the world.

This is an enormous challenge.

We need to address the emission of greenhouse gases and the management of our coasts, the treatment of our sewerage and the management of our forests, the control of feral pests and woody weeds.

This evening let me concentrate on just two - the management of our coasts and land management.

The drought has highlighted the destructive effects of past land management practices.

Our soils have been degraded. Too much of our more sensitive land has been over-used.

We have not looked after our inland rivers properly.

We could well face a serious problem with blue-green algae again this year because of the high level of nutrients we are feeding into the rivers and the lack of water flow.

These are large problems and ad hoc solutions will not do.

That is why we established the National Strategy for Ecologically Sustainable Development - ESD.

The Strategy embodied the twin goals of economic development and conservation of the natural ecosystems on which life depends.

The Strategy is not an end in itself, but a framework within which governments are expected to work when making decisions about development.

I know there is a feeling abroad that there has been much more talk than action on sustainable development - but I believe we are about to see some dramatic signs of progress.

A prime example is in agriculture.

Across the country farmers are adopting a more scientific and conservationist approach to land and water management.

The prime mover, of course, has been the National Landcare program.

Landcare has reached a lot of rural Australia but it should reach all of it.

A general consensus has emerged that the past four or five years of raising awareness and planning should now be translated into action.

Together with participants in the Landcare movement, the Government is now looking at how we can advance the overall Landcare objective by promoting sustainable agriculture and better management of natural resources.

Earlier today I announced a new Land Management Task Force whose aim is to promote and facilitate the adoption of property management plans by the farming sector.

At present it is estimated that more than 80 per cent of farmers do not possess a farm plan including information on soil and land capacity.

We want to draw into the sustainable development effort all levels of government and elements of the private sector, especially the banks.

The results will be five years or so in coming, but they will be real and tangible.

Among them will be better water quality in our rivers, an end to declining yields and new more marketable products.

Sustainable development bears a direction relationship to our strategy for regional development, which is to say that the great deal depends upon the capacity of local communities and individuals to take responsibility for their own future.

We see a lot of Australia's future energy and direction coming from the regions.

This is where real affections and attachments reside. If we can get the skills, the strategic infrastructure and appropriate financial instruments to them, regional Australia will play a dynamic part in our national development.

The development of regional industries should be matched by the development of regional identity.

Because it encourages both greater variety and greater protection, it seems to me good sense to associate products (particularly food products) with their regional



source - good sense for the industries and the regions and good sense for the national economy.

I think there is little doubt that regions with a stronger sense of identity and common interest will also see more readily the need for sustainable development practices and will more conscientiously adopt them.

Another environmental issue of great consequence is the Australian coast.

In fact, there is probably no better example of why national strategies are necessary.

Historically responsibility for the settlement of our coast has rested with various levels of government and various levels of administration without any underlying direction or unifying objectives. The effect of this lack of vision is now painfully apparent.

The overwhelming beauty of our coast is marred by urban sprawl, poor planning and pollution.

We have generally lost the balance between conservation and development. The number and complexity of issues and interests involved make this a huge task.

The nature of this problem was documented in the Coastal Zone Inquiry conducted by the Resource Assessment Commission. The Report set out ways of steering decision making at all levels of government towards the same principles and the same goals.

This is not a master plan, more of a map which lays out our journey.

We need more maps.

We need them in the cities to keep them both highly liveable and exciting.

The Urban Design Task Force whose Report was delivered by its convener, by John Mant, earlier this week offers us a comprehensive map of the future of our cities - which means nothing less of course than the future for the great majority of Australians.

On the subject of maps, right now we are engaged in devising and implementing a strategy for the information highway in Australia.

In the future, information will be the crucial element, the key resource for Australians.

As I have said before, how well we play the information game will determine how well we prosper as a nation.

That is why the Report of the Broadband Services Expert Group is so important. The interim report has already significantly influenced our thinking.

It has highlighted the importance to Australia's cultural development of our content providers having maximum access to the information highway.

My colleague, Michael Lee, earlier today set down some principles on broadband cable networks which will help to ensure that we have such a competitive and open system.

These are fundamental principles - we will not divide the country up into regional monopolies for our carriers; we will ensure that there is non-discriminatory access to the broadband network; and there will be open access for Pay TV usage of cable after a period of up to 5 years. The leeway is to encourage the rollout of the cable by allowing those concerned to share in the initial revenue.

The interim BSEG report also stressed how well placed we are to be a major content provider. I am confident that in the next few years, there will be unparalleled opportunities for many talented young Australians in this industry.

The initiatives in Creative Nation will help them to get a start.

To co-ordinate our efforts in this rapidly changing area, I will be chairing a new Council on Broadband Services.

The Council will provide a focal point for examining new developments in information technologies or opportunities for broadband services and it will advise on issues including the Government's own use of the new technologies or various regulatory issues.

These things are essential. They are to this moment in our history what railways and roads were a hundred years ago.

Earlier, I said that social and economic justice for disadvantaged groups remains one of our priorities.

I think people have heard me talk about the principles underlying the Native Title Act and the Land Fund for Aboriginal Australians.

I also think they are familiar with the Government's programs for the long term unemployed and the principles underlying them.

It will be enough to repeat that we take the view that the social and economic reasons for bringing the long term unemployed back into the mainstream workforce are compelling.

Compelling because it is both a massive waste of resources and an invitation to alienation and social discord to leave them out.

The principle underlying the Government's social strategy remains - for want of a more elegant word - inclusion.

Among other things, that means calling on all of our talents and energy.

It is in that context, among others, that our continuing commitment to multiculturalism may be viewed.

And the same might be said about Government policies to promote the equality and interests of women.

Women have been a profound force in the changes of recent years. They make decisions every day which profoundly affect the life of the nation. They make them in families, communities, schools and universities, factories and offices. They ought to be making them - more of them - in parliaments and boardrooms.

Most of you have probably also heard me recite the Government's record of achievement in this realm as well.

I suspect you are also well versed in the reasons why this year we delivered Creative Nation, the first thoroughgoing cultural policy in Australia's history.

And I will not again regale you with the obvious reasons - glaringly obvious I would have thought - why Australia should in this last decade of the century substitute an Australian for a British monarch as our head of state.

Broadly speaking, these things are all related to encouraging in young Australians a deep faith in their country - belief in its best traditions and its future.

Creative Nation is about enriching the climate in which they live. The republic is about leaving no room for ambiguity - if we cannot express our faith in Australia through the ultimate symbol of our nationhood, what message are we sending to the next generation?

Not, surely, the wholehearted one we ought to.

The symbolic gestures are important. The real ones are more so.

The most important initiative we have taken for young Australians in the past three years has been the extension of technical and further education - of the TAFE system.

In the 1980s we greatly expanded secondary and tertiary education. We increased secondary retention rates from around three in ten to eight in ten.

That was a great achievement - and we need one of similar dimensions, perhaps greater dimensions, in vocational education and training.

The Youth Training Initiative announced in Working Nation under which fifteen to seventeen year olds will be case managed into education, training or work is one step toward that goal.

The creation of the Australian National Training Authority to drive the expansion of the TAFE system is another.

The Australian Student Traineeship Foundation, a scheme delivered through regional partnerships between schools and industry is yet another.

All these initiatives go towards meeting the great education challenge for Australian in the 90s - to bring vocational education and training up to the level which our economic and social ambitions demand. Ultimately, it should be to a level the equal of any in the world.

It is more than economic and social ambition which drives this, however.

In the end, meeting those ambitions translates into that same faith in Australia I mentioned in another context.

Reduced to its fundamentals, the strategic aim of the Government's policies on vocational education is giving young people a reason to believe in Australia.

It is our most basic responsibility to give them a reason for believing. And the best way to do that is to give them the capacity to grasp the opportunities that now exist.

Nothing is so important to the Government as this and nothing should be more important to this conference.

This conference which I am now very pleased to declare open.

Thank you.