



PRIME MINISTER

19 May 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
SPEECH TO THE HOUSING INDUSTRY ASSOCIATION
NATIONAL CONFERENCE, ADELAIDE**

E & OE.....

Thank you very much to my friend Ron Silberberg for that warm welcome, to Stephen Baker, the Deputy Premier of South Australia, to Senator Cheryl Kernot, the Leader of the Australian Democrats, my Parliamentary colleagues John Moore and Alan Cadman, other distinguished guests, ladies and gentlemen.

This is not the first time that I've addressed a gathering of the Housing Industry Association. But it is for the reason that Ron mentioned a particular delight for me to be here today and to have the opportunity of saying a few things about the goals and the aspirations of the new Government of Australia.

Of the many constituencies that contributed to the Coalition's victory on the 2nd of March none was more important, none was more emphatic and none was more easily consistent with the values and goals of the Coalition than the small business community and the small business constituency of Australia. I am an unashamed believer in the role and the place of small business in the Australian economy. I believe that the growth and the regeneration of small business carries with it the best hope of sustained economic growth and development in the years that lie ahead of us. I don't say that in any antagonism to large companies. And that's not because of the logo hanging over my shoulder. Because the idea that small and big sit uneasily with each other is antiquated view of the operation of the Australian economy. Big businesses can't thrive and

succeed without the support and the contribution of tens of thousands of small businesses. They complement each other - they don't compete with other.

Your particular industry, of course, quintessentially is an expression of the small business ethos of the Australian community. There are many ways in which one could describe the distinctive characteristics of the Housing Industry Association of Australia. But your great spirit of independence, the fact that the industrial relations culture of the suburban cottage building industry in Australia is dramatically different and has been over the years from the industrial relations culture of the CBD building industry of Australia is but one example of the particular commitment that you bring to that small business ethos.

And when we campaigned for the last election we placed very great store on what we were going to do for small business. And I have over the years in my various roles in politics enjoyed a very frank and I think beneficial association with the HIA. We haven't always agreed. I've seen myself as the subject of many of those provocative cartoons that were put together by the HIA under its previous Director, thirteen or fourteen years ago, when I was Treasurer. I've had a series of disagreements on some things but fundamentally we've always been able to co-operate because we have been working for the same goals. We believe in the same kind of Australia. We believe in an Australian society that does reward individual effort. We believe in an Australian society that sees indelibly that it is part of the Australian dream for somebody to start their working life with nothing and to build a business, and to take pride in that success and to hand that business on to future generations. And that's always been part of the Australian dream and to the extent that it's interfered with, or attacked, is a cause of concern.

I know that your industry is still experiencing some very difficult economic conditions. I know that many here today, and many others of your members, are experiencing the adversity of the downturn in the housing industry that has occurred over the past two or three years. And I know and I'm very conscious of how important the general economic climate is to the future of your industry. In many ways the economy which the new Government inherited on the 2nd of March was like the (inaudible) it was good in parts. There are some features of it that were strong and I don't deny that. I don't see the point in spending the next few months arguing the toss about things where we don't have differences with our political opponents. I think it is particularly counter productive to generate unnecessary conflict and unnecessary difference in the Australian political scene. I think we should focus our efforts on the debating those issues where there are genuine differences of approach and different opinions.

We did inherit an Australian economy that had relatively low inflation. We also inherited an Australian economy which still has a chronic current account deficit problem and a chronic savings problem. And we've inherited an Australian economy which still has some very high real interest rates and that is of particular concern and of particular importance and meaning to all of you in the HIA and the most valuable way in which we can make a contribution to turning that around is to focus on attacking some of the causes of high interest rates in the Australian community. When you hear debate and criticism

of some of our projected budget measures, can I invite you to reflect upon the value of reducing the size of the budget deficit, and it will bring many benefits, but one of the things it will do is to contribute towards a climate of lower interest rates. If you want to help to build the conditions for lower interest rates in Australia you ought to support a sharply lower budget deficit because by cutting the levels of Government expenditure, not mindlessly, not insensitively, and we certainly don't intend to do that, and we don't intend in the process of cutting the budget deficit to attack the genuinely needy and the genuinely vulnerable in our community. Nor do we intend to attack those areas of Government support that contribute towards strengthening and building the long term infrastructure of this country, but it can't be denied that one of the causes of high interest rates, not the only cause but one of the causes of high interest rates in Australia is of course the level of the Budget deficit. There are other causes, worries about inflation and wages, the size of our overseas debt and perceptions about our current account deficit. They all come together to create depression but one of those major causes is the size of the budget deficit and that is why we have to do something about it.

Since being elected we have already begun to implement our commitments regarding the small business community. We have already introduced the legislation to reduce the provisional tax uplift factor from 8% to 6% thus giving effect to a clear commitment made during the election campaign. We have established the small business deregulation task force and that was mentioned by Ron. We have already announced a reduction of 20% in the compliance costs of small business in relation to surveys of the Australian Bureau of Statistics and I believe that coming out of the Small Business Deregulation Taskforce will be a series of pragmatic recommendations which are designed to reduce sharply the cost of complying with Government regulation. I find as I go around Australia a constant complaint about the cost of complying with government regulation, not only federal government but also and most particularly at a local government and state government level so far as your industry is concerned, and attacking that and trying to understand some of the fundamental causes of it is one of the most important roles of that Small Business Deregulation Taskforce.

We also made commitments regarding capital gains tax relief, and those commitments are going to be honoured in the months ahead so we have a lot on our plates so far as the small business community is concerned. We retain a very strong commitment to it and you will find as the months go by we will honour in a very pragmatic and a very effective way those commitments, and you will find that they are not mere sophistry or rhetoric but a genuine commitment of a government that understands the needs, the problems and the aspirations of small business and of all the areas that impact heavily on small business, none is more important of course than the area of industrial relations. I want today to say a few things about industrial relations because next week starting with the Parliamentary sitting tomorrow, Peter Reith will be introducing our workplace relations bill and this will give effect to changes that I and many of my colleagues have advocated over a very long period of time. You will find as the legislation is unveiled that it gives full effect to the policy that we took to the last election. We will be giving full effect to those things for which the Australian people voted on the 2nd of March. We will be providing an

industrial relations framework that allows for much greater flexibility in the workplace. Importantly, we will be throwing out the former government's stupid, job-destroying unfair dismissal law⁸

That particular piece of legislative lunacy has done more to destroy jobs in small business than any other single act of the former government. The present law is obsessed with form and procedure and not with merit and you will find when you see our proposals unveiled that we, as promised, are providing a law that is fair to both sides. Importantly, I am very happy to announce today that one of the provisions in the legislation that will be introduced next week is the complete exemption of independent contractors from the operation of the Industrial Relations Act. That was a commitment that we made several years ago when we campaigned against the changes brought in by the former government. Those provisions should never have been put there. Independent contractors are men and women in small business. They do not have the relationship of employer and employee and they should never have been brought within the ambit and charter of legislation affecting employers and employees.

This legislation will also enshrine our very strong commitment to voluntary unionism. We have a very simple view and that is that Australians should have the right to join or not to join any association according to their choice. I have no argument with the right of men and women in this country to belong to trade unions. Last Friday I sat across the table from the President of the ACTU and the leaders of the Maritime Unions of Australia. I think it's fair to say that the leaders of the Maritime Unions of Australia have not been amongst my most fervent political supporters over the years. But I was able to say to them as I can say to you today, our quarrel is not with unionism per se. Our quarrel is not with the right of people to collectively bargain if they want to. Our quarrel is with a system that prevents them from individually bargaining when they themselves choose to do so. And we are for a system that allows people to choose. We are for a system that allows people to join or not to join and also having to join a union, to join the union of their choice. We are for a system that gives people the right to go outside the award system if they so choose and we are also for a system that prevents predatory union conduct being used to destroy the operations of businesses, and that is why in our legislation next week, we are going to restore with their full effectiveness, the old Sections 45D and E of the Trade Practices Act. Those provisions were brought in by the former Coalition Government, and I am very happy to say I authored them as Minister for Business and Consumer Affairs in 1977 and the reason they were repealed by the former Government was that they had worked very effectively and the reason they worked very effectively is that they provided speedy, injunctive relief for a company that was at the sharp end of predatory and damaging union behaviour. And once again, the union doing the right thing and looking after the interests of its members has nothing to fear from legislation of that kind.

I am sure that as we go into the next century, some trade unions in this country will survive and those that survive will be those that offer services and effective services to their members and they will have to compete for business, like you have to compete for business.

But we have a strange system in this country that it is only the trade union movement that has a guaranteed market share because they have monopoly privileges under the industrial relations legislation in relation to bargaining. Every man or woman who goes into business has to go out and fight for market share. You're not delivered market share by an act of Parliament. Political parties have to go out and fight for members and don't I know that. Churches have to go out and fight for adherence and parishioners yet strangely enough in this country we have a situation where there is monopoly rights and monopoly privileges conferred on the trade union movement regarding the bargaining process. So when you hear over the weeks ahead these cries that we are assaulting the rights of the Australian workforce, ignore them. We're doing nothing of the kind. All we are doing is restoring fundamental, individual choice. People can remain in unions. Companies, particularly large companies, can continue to have certified arrangements with unions. Nothing will change if people don't want it to change but importantly, if people want things to change they will under our legislation have the freedom for the first time to choose that things will change and that is how it ought to be in a fully free Australian society.

The last thing that I want to say to you ladies and gentlemen is not directly related to your industry but it is related to your industry in the sense that you are part of the broader Australian community. The responsibility that I've had since the second of March and the responsibility that my colleagues and I collectively have had since the second of March is more than a responsibility. It represents the most special, unique privilege that can ever come the way of a group of people. To be given the responsibility of governing this country at such an exciting and challenging stage of its development is of course the most challenging experience that anybody in public life can possibly have. We have set ourselves a number of economic and industrial goals and I have canvassed a few of them in my remarks today. But we're also setting ourselves the broader goal of delivering good and candid government for the whole of the Australian community. I sense that as we move towards the end of the century, Australians are looking for better approaches and better standards from all of their politicians. They are certainly looking for vigorous debate but they are also looking for a willingness to agree where there is really no substantial disagreement. They are tired of argument for its own sake. They are tired of personal vilification and abuse for its own sake. They are looking for honest, open debate and most importantly of all, honest open communication between their leaders and the public.

I don't pretend for a moment to you and I won't pretend to any section of the Australian people that we don't have a difficult task ahead of us, particularly in relation to the framing of the next budget. We made a number of commitments in the last election.

They were honestly and genuinely made and I place and all of my colleagues place very high store on honouring commitments. Nothing saps the confidence and the faith of people in their elected representatives than the cynical repudiation of promises shortly after a change of government, and the balancing act between that commitment, and also the need to reduce the size of the budget deficit will be a difficult one. We will try and do it in an open, communicative fashion. We will try and make decisions which contribute to the long term benefit of having a lower budget deficit but also take account of the particular impact on those decisions on particular sections of the Australian community.

I want an Australian community where people are encouraged to take risks to invest and are free of government regulation. I also want an Australian community where the less privileged and the less fortunate are cared for but within a system that makes certain that only the less privileged and the less needy benefit from measures which are designed to help those sections of the Australian community. In recent weeks in the wake of in many ways the most appalling in an emotional sense, peacetime event that this country has had, you have had people of different political persuasions at a state and a federal level coming together to give this country effective gun laws. I think it's a demonstration of what the system can do, of what the body politic can do to deliver better outcomes. All of us faced a challenge in the wake of that dreadful event and I think without exception and I am very happy to pay tribute to the contribution of Kim Beazley and Cheryl Kernot, as well as to the state leaders of my own persuasion and opposite persuasion in the case of Bob Carr, the fact is that people were able to come together to put a greater common good ahead of any partisan political differences.

Now in saying that, I am not announcing the end of political conflict. It would be a pretty dull place if we didn't have any political conflict and I could of course go on for half an hour telling you why all of the Opposition parties should instantaneously pass all of our legislation. But what I think I'm trying to say to you is that I think the Australian people want a focussed debate on the things that matter. We don't really have enough time as a nation and we don't have enough options as a nation to sort of waste our time and our energy in debating things where there are no real differences, waste our time and energy debating things that don't really matter. There are plenty of things that matter about the future of this country where there are genuinely held different views on both sides of politics and they are the things that should consume our focus and consume our debate.

Finally ladies and gentlemen, can I say it has been a great pleasure for me to talk to you today. I do feel personally a deep bond with the small business community of Australia. I was brought up in a small business environment. I have perhaps said this to some of you before at previous gatherings. I was taught to believe that the best thing that you could do in life was to start a business of your own and to make something of it, and that they were really the best people of all. Now I haven't really practiced that myself although I practiced law in a small business for about 12 years and I don't for a moment suggest that there is any inherent superiority of one group of Australians over another. There are men and women of great worth in all sections of Australian society but the

small business community of this country means a lot to me but more important than that, it means an enormous amount to the future of Australia and the HIA has been a superb example of the spirit of survival and the spirit of entrepreneurialship and the great commitment to the future of this country. I wish it well. I will continue to have the open door of which Ron Silberberg spoke so generously and so will all of my colleagues. You are very important to our future and I wish all of you the very best of success.

Thank you very much