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PRIME MINISTER

TRANSCRIPT OF ADDRESS BY THE PRIME MINISTER TO THE BUSINESS COUNCIL OF AUSTRALIA

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The Regent, Sydney

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Thank you very much to you Ian, Ladies and Gentlemen, I appreciate very very much the warm and generous words of welcome from your President. I understand that I am the first Liberal Prime Minister in history to address the Business Council of Australia. I'm also, if my memory serves me correctly, addressing you in precisely the venue in which the Business Council was launched in 1983 and as I look around the room I see many people that I've had a long association with - some stretching back to those now dim distant days when the Coalition was last in Government, some that I'd made the acquaintance of more recently.

But, I do very sincerely value the chance that I have tonight so early in the life of the new Government to address such a representative gathering of the chief executives and the leaders of major business organisations and of major companies in Australia representing the whole gammit of business, commercial and industrial endeavour in our country.

And in doing so I want to present a few very simple themes. I want to say how very conscious I am of the responsibility we carry. We are the beneficiaries of a remarkable degree of goodwill in the Australian community. I recognise as a practicing politician of 22 years standing that goodwill in a political context is a very transient quality and one has to work very hard to gain it and one can lose it very, very, quickly and I'm very conscious of that.

I'm also conscious of the broad national responsibility that any Prime Minister, any Leader of the Government, carries and there are many dimensions to good government.

This morning I had the opportunity of meeting the leaders of the five major welfare organisations in Australia - bodies such as the Salvation Army and the Society of St Vincent de Paul - to talk about the problem of youth homelessness.

Tonight I have the opportunity of addressing the wealth generators in Australia. The two things do intersect - not just because I've met the leaders of both on the one day but without wealth being generated the capacity to care for the less fortunate in our community simply isn't there. And sometimes people who talk about the need to care for the less fortunate lose sight of the fact that we have responsibilities to ensure that wealth continues to be generated.

I'm also conscious as an Australian political leader of the immense pride all of us feel in Australian achievements. Tonight that has a special significance because the Oscars announced earlier this evening represent the pinnacle of Australian achievement in that area. To take out five of them is a remarkable tribute to a remarkable industry and an industry that has done great things to refurbish, and strengthen, and promote that important sense of national pride which is so tremendously important to all of us.

It is true, as Ian said in his introduction, that a change of Government carries a great deal of significance. I said on the night of the election that although it would be the goal of my Government to govern for all of the community and for those who voted against us, as well as those who voted for us, I have no intention of leading a Government that is going to be a pale imitation of the Government that we replaced.

There are a number of specific areas of economic policy that will be very different under our administration. But there will also be some stylistic changes which are equally important. One of the unfortunate features, I believe, of the latter years of the former Government - this didn't apply so much to its early years in office - was the way in which government decisions were made on the basis of awarding mates and of punishing political enemies. The old idea of playing favourites - that you doled out the favours to those who overtly supported you and you threatened, and on occasions actually delivered retribution, to those who didn't support you. And I know that there are many people in this room who had some experience of that. I think that is a very regrettable feature of the latter years of the former Government.

* I think in a broader sense there is also a mood developing in Australia. Some call it political correctness. Some call it social censorship. Some simply call it intimidatory attitudes towards free speech. I think we had developed a very unhealthy mood in Australia - that certain subjects were absolutely off limits and that you couldn't hope to talk about them in a rational open fashion without being branded as some kind of bigot or as a person carrying prejudice.

Now that is not, let me assure you, an invitation or a clarion call to the insensitive, to the intolerant in our community to feel that they can indulge in any kind of insensitive language. But I think it is a recognition that the strength of any democratic society is a rigid adherence to that great injunction of Voltaire: that I may not agree with what he says but I will defend to the death his right to say it.

I think we did, on occasions, in relation to a number of subjects reach a situation where it was very difficult for some to speak their minds without being branded in that very negative, in that very pejorative fashion.

I have set a number of important economic goals for the new government of Australia and your President has touched on some of those. It is important, if we are to have any hope of bringing about a sustained reduction in unemployment and particularly in the unacceptably high level of youth unemployment in Australia it is necessary to remove some of the present speed limits on economic growth in Australia.

There are many causes of those speed limits but by far the biggest single constraint under which the Australian economy continues to operate is the size of our current account deficit. I can almost recite in my sleep, having gone through a very long election campaign, the nature of the current account deficit problem and it falls easily from my lips to say that in 1995 it was the largest in the OECD, larger even than Mexico's.

Now that, of course, is a problem and a challenge which has been inherited by the new Government. And I don't think it comes as any surprise to anybody in this audience for me to say that the tackling of that problem involves achieving a great deal of success on two fronts. One of those is a much greater success in the area of microeconomic reform, or as John Prescott, I think, renamed it - very effectively some years ago - much greater progress in reducing the cost of doing business. And the challenge of that is very heavy on me and very heavy on all members of the new Government. And I accept very openly that one of the things that you will be entitled to judge us by in three years time, or whenever the next election occurs, one of the things that you will be entitled to judge us by is the progress that we've made on that particular front.

And central in our view to tackling the challenge of reducing business costs is, of course, to do something about the arthritic character of Australia's labour market. Now, I imagine that many of you in this room have heard me make many speeches over the years about reforming Australia's labour market and if there is one thing that over the last decade I've talked about more than any other single thing, even more than my passion for cricket, is my very strong commitment to bring about reform to Australia's labour market.

Let me say very calmly, but in very deliberate terms, that if the word mandate means anything, if people vote for any policy, ever, at any election, then I would argue with all the strength I can muster that the Australian people did vote on the 2nd of March, in voting for us, they did vote to change Australia's industrial relations system. And I do have a very strong commitment, a very strong personal commitment, and my new Government has a very strong collective commitment to changing Australia's industrial relations system.

I don't say that in any antagonistic sense to the trade union movement. Relations between us and the trade union movement will be different from the relations between the former government and the trade union movement but that doesn't mean that the trade union movement will be entirely shut-out from consultation. It doesn't mean that I reject the role of the trade union movement as representing the interests of those Australians, dwindling though they now be in number, who choose to belong to trade

unions. Nor do I deny the historic role of trade unions in Australia's industrial development. Nor do I deny the fact that in recent years a number, but not all trade union leaders have adopted different attitudes which have made a far more positive contribution to the development of an intelligent rational economic debate in Australia.

My argument is not with mainstream trade unionism or mainstream trade unionists. My argument is not with the right of people to gather together collectively and have their point of view put collectively if that is their choice. My argument is with the current system which confers a legal monopoly on the bargaining process on the organised trade union movement in Australia. My desire is to change that monopoly - to end it. My desire is to give free, effective, open choice to individuals within the framework of guaranteeing minimum conditions and providing effective protection against exploitation.

But it goes a bit further than that. My aim is grounded in a far more optimistic view about the future of Australian society than that which is emanated from some leaders of the union movement and from the mouths of many members of the former government. You will all be very conscious of the dispute involving the employees of the CRA subsidiary at Weipa. I think many of you will remember the rhetoric that was used by some leaders of the trade union movement at that particular time when reference was made to lines being drawn in the sand, of the inflicting of pain on Australian companies and the battle cries at that particular time many of you will remember.

I think many of you will also remember that at the time of that dispute, certainly I do, an interview with one of the employees at Weipa, a truck driver, who had signed one of the contracts and I've never forgotten the interview he gave on early morning radio in which he spoke of the change that had come over his attitude towards his employment after he had signed the contract, of how his contribution to the company was valued more highly as a result, of how he felt he was making a contribution to the future of the company and how his whole attitude to his work, and to his job and to his responsibilities had altered. And when I listened to both of those contributions to that debate, a few months ago, I reflected to myself that in the case of those who were talking about inflicting pain and drawing lines in the sand I was hearing the voices of the past, so far as Australia's industrial relations system was concerned. And when I listened to that truck driver at Weipa I was listening to the voice of the future. A far more optimistic, co-operative future and a future that sees a common purpose and a fusion of interests between employers and employees at the individual enterprise level.

So, Ladies and Gentlemen, we are very strongly committed to implementing our industrial relations policy. That is not said belligerently, but it is said determinately. We do have the authority the people gave us on the 2nd of March to implement that policy. It was spelt out very clearly. It was spelt out very openly. And it is our intention to present the legislation giving effect to that policy - including the alterations to the unfair dismissal laws, including the changes to compulsory unionism, including the restoration of the secondary boycott provisions of the Trade

Practices Act. It is our intention to present all of that legislation as one consolidated package shortly after Parliament meets on 30th April. And we intend to go ahead with that legislation. We think of all the economic reforms that were voted for on the 2nd of March. None is more important, none is more significant, to Australia's future.

The only other thing that I wish to say about that package is that it will be implemented in a spirit of goodwill towards all sections of the community. It is not a package designed to reduce the living standards of Australian workers. There is never any merit in anybody advocating reduced living standards for Australian workers. There is no merit for a Coalition Government, there is no merit for a business leader. I think all of us want to see people with higher real incomes and rising living standards but we recognise that those goals can only be achieved if we bring about a more competitive, a more productive economy and more productive workplaces and that is the foundation of the goals that we set ourselves in the area of industrial relations.

Mr Chairman, it's not only, of course, industrial relations where we have responsibilities. The other element of tackling the current account deficit is, of course, to do something about Australia's very low level of savings. And that is why we have made a very strong commitment. The Treasurer - the new Treasurer, Peter Costello - has made a very strong commitment to achieving the aim of an underlying budget balance in two years time.

Now, that is, in the modern jargon, a very big ask. It will involve a turn around of something like \$4 billion a year over the next two years. You are familiar with what said about the budget deficit before the election and you are also very familiar with what was revealed after the election and I simply make that point and move on to the fact that we do face a particular challenge in that area.

And it is made harder by the fact that I am determined that the commitments we made to the Australian people before the second of March are honoured. I don't think any of us can greet with any equanimity the steady decline in respect for our political and parliamentary institutions which has occurred over the past few years. One of the reasons why the respect for our institutions has declined is the way in which promises are too freely made and then even more freely repudiated after governments are elected to power.

I think part of the process of restoring trust and confidence in the process - the political process - is for governments to try to the best of their ability, and even beyond that if that's possible, to meet the commitments that they have made. And I have indicated to my colleagues and I have indicated publicly and I will go on indicating it publicly that nobody should imagine that I will lightly accept any repudiation of the commitments that we made to people. And even more important than other benchmarks against which you are entitled to judge us in three years time you will be entitled to judge us according to the benchmark of whether or not we have honoured commitments made to people and to the Australian nation before the 2nd of March because unless that stream of trust, that element of confidence, can be restored

then the whole respect of the community for the political process and for the process of government is going to further disintegrate.

So I am very conscious, all of my colleagues are very conscious of that fiscal challenge ahead of us and we are having the first meeting of the Expenditure Review Committee here in Sydney tomorrow.

Can I just say something because I mentioned the word Sydney. Could I just say something about the interest in my slightly altered living arrangements - residentially speaking. Ladies and Gentlemen, I have not decided to move the seat of Government from Canberra to Sydney. Some people have urged me to do that I might say. But I haven't. But what I have indicated is that because my family home will continue to be in Sydney, unlike my two immediate predecessors but not unlike some of my predecessors further back, I will spend a little more time working out of my Sydney office and as a result I will a little more time, relatively speaking, in Sydney than did my immediate predecessors.

Now, I don't make any apologies for that. I actually think there are advantages in that. I think there are considerable advantages particularly in relation to contact with the business community in spending a little more time out of the Federal capital. And there is little doubt that the professional bureaucrats who advise government contain a very high proportion of extremely dedicated, committed, men and women. It is also important to understand that Canberra is not a city which by its very nature is an automatic cross-section of the Australian community and certainly not an automatic cross-section of the Australian business community.

So, although the decision that I've taken is a function of personal circumstances, and family circumstances, I think it could have the valuable by-product of retaining a closer link with at least a section of the Australian business community. I say only a section, very deliberately, and I think that is very important.

And that, of course, leads me to what in a sense is my final point and that is to say something about the relations between my new government and the business community. I say to you very directly and very simply that I value very highly the associations and the friendships that I've made with many people in this room. Many of you met me when I was in Government. Most of you, I think, have met me and got to know me better since I've been in Opposition. And I thank a lot of people in this room for their continued interest in and support of the Coalition of the Liberal Party and their continued willingness to give advice to me and to my colleagues through some pretty lean years over the last thirteen years. I've had occasion over that thirteen year period to wonder whether the Liberal Party would ever get back into Government and I'm sure a number of people in this room have had reason to think that. And I am grateful to many in this room for their continued interest and their continued support and I do take seriously the responsibility of consulting all sections of the business community.

I valued a lot of things the Business Council had to say, I think, in an appropriate way during the course of the election campaign about many of the important goals that Ian

correctly said it shared in common with the Coalition. I valued the fact that it tried to keep open dialogue with the former Labor Government. I do not believe, as some occasionally have suggested speaking for themselves, that when a Labor Government is in power that in some way it is the role of the business community of Australia to fight a guerilla action against it. I don't. I think it is the responsibility of people who have the interests of Australia at heart to co-operate with the elected Government of the day whatever their own political vantage point, or their political attitude may be.

I've never forgotten running into a very well known business figure in Australia - he's not so active now but he certainly was then - shortly after the 1983 in the Golden Wing lounge at Sydney airport. And he said that he had just written two letters. He said that he had written a letter to Malcolm Fraser commiserating with him and he'd written a letter to Bob Hawke congratulating him and telling him that although he didn't vote him and he regretted the outcome he was willing to do anything he could to help bring about better government in Australia. Now, that struck me as the right attitude. It struck me as the pro-Australian attitude and it struck me as an attitude that would be a good example, not only to other people in the business community but also a pretty good example to leaders of other sections of Australian society who having participated in the democratic process ought to remember that at the end of the day in our kind of society once you get fifty plus one you are entitled to take to decisions particularly the decisions that you told the people you were going to take if you were lucky enough to get fifty plus one.

To you, Ian, and to all of your colleagues, can I say that my door will be open. You may, if you all want to come at the same time, you may take a little longer than perhaps might otherwise be the case. But I will try very hard to keep good relations with the business community, particularly with the Business Council of Australia. I have told all of the colleagues of mine who have anything that vaguely relates to the business community that keeping contact with you is not something that you do just in election campaigns and the lead up to it, that they will be judged by the quality of their responses to all of you over the long-term and not over the short-term.

I'm excited. I'm enthusiastic. I'm very committed, but above all else I'm very conscious of the tremendous responsibility that I have of the unique privilege it is for any Australian to be elected to this office for no other reason than in the most important one of all - it does give to me and to my colleagues in co-operation with you, and other people of goodwill in the Australian community, that great treasured opportunity to do good things for the Australian community, to make sensible decisions in the interests of the entire community and to try and leave Australia a better, a stronger, a prouder and a finer nation at the end of our term of office than what we inherited at the beginning of that term.

Thank you very much.

Ends.