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## **PRIME MINISTER**

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**\*AS DELIVERED\***

**SPEECH BY THE PRIME MINISTER, THE HON P.J. KEATING, MP  
SIR JOHN MONASH MEMORIAL LECTURE, REGENT HOTEL, MELBOURNE  
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Thank you very much, Race, for inviting me to give this lecture.

Sir John Monash stands among the highest order of Australians and I count it as an honour of the highest order to deliver the lecture which bears his name.

Let me also add my voice to Kim Beazley's when he gave the inaugural address last year, and say how pleased I am to see the Monash Graduate School of Government up and flourishing.

It is mandatory these days to judge the worth of things by the degree to which they increase a nation's "competitiveness". I will not take issue with this. You will hear me use that word more than once tonight. We do have to be competitive - world competitive - and we cannot be that without an efficient government sector.

But let me also say that an efficient government sector - a knowledgeable, professional, imaginative government sector - is equally essential to the creation of a good society; and, because it is an investment in our human resources and is bound to make us stronger and more cohesive, it will in itself make us more competitive.

And let me just say this - I hope the direction of your thinking is pragmatic. I hope it is about imagining what might be done and how to do it. I hope it is about what can be done, not what can't.

The world - and especially bureaucracies, public and private - is full of people who learn first to cover themselves off against all misadventure, and only afterwards address the task. And, of course, the worst misadventure is to have a mistake pinned on them.

This is a very conservative and debilitating phenomenon.

It is a short step from avoiding risk, to avoiding responsibility, and a very short one then to avoiding doing anything at all.

The disease of carefully disguised inactivity or professional nay-saying can afflict any organisation, including political parties. It is no better or less irritating than professional idealism - that is the habit of talking loftily without the faintest intention of acting practically. That is why I say I hope that the Monash Graduate School of Government will inject into the culture of government an ethic of doing. Not finding the obstacles to achievement, but the paths to it.

Dare I say that I have a strong feeling that John Monash would have approved of nothing less.

Monash was nothing if not a doer. He was a man of true greatness. He made a mighty contribution to our military history, of course, and in doing that he was one of those who forged the great tradition of the first AIF.

He remains Australia's most famous soldier.

When we ask - why did he succeed in so much? - we can find all kinds of reasons. Clearly he had a powerful, logical mind and superb gifts as an administrator. Lloyd George called him "the most resourceful General in the whole of the British Army", the "greatest strategist" and said that he would have and should have become Commander-In-Chief.

Yet for all his success as a soldier, few gave the country more than Monash gave us as a civilian.

In fact, it is difficult to think of another Australian who left behind such a unique combination of memorials to his work. I doubt if anyone ever left so many in such a small area.

There is the Anderson Street Bridge which he built across the Yarra and, within a mile of it, a statue commemorating his service as a military commander. Then, within the same small precinct, there is the Shrine which he helped to build. All of this just down the hill from the Richmond school he attended. And all of it connected to the power supply he founded in the 1920s at Yallourn.

Now, of course, I wouldn't venture a guess at what he would make of the plans to privatise his creation, but I have a feeling that he would not let sentiment or ideology stand in the way of the most practical means of delivering electricity to Victorians.

He seems to me to have been an eminently practical man, and I imagine quite immune to ideological fashion. I can no more imagine him in the New Right than in the Old Left. I suspect he was of the camp which says - so long as it is a useful idea which will help us meet our goals, it does not matter what we call it.

Of all the things John Monash bequeathed us, I'm inclined to think that at this stage of our history none is more important than his pragmatic philosophy.

In fact, we can safely infer from his remarkable achievements the qualities which must have most distinguished him: self discipline, the courage of his convictions, an enormous capacity for work, vision, decisiveness.

Seen from our vantage point what strikes us most about the man is something like an absence of doubt.

I daresay there have been many Australians whose intellectual powers matched Monash's and whose ambitions were the equal of his.

But very few achieved what he achieved.

I hope you get my drift. In Government one is always trying to narrow the gap between vision and realisation, between policies and implementation, between ideas and their concrete manifestation in effective and useful reform.

So when we look at a career like that of John Monash, we ask what lessons can be drawn for government, for public policy in the modern era.

Now I might say, *inter alia*, that I was struck by something he said in a letter he wrote as a young man to his first love. He said that many people had tried to trip him up, tried to stop him in his youthful ambitions, and that he had been forced to leave those so-called 'friends' behind and had become unpopular. There will be others in the room who have had this experience.

Of course the problems of governments is that they can't afford to be unpopular - at least not for too long. But nor can good governments afford to merely pursue that which is popular.

Good policy is not always popular - not at first. at least.

Yet I suspect more general and more productive conclusions can be drawn than this one.

Ever since the war in which Monash played so illustrious a part, the same question has been asked: how different would the world be if all that youthful ambition, energy and intellect had not been wasted on those battlefields? How many scientists and engineers; how many artists and philosophers; how many leaders were lost?

How many Monashes?

Of course, it is not so much a question as a melancholy reflection. It is really a statement of despair.

A more useful question for our times might be - what gave Monash that certainty - what gave him the confidence which enabled him to achieve so much? What gave him the ability to inspire the same confidence in others?

All sorts of largely imponderable psychological possibilities aside, we might reasonably conclude that this characteristic flowed from a clear set of values to live by: from an unshakable respect for the democratic institutions of this country and for the cultural traditions - Australian, British, Prussian and Jewish - he inherited; from a profound sense of civic duty; and an equally profound belief in his country's future.

Marry these beliefs to talent and ambition, and you have at least the beginnings of a great nation-builder.

The question begs to be asked - can we, in the altogether different country we now live in, marry them to the talents and ambitions of contemporary Australians?

Can we put the same certainty, the same absence of doubt, into the lives of young Australians?

I don't know the answer to that, but I believe we must try.

For example, if you ask me what is my best reason for replacing our present Head of State with an Australian, it is that the affections of young Australians for the British Monarchy are not what they were in Monash's day - or my father's day. And they will diminish further - we can be sure that within the space of half a generation the affection will not be as great as it is today, our day.

But Australians will continue to need a Head of State who inspires their respect and affection. They will need someone who embodies the nation's ideals and aspirations.

Someone who is to their generation what Monash became to his. He would, of course, have made a splendid Governor-General. His equivalent today would make a splendid President - and you will forgive me for making the observation that it is hard to imagine him contesting a general election for the office.

The move to an Australian Head of State will of course help to define us to ourselves and to the world.

And it is important to define ourselves just now.

Some of the reasons for this seem to me self-evident. We are living in an era of extraordinary change both within Australia and in the world - and in our relationship with the world. Knowing who we are and letting others know will surely be a useful aid to our success.

We are not talking in terms of the ideology of 19th century nation states - or 20th century nation states for that matter.

We are talking about drawing a line around the loose, pluralistic, federal democracy which is contemporary Australia and having that line define our loyalty, our values, our identity.

We are talking about a definition of ourselves which embraces not just the multicultural facts of our contemporary existence, but our increasing integration with the cultures of the region and the world, and with their economies.

We are talking about definitions of a people who are in many ways more worldly than their predecessors, whose tastes and values are less vigorously defined, and whose greatest need in the 21st century may well be the capacity to cope with change.

Most of you will know that last year we commissioned an expert group to provide us with a report on civics education in Australia - on the community's understanding of our democratic values, institutions and history and on the best means of increasing it.

We received an outstanding report which left us in no doubt that we should proceed to adopting civics education on a nationwide scale.

It is reasonable to think that by this means we can invest Australians not only with more knowledge of their country but with more faith in it - who knows, with some of the certainty that Monash and his generation seem to have felt.

But again we would stress that the values will be different to those of earlier generations. We can and should teach our best traditions - the democratic, egalitarian traditions. We should make sure that our great institutions are understood, respected and appreciated.

We should teach our history and give all Australians the means by which they may understand themselves as part of the Australian story.

But some elements of the old tradition will be left behind, or at least the emphases must change. Some of our old traditions, for instance, cast women in a roles which are entirely unacceptable and inappropriate today. Some do not speak of the tolerance which underpins modern multicultural Australia.

The creation of this extraordinarily diverse contemporary Australian culture is perhaps our greatest post-war achievement, and I believe we should enshrine the values which sustain it for the generations of today and tomorrow.

Monash and his generation felt an attachment to the British Empire and British civilisation which we can neither share nor emulate.

Yet I'm inclined to think that, properly understood, our contact with the world at large and our increasing ability to understand and communicate with different cultures offers a future which is just as fulfilling.

We will never feel about our region what earlier generations felt about the Empire; but there is a growing sense of excitement about Australia's Asia-Pacific future which matches the promise it holds. If it is true that earlier generations of Australians felt it was a blessing to have inherited the Empire and its institutions, the next generation might yet see their own region as conferring something similar on them.

I think I hardly need to say again that this is why we have pursued the goals of APEC with such determination.

I said after the Bogor Declaration last year that this was something which future generations might thank us for. It was not something which had to happen: it was something we decided to make happen.

It will mean greater prosperity and more jobs in the future. It is a big step towards setting Australia up in the 21st century. It is a big step towards setting the countries of the region up. Yet it should be recognised that the benefits are by no means all in the future.

They have already begun to flow, most importantly in the fillip that the process of developing APEC has given to a regional consciousness. In Australia I think this has been a quite profound development. Just three years ago to talk about our future in Asia still produced scepticism and even hostility. It doesn't any more.

Two years ago to talk about getting all the heads of government together, from Washington to Tokyo to Beijing to Jakarta, was commonly met with cynicism. To suggest, even just 12 months ago, that at Bogor those heads of government would agree to free trade between the developed countries by 2010 and between all by 2020 was to invite derision.

But these things happened and Australia played a leading role in making them happen. That in itself should give us confidence. But nothing comes close to the confidence we can draw from the burgeoning business we are already doing in the region and, especially as APEC develops, the limitless potential for doing more.

If John Monash set one example it was that each generation has a responsibility to the next.

Yet that heroic generation of Monash's did not see Aboriginal Australians as part of the country's future. We do. And it seems to me that the next generation could reasonably ask of ours that we do all we can to finally set things right with the original inhabitants of this continent. So we are doing it - with Mabo; with the Land Fund, with the process of reconciliation; and, by every practical means at our disposal, with solutions to the problems of Aboriginal health.

On the other hand, Monash's generation did not have a moment's doubt about projects which were deemed to be plainly in the national interest. Irrigation projects, land clearances for farms, forest industries all proceeded without hesitation or impediment. It is not so now - and we should be thankful that it's not: even if it means we must accommodate the rather unsettling thought that our generation might have thwarted Monash's efforts to develop the brown coal resources in the La Trobe Valley - it certainly would not have happened without an Environmental Impact Study.

But the truth is we can no longer pretend that the pursuit of ecologically sustainable development is an option for Australia - rather it is an imperative, a challenge we have to meet, an obligation we have to the Australians of the 21st century.

Now there are a lot of commentators out there - some incessant, some periodic - who say that all these government concerns are only marginally legitimate.

In waves they descend upon the political debate saying we must only address the economy. Everything else, they say, is a diversion or an indication that the Government has jumbled its priorities.

It is humbug of course. We cannot successfully attend to the needs of our economy without attending to the social fabric, to cultural and human needs, to national cohesion.

We delivered an arts statement last year because in the next century nations will increasingly succeed or fail according to the capacity of their people to think creatively and creatively adapt new technology.

We delivered it for any number of other reasons, but none were so important as this - and probably none so plainly illustrates that governments cannot separate the economic from the cultural or social.

These efforts are of the same character as building bridges or power stations or even shrines of remembrance - they are all parts of contemporary nation building. And all successful nations make these efforts.

But the commentators are right in so far as it is true that we can do none of these things unless we create a competitive, adaptable, successful Australian economy - and therefore it is no less true that this is our greatest responsibility to future generations.

If we are talking about putting certainty - and faith and belief - into the lives of Australians, we are talking about an economy which in an uncertain world delivers opportunity and security to Australian families.

Above all we are talking about jobs.

Nothing erodes belief in a society as efficiently as unemployment: nothing sustains it as efficiently as jobs.

This is something which has not changed. Employment remains by far the most effective way to distribute the nation's wealth and the most concrete proof that we continue to take our egalitarian ideals and traditions seriously.

Today it is being put around that the economic recovery is over. It is, we're told, just a fleeting moment - and now the sky is falling in. For those who have fallen prey to this notion, and have begun to walk around with heads bowed and thinking tomorrow will never come, let me provide the antidote. I mean the facts.

Let me start with the growth in employment and the decline in unemployment.



The recovery has created 560,000 jobs since March 1993 - on average 720 new jobs every day.

Over 1994, unemployment has decreased by 1.7 per cent, the greatest one year reduction since the Bureau of Statistics began the Labour Force Survey 30 years ago, and the second highest reduction last year in the OECD.

Last month the figures were as strong as they have been at any time in the last two years, with 90,000 new jobs created. So long as we are vigilant with the macroeconomic settings, the indications are that this is sustainable. And vigilant - and active - we are being.

This extraordinary job growth is occurring against a backdrop of restrained wages growth. Wage inflation is very much under control - the last quarter's data show an overall annual increase of about 4.1 per cent. This is entirely in keeping with the Accord commitments of the Government and the unions.

It has happened in part because the new industrial relations system gives a high priority to enterprise-based bargaining - an essential response to internationally changed circumstances which require the Australian labour market to be taken into the modern competitive environment. Enterprise-based bargaining is one of the reasons for employment growth.

There are now 1.44 million people covered by certified agreements - 56 per cent of those covered by Federal awards.

These agreements recognise the mutual interests of companies and workers. They have delivered responsible and mature wage outcomes - on average, increases of 4.2 per cent in agreements signed in 1994.

And those increases have usually been offset by considerable increases in productivity.

These recent changes need to be put in the context of the sustained progress which has been made in real unit labour costs over recent years.

The story is this: the costs of production in Australia have fallen from what was close to a record high in 1982 to less than the average of 1966-73.

Real unit labour costs today are 13 per cent lower than they were in 1982. So long as we maintain the momentum towards enterprise based bargaining and other structural economic reform, the sustained low level of labour costs since 1986 will continue into the future.

In other words, we have seen long term gains. And we are not about to let them slip. While some people are talking about a change in the weather, what we are experiencing is in fact a change in the climate.

The move to enterprise bargaining is occurring in a climate of industrial peace. In the period between 1975 and 1983 the average annual number of working days lost per 1000 employees due to strike activity was 590. Since 1983 the figure is 208 - a reduction of 65 per cent.

From 1988-94 - the era when formal enterprise bargaining began - the average was 185 days.

These figures are well under the OECD average and the rate of reduction is very much faster.

In short, we used to be seen as a notoriously strike-bound country. That is emphatically no longer the case.

As I said, the whole climate has changed. We have seen and we will continue to see structural change which will deliver to the next century an Australia with a modern, flexible, competitive industrial relations system - an essential underpinning of a modern, flexible, competitive economy.

I won't recite in detail the other major structural reforms to the Australian economy of the past decade which are fundamental to our present competitiveness and which set us up to be competitive well into the future.

It is enough to say that the deregulation of our financial markets, the lowering of tariff barriers, the relaxation of exchange controls, and the floating of the dollar, were essential steps. The effects on our competitiveness have been both profound and irreversible. So long as we follow through what has been both profound and microeconomic reform, we will have sustainable growth into the future.

No microeconomic reform we have undertaken has been more important than our investment in vocational education and training.

You will hear it said these days, usually by the same people who insist that the sky is falling in, who are generally the same people who insisted that we were about to have a double dip recession or a depression, that the Government has lost its enthusiasm for microeconomic reform.

Of course to say that we haven't - even to point to proof of our endeavours - is to invite the charge of complacency. It is a serious charge. But it cannot be sustained.

Not if you look at the introduction and operation of the Industrial Relations Reform Act. And not if you look at our investment in vocational education and training.

I won't go into training in detail. But the future is the focus of this address, and the future depends on education and training - our economic success vitally depends on it.

The information highway is already here. A revolution in work is occurring before our eyes. By early in the next century as many as a third of all jobs will be in the so-called knowledge-based industries.

Today, without question, knowledge is the most valuable resource a nation can have. And the knowledge keeps changing: in the German metals industry it turns over every five years; in their information technology industry it is every two years.

For all these reasons, the \$1.5 billion the Commonwealth will spend on vocational education and training between 1993-97 is an essential investment.

We have to move as quickly as our competitors and develop a world class training system in which employer associations, training institutions and industry are directly linked.

That is what we are doing. We are working as fast as we can to build the bridge by which Australians can get from the old to the new - into new opportunities, new jobs, new technology. From school to work, unskilled to skilled, from the social margins to the mainstream, from manufacturing to knowledge-based, from unemployment to employment.

We established the Australian National Training Authority in 1992. In Working Nation last year we established the National Employment and Training Taskforce; introduced a Youth Training Initiative to enable fifteen to seventeen years to get into training or jobs through individual case management, and created the revolutionary Job Compact.

The initiatives are working. There is a major cultural change under way - a change in the climate. By 2001, 95 per cent of 19 year olds will have completed Year 12 or an initial post-school qualification or be participating in some form of education or training.

And the shift is towards vocational training. Unmet demand for TAFE places is now 36 per cent greater than it is for higher education. The proportion of students choosing TAFE over university has increased from 15 to 25 per cent.

This is an investment - a massive investment - in our human resources, in what Peter Drucker calls "the only meaningful resource today" - knowledge.

Training is a wealth transfer. It is a profoundly democratic and just investment - and in the times which are coming it is essential to the maintenance of the social fabric. It is probably the most important initiative we can take to redress lifetime income inequalities.

It is also essential to a healthy economy. A better trained workforce is a more productive and more innovative workforce. Skill formation begets technical change, and technical change begets productivity - and on productivity depends the competitiveness of companies and nations.

Microeconomic reform continues with the recovery. And let's consider the shape and size of that recovery.

Last year the Australian economy grew faster than that of any other developed country. And it grew with low inflation. Job growth, as I have said, was exceptional - beyond the most optimistic forecasts. And only Canada recorded a fall in unemployment at a rate faster than Australia's.

When I was in Europe recently I was able to point out that, under the convergence criteria set down under Maastricht, we would meet the targets for economic and monetary union where every other European country, with the exception of Germany and Luxembourg, would fail.

The criteria concern inflation rates, interest rates, deficit ratios and government debt.

At present Australia meets every one of those. And it is worth looking at the comparisons of government debt. Only one European government has debt lower than 50 per cent of GDP - that is France with 49.5 per cent.

Australia's government debt is 34 per cent of GDP. It is very low.

There is a lot of scaremongering around at present. This is utterly predictable and totally familiar behaviour, but it does create anxieties in the community which are very often baseless. And it does deny to Australians the confidence they are entitled to enjoy after the work they have put in. And I believe it also makes it significantly harder to efficiently deal with the real problems which remain.

And there can be no doubt that the real problem remaining for Australia is the current account deficit.

Yet the fundamentals of the economy are strong, and that the medium term settings and underpinnings for a sustained recovery are well in place.

The uncertainty, the apprehension about the basics, the notion that the good news may not last for long derives almost entirely from the recent increases in the current account deficit.

I want to devote most of the time that remains to addressing this subject.

As a percentage of GDP the current account deficit is now at a high level, but not the highest historically. In fact Australia has always run a current account deficit - for the simple reason that the investment opportunities here have generally outweighed our savings capacity.

Our increasing integration with international financial markets in the 1980s has increasingly encouraged us to call on foreign savings rather than our own, and as a result we have seen the current account become not just a fact of our economic life but frequently a problem in it.

The actual size of the current account deficit should not be the sole focus of debate about our external position. What matters are the much more complicated issues of the composition of the current account, the circumstances that have led to its change, the confidence of overseas investors in Australia's economic fundamentals, and the outlook over the medium term for both exports and imports.

We cannot deal with the problem without an understanding of these issues.

As far as the recent large increase in the current account deficit is concerned, it has to be understood that now, as at such times in the past, the growth is stemming in large part from a surge in imports of capital equipment. It is, of course, part of the general surge in productive investment.

The data are instructive. In the first 7 months of this financial year the current account deficit grew by \$6.1 billion compared to the same period a year earlier, with capital equipment imports increasing by 23 per cent. By comparison intermediate goods imports grew by about 10 per cent, and consumption imports by around 12 per cent.

Increased capital equipment imports reflects a general view that the prospects for growth are excellent and that the fundamentals for future prosperity are in place. So the increase in part reflects our economic success and the confidence it has created. At the same time, to some extent it contributes to further economic success.

The productive investment we are experiencing is crucial to the continuation of Australian structural reform, to the modernisation and expansion of our underlying private economic base.

It also should be noted that when strong investment surges have dissipated in the past, so too has the level of the current account deficit decreased.

Nor can we ignore the fact that foreign business has been willing to finance the relatively high deficits, and they are doing this because they believe it to be good business. At this juncture, with our strong credit ratings intact, the financing of the deficit can be understood to have a sound financial basis in which overseas lenders fully expect to receive healthy returns.

In other words, financing the deficit reflects continuing financial market confidence in Australia.

But it is not confidence the Government takes for granted. It is not something we are complacent about. It is a continuous, hands-on process. Maintaining confidence in our external financial situation depends on having policies which deliver sustained and balanced economic performance.

At the same time it needs to be recognised that there are structural reasons for the increase in the current account deficit. Some of these the Government can't influence, but there are important ones we can.

To begin with, over the last several decades Australia's terms of trade have been falling with world commodity prices. This means that without structural progress on the export side it becomes increasingly hard to balance our trade.

And there have been significant developments on the export side. The proportion of GDP coming from exports has increased from 13 per cent in 1982 to 22 per cent today.

Again, it is important to understand the composition of economic data, since in large part this increase is due to a highly desirable change in the make up of exports.

Our traditional export base, of rural and resource commodities, has declined as a percentage of all exports from 62 per cent in 1983 to 46 per cent last year. By contrast, our exports of Elaborately Transformed Manufactures have increased from 10 to 17 per cent in the same period. This last area is one which will become of even greater significance as world economic development proceeds.

As an exporting nation we are now much more solidly placed than we were in the past. This has come about in part from an extraordinary improvement in our international competitiveness.

The index of international competitiveness has risen by 40 per cent since 1983.

You will forgive me for making the point that in the eight years before 1983 there was no change in the index - in other words, we were no more competitive in 1983 than we had been in 1975.

You see what I mean when I say that these are not fleeting changes. they are long-term structural gains - sea-changes.

As with the fundamental developments in the labour market, the reorientation of our export base enhances our capacity to grow and deal more confidently with adverse international economic circumstances.

As I suggested earlier, another factor contributing to current account pressures has been significant international moves towards financial deregulation. World capital flows are much greater these days, and it stands to reason that more financing in Australia will be drawn from overseas funds.

We should not forget that this is a two-way flow. We opened up the Australian financial system to the world in 1983/84, and now about \$76 billion of Australian private capital is invested abroad. This phenomenon is rarely mentioned, but it is a significant consideration in any useful interpretation of our overall international financial situation. Seventy-six billion is not an insignificant amount when the net debt is around \$160 billion.

Another fundamental but complicated issue when it comes to understanding the current account challenge is the distinction between the short and medium term prospects for both exports and imports.

As a percentage of GDP our current account deficit is high - and it is not likely to decrease for some time. But decrease it will - and for several reasons.

One is that recovery from the drought is bound to increase our export revenues. It will also decrease some of our recent imports caused by grain shortages.

Another is that some of the countries which are significant importers of Australian goods are recovering from recession and we can expect our exports - particularly non-rural exports - to grow as they do.

Finally, partly in response to current account pressures, the Government moved to dampen domestic demand at the end of 1994. When these effects flow through we can expect significant decreases in the growth of import demand.

Yet nothing in the circumstances I have outlined diminishes the Government's responsibility to manage our external position. The current account deficit has to be addressed.

Perhaps the major issue is that the larger our foreign borrowings the greater our exposure to fluctuations in economic sentiment in financial markets abroad.

The advantages that come from overseas borrowings need always to be weighed against the adverse possibilities arising from changes in market perceptions and activities.

The obvious way to diminish these risks is to increase national savings. We have been concentrating on this for some time. You will recall the introduction of the Superannuation Guarantee Levy in 1992.

Our policy commits us to increasing the overall level of Australian superannuation contributions to 9 per cent from employers and 3 per cent from employees by the year 2002/3.

Obviously these savings increases will promote the potential for financial capital needs to be met from domestic sources, and the risks associated with borrowing from overseas will be proportionately decreased.

National savings increases through superannuation also mean that it will become easier to meet the financial needs of Australian retirees, whose numbers will swell in coming years.

We take the issue of the current account deficit extremely seriously. We are consistently assessing policy and in the forthcoming Budget we will be addressing elements of structural change which have the potential to reduce both internally and externally derived pressures.

There should be no mistake about our intention to use the Budget to resolve the outstanding issues in economic management. It is an excellent opportunity to fine-tune the recovery and put in place longer term reforms which are consistent with our needs for sustainable and balanced economic and social development.

As I said earlier in this address, we are living in a period of unprecedented change. It is much more likely to accelerate than go away. Change breeds change, but it also breeds success - in turn it develops the capacity to cope with and even lead the changes.

But that does not alter the fact that in times of change there is uncertainty. And let me say that every effort of the Government is directed towards removing that uncertainty - creating in every way we can the elements of a national life in which all Australians can find a place.



A job, training, health and education services, security, a sense of belonging and a sense of loyalty to the country, dare I say it a sense of excitement about Australia - these are the goals.

Inevitably the whole picture of our intent fades from time to time. But I can tell you it does not vary.

And I can also tell you that we know we won't get there if we allow our the political culture to be clogged with timidity and prevarication.

As a Government we know that we won't do anything for the cause of certainty by allowing opinion polls or media opinion to drive policy. Governments which do not listen are not good governments. Governments which only listen are not good governments either.

I think the same sort of spirit should pervade the public sector. The task of government is to make good policy and deliver it. It is to anticipate necessity, not wait for it to dictate the terms of our existence.

I have a very distinct feeling that John Monash would have offered similar advice.