



# PRIME MINISTER

30 May 1996

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
ADDRESS TO THE MINERALS INDUSTRY ANNUAL DINNER  
GREAT HALL, PARLIAMENT HOUSE**

**E&OE**

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Thank you very much Warwick; to Pat McNamara, the Deputy Premier of Victoria; Shane Stone, the Chief Minister of the Northern Territory; our distinguished overseas guests, and to my Federal and State parliamentary colleagues.

It's a great pleasure to be here tonight. It's a particular pleasure to follow my friend and colleague, Warwick Parer, the newly appointed Minister for Resources and Energy. A man who has a long background in the mining industry and therefore a pragmatic understanding of many of the challenges, circumstances and problems of your industry.

This is the first gathering of the mining industry that I've been able to address since the change of government. I see here tonight many familiar faces. I've met many of you in some of my earlier political manifestations, and it's very good to renew the acquaintanceship. And I'd like to say at the outset that the Government I lead is very strongly committed to a close working relationship, a partnership, in building a better future for our country with the mining industry.

I place great store on governments being accessible. I place a premium on Ministers in governments understanding the problems and challenges of business. That doesn't mean on each and every occasion we will agree with you, or you with us, or that each and every occasion the decisions we take, you will support. But it does mean that you can always accept that our motive and our intention is to make the circumstances in which you do business, as encouraging and as inviting as is humanly possible.

Your industry's contribution to Australia is quite legendary. The mining industry is bound up with the history of this country, particularly the history of this country in the post-World War II period. Without the contribution of the mining industry and without contribution to the export income of this nation of the mining industry, all

Australians would have a sharply lower living standard. And we will, all of us as Australians, depend in the future, on the contribution of the mining industry to maintain and hopefully to expand our living standards. So it is very genuinely and very warmly, at the beginning of my government's term in office, that I say that we are friends of the mining industry. We'll be friends in the context of serving the national interest and properly accommodating the claims of other sections of the Australian community. But we will always understand the importance of security and predictability. We will always understand the massive contribution of your industry to the wealth of our nation.

We face, as a new government, a mixture of opportunities and challenges. Today we've had some figures which show that growth in the March quarter was sharply higher than most of us expected. Can I say that is unequivocally good news for this country. Whatever our political views or whatever our industry, growth is the foundation of prosperity for the people. And all of us have a vested interest in the maintenance of higher levels of economic growth. Those levels of growth must be sustainable, and those levels of growth must over time be such as to reduce our still very unacceptably high level of unemployment.

Not surprisingly the advent of these better than expected figures has provoked a bit of debate about the nature of the fiscal challenge that faces the new Government. Putting the budget of Australia back into an underlying balance is not some kind of abstract economic ideology, born of fanaticism and commitment to theory without regard to practical consequences. We need a budget balance because this country still has a chronic savings problem, and that chronic savings problem is one of the reasons that we still run a very high current account deficit. We run that high current account deficit because of our low savings, therefore we must draw on the savings of foreigners to maintain our living standard because we still lag far behind in the area of micro-economic reform.

So when you hear me and some of my colleagues talk about the need to put the budget back into balance, we're not playing out a litany of some dated economic theory, rather we are making a practical contribution to building this nation's savings. And it's important as the debate rages over the weeks ahead about the level of growth, it's important to understand that the growth that will affect the budget challenge, is the growth for the year commencing 1996/1997, I mean, not the growth for the year that has just gone past us. And I think it is important to understand that just because you have growth of 4.8% in the year to March 1996, it doesn't automatically follow that you're going to have growth at that order in the next financial year. Needless to say, nobody will be happier than the members of the new Government if we find that the growth outlook, when it is delivered to us for the coming financial year, is better than originally forecast by the Federal Treasury in its release on the 12th of March.

Warwick Parer mentioned in his introductory remarks, I wanted to say a couple of things about the agenda for change and reform that the new Government has. As I look around this room, I'm very conscious of some of the great industrial relations debates that have taken place in this country over the past ten years. There is no area of reform which is more important to the future of this country, economically speaking, than reform in the area of industrial relations.

Over the past decade, I myself and many of my colleagues have devoted ourselves to winning an industrial relations debate. We have devoted ourselves to the very simple proposition that if you can build an industrial culture in this country, where people are encouraged to make their bargains at the workplace level within the framework of guaranteed decent minimum standards, without the unwanted intervention of third parties, you must over time, build not only higher wages, but a more productive culture.

And that really is the cornerstone of the legislation introduced last week into the Federal Parliament by my colleague, Peter Reith. That legislation is the culmination of a ten year campaign by many people in politics and in industry to bring about a change in the legislative framework which over time will bring about a change in the industrial culture.

It is built upon the principle of workplace co-operation. It is not built on the principle of the domination of employees by employers. It is built on the notion that if you create a partnership at the workplace level you will get the best result possible for the company and also for the employees. It is built upon the notion of freedom of association.

Under our legislation people are free to join or not to join the trade unions of their choice according to their desire. It is built upon the notion of the supremacy of the law over all of us. We will restore through the restoration of the secondary boycott provisions of the *Trade Practices Act* the protection that used to exist for companies at the sharp end of predatory union behaviour. It is built upon the principle that stupid, interventionist unfair dismissal laws don't protect people against persecution by employers. What they do is to destroy job opportunities for Australians. It is built upon the proposition that not only should people have the freedom to join or not to join a union but having decided to join a union, they ought to have the freedom to join the union of their choice.

That legislation is very important to my Government but more importantly than that, it is important to the industrial future of this country. If we can get the legislation enacted, if we can create the new industrial era that I think it will bring, then that will make a massive contribution to the economic future of Australia. It is impossible of course to address the mining industry without saying something about the issue of Native Title. I think it's fair to say that I've probably had the Native Title trifecta this week. I launched National Reconciliation Week along with Pat Dodson, the Chairman of the Council for Aboriginal Reconciliation, and Kim Beazley and Cheryl Kernot. I addressed the National Farmers' Federation yesterday and tonight I have the opportunity of addressing representatives of the mining industry. Achieving a fair, balanced and decent solution to the problems that surround Native Title is one of the big challenges before the new Government and I've chosen over the past few days to take the debate into the open, to speak very openly and very directly about the issue because I regard it as very important that we do find that kind of solution. There is undoubtedly legitimate concern in sections of the pastoral and mining industry about the operation of the existing legislation. My party and the National Party went to the last election with a threefold commitment in this area. We said that we were

committed to the preservation of the Native Title legislation, that we accepted the decision of the High Court of Australia in the Mabo case but we reserved the right to make changes to the legislation, to improve its workability and that in making those changes, we would honour the principles of the *Racial Discrimination Act*.

Now I have held and my Party has held fast to those three principles. I think those three principles recognise the legitimate interests of those areas of the Australian community involved in this issue. There have been arguments put to me that the simple, short cut solution is to legislate immediately so that pastoral leases will extinguish Native Title. The problem with that proposition, quite apart from my pragmatic political judgement, the legislation of that type would not pass through the Federal Senate as it currently is, or likely in the future to be constituted, but quite apart from that pragmatic consideration, it is fair to say that it is hard to reconcile that proposition with the commitment to honour the principles of the *Racial Discrimination Act*.

After extensive consultation with the mining industry and other interested parties, we have put forward a discussion paper which draws in particular upon, but not exclusively by any means, upon some of the submissions put to us by the mining industry, particularly the proposals regarding the existing right to negotiate, which was a statutory extension of the principles laid down in the Mabo decision. I say to those people and I guess there would be some in this room who believe that the proposals the new Government has put forward don't go far enough, I ask them to understand our obligations to the Aboriginal people of Australia in this issue. I ask you also to accept that the proposals we are putting forward are more likely in a shorter period of time to bring about a fair and proper adjustment of the difficulties in the existing legislation.

It should not be assumed that even if legislation to extinguish Native Title where pastoral leases exists were to pass through the national Parliament that that legislation would not be subject to significant constitutional challenge and therefore further delays, and I remind you of course that in the High Court in a few weeks time there will commence the hearing of the appeal in the Wik case which when finally determined will certainly resolve I trust, the question of the relationship between pastoral leases granted without reservation and the continuation of Native Title.

Ladies and gentlemen, that of course is not the only issue which is important in the Government's relations with the mining industry and other sections of the Australian community. But it is an issue that has to be resolved fairly and decently and with a minimum of delay and it is an issue that is properly attracting a lot of energy and attention from myself and a number of our colleagues. If we can in co-operation and not in acrimony solve the problems associated with the operation of that legislation, I believe that we will move to a new and even more positive era in relations between your industry, the governments of this country and the indigenous people of Australia.

It is, in many ways, a very exciting time to be in Government. I've seen a lot of aspects of politics. I've been in Government once before. I learnt a lot about that. I was in Opposition for far too long and I learnt a hell of a lot about that. And I can say, to be back in Government is a vast improvement over the last 13 years. But I want to

say to you that I don't make those comments in any sense of triumphalism or smugness.

I can give you a number of assurances apart from the ones I gave earlier, but the most important assurance of all is that the Government I lead will never take the business community or the mining industry of this country for granted. We have a lot in common with the business community and I say that unashamedly. We share your free enterprise values; we share your commitment to decent capitalism; we share your belief in reasonable profit levels; we share your goals about the sustainable development of this great nation of ours. But I don't take your support or your understanding for granted, and in the years that I hope lie ahead for my Government, we won't do that on any occasion.

We will try very hard, just as we do in relation to Native Title to achieve a proper balance between development and the care and the nurturing of our natural environment. The time when people thought the concern for the environment was some kind of passing fad of middle class trendies has long since passed. Care for the environment is a mainstream political issue and a mainstream social and human concern which is permanently part of the Australian political landscape. That was one of the reasons why we committed ourselves in the last election to the creation of a Natural Heritage Trust, which if only we can succeed in persuading our colleagues in the Senate to pass our legislation to privatise one-third of Telstra, we can establish with one-eighth of the capital proceeds of that sale. And that Natural Heritage Trust will finance the most imaginative capital investment in environmental improvement that this country has seen over the last 40 or 50 years. And once again it is a demonstration of the commitment that we are making as a Government and as a community towards achieving a balance between environment and development.

And there is one other matter that I want to say something about and I've been told by my minders that I must be very careful to read this part of the speech - I'm not terribly good at reading speeches - but because I've issued an extract of it to the media, I'm told I'll be breaking the rules if I don't read it. And it deals with the question of Australia's international treaty making processes and the conference on climate and related matters that is to take place shortly.

We have moved towards reform of Australia's treaty making processes so that industry and non-government organisations are given proper involvement in international law making. The Government will then understand potential impacts on our economy before, rather than after, taking on new obligations.

The UN Framework Convention on Climate Change agreed in 1992 and the follow-up Berlin Conference in 1995 focused attention on this issue in a rather clamorous way.

It is the case that climate change is a critical global challenge. Australia remains committed to fulfilling its obligations under the Framework Convention. We are contributing by limiting our emissions of greenhouse gases through a National Greenhouse Response Strategy with industry's positive participation. The Greenhouse Challenge programme provides companies with the opportunity to show they are taking practical steps to limit emissions.

But an effective, long-term response to climate change will need to be global involving all countries. While developed countries have agreed to take the lead, developing countries are expected by the Year 2000 to be emitting more than half of the world's CO2 emissions. They too will have to contribute in the longer term. The forthcoming Berlin mandate negotiations should keep the door open for this.

The Government will campaign for an approach that ensures that all countries share equitably the burden of addressing what is a truly global problem. It will insist that Australia's economic and trade interests are safeguarded and its specific national circumstances are taken into account in implementing the Convention.

Ladies and gentlemen, before I conclude, can I thank the industry for the invitation extended to me and to so many of my colleagues to be here tonight. I hope that our collective presence is a demonstration of a determination on the part of the new Government right at the beginning to establish strong links with your industry.

May I also, on a more personal note, congratulate Jerry Ellis, your Chairman and tonight's host, on his presumptive assumption - if I can put it that way - of the Chairmanship of BHP, the big Australian. A corporate honour, I am sure, of great moment in the eyes of all people in the business world.

Finally, ladies and gentlemen, it is a continuing honour and privilege to be the Prime Minister of this country, to have the opportunity of leading a group of men and women in Government who will, in their journey through Government, make their share of mistakes, have their share of failings, but will at all times have a very determined commitment to partnership with business and a long term commitment through that partnership to the future economic development and welfare of this nation and the Australian people.

Thank you very much.