



PRIME MINISTER

21 June 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS TO THE NEW SOUTH DIVISION OF THE LIBERAL
PARTY LUNCHEON - TOWN HALL, SYDNEY**

E&OE

Well, thank you very much Kay. I differ from you in one respect and I didn't even think, however briefly, of sailing solo around the world. But to Kay, to Alan Jones, to Peter Collins - the Leader of the Opposition in New South Wales, to Bill Heffernan the State President of the Liberal Party in New South Wales, to my other Federal and State parliamentary colleagues and to all of you as supporters of the Liberal Party and as friends of the Government and bringing together as you do a remarkable cross-section of people not only here in Sydney but around Australia - of people who have been committed to success and excellence in business and also to the ideal of unselfish, unrewarded in a financial sense, community service.

For me it's quite touching that this gathering to mark the first one hundred days of the new Government should take place in the Sydney Town Hall - a gathering centre of the oldest city in Australia. And it's an opportunity to remind ourselves that government is not only about dollars and cents and about economic goals and economic objectives but government is also about values, and government is also about the way in which we think of ourselves.

And I set myself, when I became Prime Minister, a number of economic goals. But I also set myself some other goals that I think are very important. And one of those goals was a new and different relationship between the elected governors of this country and those who elect them. I do place an enormous amount of store on politicians - be they Prime Ministers or Members of Parliament - maintaining direct personal contact with the people they represent. I think all of us in this room who've been connected in one way or another with politics over the years would recognise that

nothing destroys the confidence of the public, in the people who've been elected to office, than a feeling that those people have grown away from the people who elected them. But somehow or other they've lost touch with what the mainstream of the Australian community is thinking. So to keep myself in touch with the Australian community, certainly with the corporate community that is important to the economic health of Australia, but also to the broader Australian community.

And that is why I said last week that one of the things that I intended to do, without any way reducing, might I hasten to say Alan, the number of times I appear in the studio of well known public affairs commentators to be interviewed, I wanted to revive the old practice of politicians going around the country and addressing gatherings in community centres and other places where people gathered in large numbers to explain and defend the policies that they were propounding. The idea that politics is the process of separating people from the people who've elected them I think is a notion that we ought to move away from.

And another goal that I set myself of a non-economic kind is we ought as Australians try and focus on the things that united us and brought us together rather than focus too much on those things that push us apart. I have a very strong conviction that as we move towards the celebration of the Centenary of Federation, the celebration of the political birth of Australia as an independent nation in 1901, I have the strongest possible feeling that people want to dwell upon the successes of the one hundred years of Federation, they want to dwell upon the things that have bound us together as Australians, they want to dwell upon the things that continue to unite us as Australians and perhaps accord a lower priority to those things that tend to push us apart.

And I also believe very strongly that it's part and parcel of proper government in this country to accord, on appropriate occasions, a role and a place for the political Opposition. No person ever wins government in this country by getting 70 or 80 per cent of the vote. Although we had a magnificent victory on the second of March, it's got to be remembered that a significant proportion of the Australian population voted for an alternative. And part of the responsibility of a national political leader as well as propounding and defending the things that he believes in and stands for is to understand that there is also another point of view in the community. And consistent with the prosecution of the things that I believe in I think a due and proper place for the other point of view is part and parcel of the system.

And finally and I think very importantly, one of the other goals I set myself, was quite simply to bring about a restoration where people felt a little more freely, if the mood struck them, to talk about controversial issues without fear of being branded as a racist or some kind of other bigot for daring to raise those subjects. I think one of the many criticisms that I had of the former Government was the way in which it used a form of social censorship to intimidate people out of debating difficult, sensitive and controversial issues. I think we had become almost too politically correct to a fault before the second of March and I hope that one of the things that I may have done in contributing to the change of Government was to bring about an atmosphere in which people felt a little more free to talk openly and directly about issues without fear of being intimidated into silence with some kind of branding as a bigot or as a prejudiced person.

I want to spend most of my time today not talking so much about the last one hundred days but rather ladies and gentlemen to talk about the next nine hundred days. The first one hundred days of any administration and it's a political ritual, inaugurated I understand by Franklin Roosevelt when he was elected as President of the United States in the early 1930s, it is something of a ritual but it is inevitable that there is a novelty and an interest and I suppose a tolerance and a benign view in the public towards the first one hundred days of any new government. And I'm very happy to say that we have put down the foundations of the main policies we took to the last election. We have introduced the industrial relations reform package, by far the most important, single, legislative act that my Government will oversee in the first three years that it is in power. All of you know that of all the political causes that I have argued for over the last decade none has been more prominent than the cause of industrial relations reform.

And in the election campaign I placed an enormous amount of emphasis on the role of small business in our community. I said that small business had in its hand the economic future of Australia and I also said that small business had in its hand the solution, over time to the problem of high unemployment, particularly high youth unemployment.

And that remains my strongest possible economic conviction. And one of the things that small business constantly complained to me about, as I went around Australia during the election campaign, was the operation of the unfair dismissal law. Now I want to say to you that the repeal of the present, unacceptable, unfair dismissal law is a centrepiece of the industrial relations legislation that's been passed through the House of Representatives and is now awaiting passage through the Australian Senate.

And I want to say to every man and woman in small business anywhere in Australia that if you are still suffering the constraints and the unreasonable limitations of the unfair dismissal law introduced by Mr Brereton in 1993 the only people you can blame are the Australian Labor Party and the Australian Democrats that have held up, in the the Senate, the passage of that legislation and therefore continue to impose those unreasonable constraints and those unreasonable burdens on the operations of your business.

And I want to say to all of you that my commitment and the commitment of the Government, to the cause of industrial relations reform and the contribution it will make to reducing unemployment, the contribution it will make to a more productive and a more competitive Australian economy - that commitment remains absolutely undiminished. And I have believed that for years that fixing Australia's industrial relations system will do more than anything else to give added strength and added vitality to the Australian economy.

I'm also happy to say that our legislation to sell one-third of Telstra - and I'll have something to say about the attitude of the Australian Democrats on that in a moment - and our legislation to establish the Natural Heritage Trust of Australia, have also been introduced into the Parliament. And the legislation to sell a third of Telstra has also been delayed in the Senate.

And I noticed when I turned on my radio this morning that Senator Kernot was being introduced, was being interviewed rather, and she was being asked what she thought about Frank Blount's, I thought entirely sensible comments, in the press this morning - to the effect that he thought the sale of one-third of Telstra was a terrific idea - and she said in defence of her Party position, she said the most important thing was to preserve the income stream of \$2 million coming out of Telstra into Government coffers.

That represents a very interesting change by Senator Kernot. Up until this morning her argument was that you couldn't reduce the level of government ownership of Telstra because if you did that you would reduce the community service obligations that Telstra currently undertook. That of course is wrong, but what I find interesting is that under the weight of, I think, of changing public opinion on this issue, the Democrats are now arguing that it's not the community services that they want to keep, it's rather the income stream that they're concerned about. And when opponents of your legislation change their rationale for opposing it, it's always a very encouraging sign that your argument may in fact be registering and getting through to the Australian community.

I mention those two pieces of legislation ladies and gentlemen because they are highlights of what we campaigned on in the run-up to the election. And the legislation to give effect of those commitments has been introduced and we await with great interest when we return after the winter recess the attitude of the Opposition and the attitude of the minor parties in the Senate.

But it's really the next nine hundred days and the sort of opportunities that are available to us as a new Government, but more importantly available to us as an Australian community, that I want to spend a few moments on. In many ways we have a remarkable opportunity as a community at the present time to enjoy in the years between now and the turn of the Century and into the next millennium a new period, a new era of sustained, long-term economic growth and prosperity. I said a couple of weeks ago when speaking to a group of visiting bankers that in many respects the Australian economy was a little better than the 'Curate's Egg'. The Australian economy does have a lot of strength. We are enjoying, and the OECD certified it again last night, we are enjoying a very strong level of economic growth.

We do have a highly intelligent workforce, we have great political stability, our cultural diversity is a source of not only social enrichment, but a source of economic strength and we live cheek-by-jowl with the fastest growing economic region in the world. And when you add all of those things up it bodes very well in many respects for the economic future of Australia.

But side by side with those good features, there are a number of aspects of the Australian economy that are the cause of concern and are the reason why we are committed to particular policies.

The two great weaknesses of the Australian economy is that we do have a budget deficit problem and we do have a current account deficit or overseas debt problem. And they remain two of the great constraints on the continuation of that very high level

of economic growth. We have a low level of savings in this country. As people we don't save very much and as governments over the last few years, we have saved even less.

And one of the biggest criticisms that can be made of the last Government and I don't criticise it on everything - I've always endeavoured in those areas where I have believed my political opponents have done the right thing to agree with them and give them appropriate credit. But it is one of the great criticisms that despite the fact that we enjoyed many quarters of economic growth, on the third of March, Peter Costello and I inherited a fiscal position, a budget deficit position which was much worse than we had been led to believe by our predecessors. And that is the reason why it is necessary in the Budget that will be brought down on the twentieth of August, it is necessary for us to make a significant reduction in the size of that deficit. Now, that's not just an arid accounting exercise. There are great long term benefits for Australia if we are successful in controlling our spending. If we reduce the deficit, we add to our savings as a community. If we reduce the deficit, we take even further pressure off business and housing interest rates. If we reduce the budget deficit, we send a signal to domestic and international financial markets that there is a government in charge in this country that believes in the principles of sensible economic management and sensible economic housekeeping. So there are dividends to be won for the entire Australian community if we can make a sizeable reduction in that budget deficit.

Our other great problem of course is that we continue to have one of the highest current account deficits in the entire industrialised world. In fact, in 1995, Australia had the biggest current account deficit in the OECD region. And that is a direct result of our savings problem and it is one of the reasons why we need to reduce that deficit and it is also one of the reasons why we need to implement industrial relations and other reforms that reduce the cost of doing business in this country, because it is through that that we can over time reduce that current account deficit and lay the foundation for a longer period of higher economic growth without the sort of the circular experience of the last 10 or 15 years, of as soon as you get a bit of economic growth, you suck in too many imports then you have to put the constraints on the economic growth, so you slow down the rate at which you were sucking in imports.

And that has been almost the perennial problem of the Australian economy over a long period of time and we need to tackle the causes of that so that we can reduce the likelihood of it occurring in the future.

And the reason that I dwell on that, ladies and gentlemen, is that I realise that in the early months of the Government that although there is the natural excitement and the natural euphoria of being in office after such a long period in opposition, some people may wonder to themselves, well, we've been in office for a hundred days and we read in the paper that the Government has to take difficult decisions and we have to cut here and cut there and restrain somewhere else and people might say to themselves - particularly supporters of the Liberal Party - well, we didn't quite think it was going to be like this, can I say to them that we inevitably in the lead up to a budget you go through a period of speculation.

You go through a period when there is rumour and speculation about this or that area of Government activity. And I want to say to all of those people that don't imagine for a moment that the budget to be brought down on the twentieth of August is going to be all grim economic news.

There will be announcements regarding Federal Government expenditures, and the budget when brought down will demonstrate the commitment of this government and the commitment particularly of the Treasurer and the finance Minister, Peter Costello and John Fahey, to achieve the aims that we set ourselves. But it will also contain some good news. It will also deliver on some of the core commitments that we took to the last election. The commitment in relation to tax deductibility of private health insurance. The commitment to make changes to the taxation system so far as it affects Australian families and some of the other commitments we made to the small business community.

And the message of all this is that we do have to go through the deficit reduction exercise at the beginning of our term, but if we can get that right, and if we can get our industrial relations legislation through the Senate, then we can lay the foundations I believe, building on the other strengths in the Australian economy, I think we can lay the foundation for a long term period of sustained economic growth and sustained prosperity for the entire Australian community.

There is one other economic issue that I'd like to mention and it is one that Kay touched on during her very warm words of introduction - and that is the issue of youth unemployment. It is undoubtedly true that the single greatest social problem that Australia continues to have is the high level of unemployment and most particularly youth unemployment. I have never pretended and I don't pretend to you today, nor did I pretend during the election campaign that I had some kind of magical solution to that problem, that overnight simply by electing a Howard Government you would abolish youth unemployment, but what I did promise was that if you could do something to revitalise the small business sector of Australia, if you did take away some of the regulatory constraints on the small business sector; if you did get rid of such stupid imposts as the unfair dismissal law; if you did reduce the level of red tape which effects small business; if you did have a more market sensitive training system for young people and you didn't have an approach to training that priced young people out of work instead of pricing them into jobs; that if you adopted those approaches then over time we could make a serious reduction to the level of youth unemployment.

And that remains as a social goal, one of the most important objectives of the new Government. And at the end of the day a Government must be judged on the kind of nation it delivers not just on the tidiness of its financial accounts and that is why the character of the Government that I lead is as important to me as its economic and its financial objectives.

There is one issue that sadly was not foreseen when I campaigned for the support of the Australian people at the election on the second of March and an issue that has certainly been very much in the headlines over the past few weeks and that is the issue of gun control. Nobody foresaw the terrible events in Tasmania which so touched the soul of this country that it produced across the political divide a spontaneous desire by

the Australian community not to go down the American path of uncontrolled availability of deadly firearms.

And I want to say to you again today how determined my Government is to implement in full the resolutions of the Police Ministers achieved on the tenth of May.

I want to take the opportunity of thanking Peter Collins and Ron Phillips and the members of the Liberal Party here in New South Wales for the tremendous support that they've given me. This has not been an easy issue, despite, I believe, the overwhelming support of the Australian community. I know that there are some people who feel keenly that what is being done is unfairly falling upon them. Can I say to you ladies and gentlemen, there are many things that governments must do, where the greater good of the greater number has to take precedence over the immediate convenience and taste and choice of a smaller section of the community.

I have often gone to rural and provincial areas of Australia. I've often addressed gatherings of my own Party and gatherings of the National Party and drawn a very strong applause line when I've said that we want a Government that governs for the majority and for the mainstream and not a Government that governs for the noisy minority and the fringes. Well, let me say on the gun control issue, there is no doubt in the world what the mainstream of the Australian community wants. And the mainstream of the Australian community wants implementation of the policy agreement that was reached on the tenth of May.

There's just two final things can I say that I said when I became Prime Minister that I regarded it above everything else as an immense privilege to hold that office and I believe while ever I see it in terms of being a privilege to serve the Australian people, then I believe that my Government will continue to be successful. And there have been many occasions over the last hundred days where the sense of privilege has been very strong. The sense of privilege that I felt in respecting and admiring the way in which people responded across the political divide on the issue of guns. \

The tremendous admiration I felt, as I know all Australians felt, for the great stoicism and courage that those members of the Australian defence force which were so directly touched by the tragic events in Townsville of a couple of weeks ago. And if I've learned anything above all else over the last one hundred days is that the faith that I had on the second of March in the great decency of the mainstream of the Australian community is even greater now than I thought a hundred days ago that it could possibly be. And that mantra that we recite whenever we return from overseas that this is the greatest country in the world, has given as far as I am concerned has been given added meaning and added moment during the last one hundred days.

Could I finish by coming back to what this is essentially and that is a gathering of people who have given much and supported enthusiastically the Liberal Party cause over a long period of time. We went through 13 dismal political winters. There were many of our supporters who believed that we would never win an election again. There were people who wrote us off. There were people who said that we were the greatest crowd of no-hopers and we knew nothing about political organisation and there were people who talked about how the Labor Party had become the permanent government of this country. But there were many people who didn't lose the faith and

a large number of them are gathered in this room today. I would not have led the Coalition to victory on the second of March if it hadn't been for your help. I wouldn't have led the Coalition to victory on the second of March if it hadn't been for the support of the organisation and I want to say to all of you thank you for that support and for that help.

I particularly want to thank the Liberal Party organisation here in New South Wales, because this is a New South Wales gathering - not, may I hasten to say do I put one part of the Liberal Party organisation anywhere in Australia ahead of the other, but can I say because this is a Sydney gathering that the support the New South Wales organisation gave was magnificent and in that context I particularly acknowledge the contribution of Bill Heffernan. Bill Heffernan has been a remarkable... (applause)... Bill has been a great servant of the Party and has put the interests of the Party ahead of his own interests on many occasions in the past. And I think that contribution that his laconic earthy style has made to the leadership of the Party organisation here in New South Wales played a major and dominant role in our success in winning so many seats here in New South Wales. For so long, the New South Wales Liberal Party was regarded by divisions in other parts of the country as the sick man of the Liberal Party around Australia, speaking federally. That was not the case on the second of March and the fruits of that success in people like Kerry Bartlett and Joe Hockey, Ross Cameron, Danna Vale and so many others are for everybody to see.

Ladies and gentlemen, it has been an enormous experience, the last one hundred days. I want to thank my wife Janette who is here today and all of my friends. And I just look forward to the opportunity of talking to you again on many occasions in the months and the years ahead. And can I ask one thing of you? The process of keeping in touch is a two-way one. I owe you, and through you the Australian community an obligation to stay in touch, but you also owe me an obligation to tell me when I am getting out of touch. Now, Australians are normally pretty good at that and I don't think you are going to let me down.

Ladies and gentlemen, thank you very much for your help, thank you for your support and I look forward to seeing a lot of you in the years ahead.

Thank you.