

MEDIA TRANSCRIPT**Prime Minister the Hon. John Howard MP ADDRESS TO STATE COUNCIL
LIBERAL PARTY OF AUSTRALIA (TASMANIAN DIVISION) WREST
POINT HOTEL/CASINO, HOBART SATURDAY
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E&OE.

Thank you very much Bill for that warm welcome, to Tony Rundle, the Premier of Tasmania, to all of my Federal and State Parliamentary colleagues, ladies and gentlemen. It is a special privilege to share the platform with the Liberal Premier of Tasmania to address this State Council Meeting.

I start by repeating the pledge I gave before the election - to look after and respond to the special needs and difficulties of the State of Tasmania. Yesterday the Bass Strait Transport Package promised in the election campaign was announced and delivered in full by the new Federal Government. That recognises the special cost disabilities of the island State. It recognises that just as there is a National Highway Programme to the benefit of other states in Australia, so there ought to be a recognition of the separation of Tasmania by the Bass Strait from the mainland of Australia.

My I also remind the State Council of another very important economic decision taken by the Federal Government and that was the decision on the timber industry. A decision urged upon us over weeks of negotiation and discussion by a group of backbench Members of Parliament led by Senator Eric Abetz, here from Tasmania. That decision guaranteed the jobs and the livelihood and the continuity of the timber industry in a responsible fashion in the State of Tasmania.

I've had a number of greetings since I've been in Tasmania. I had the warm welcome last night at the Dinner and that sort of spilt out into the streets a little. But I will be particularly touched by another kind of welcome to Tasmania that I will have just after this meeting. When the wives of some timber workers will have a talk to me and express their thanks for the decision taken by the Federal Government in the interests of the timber industry of this State and the timber industry of Australia. Because at the end of the day the decisions that matter most are those decisions that guarantee the continuity of business, particularly small business and the continuity of the jobs of men and women who work in those businesses.

I've chosen to open this brief address of mine to the State Council with a specific reference to the two very important pro-Tasmanian, Tasmanian, not completely Tasmanian specific, in relation to the timber industry because that has beneficial ramifications around Australia - but both of those decisions are of particular long-term value to the Tasmanian economy. And I want to assure you that in the, I hope years that lie ahead of Federal Coalition Government, we will maintain that special understanding of the particular problems of Tasmania and the particular challenges. And I warm, as you must have, to the spirited address of your Premier - his determination to look forward and be positive rather than to look back in negative reflection.

I also want to say one or two very brief things about the Budget and about what we have done in the last five months. You will remember that in the election campaign we made a number of core commitments to the Australian people. We said that we would do

number of core commitments to the Australian people. We said that we would do something in a practical way to strengthen the role of the family unit in Australian society - and we have delivered on that commitment in spades in the Budget. We have delivered in full our \$1 billion on a one year basis or if you use the arithmetic of our critics - a \$4 billion family tax package. We have delivered on that in full to the every last dollar.

We have delivered on our commitment to provide tax incentives for private health insurance. That only over time will not only provide families with tax relief if they take out private health insurance, but importantly it will take some of the strain off the public hospital system operated by each of the State Governments. Because the steady erosion of people out of private health insurance means that more and more people are using the public hospital system. And we've also quite unashamedly added the additional component that if you can afford to take out private health insurance and you choose not to you ought to pay a bit more - because we don't think it is right that people who can afford to access private health insurance should be able to use the public hospital system without paying a little bit more for the privilege of doing so. That is a principle of fundamental equity - and it amazes me beyond belief that a Labor Government so concerned about the interests of lower income earners in Australia and so professedly concerned about the future strengths of the public hospital system, should have neglected over 13 years to introduce such an equity measure.

I predict over time if people return as we hope and believe they will, to private health insurance, significant additional resources will flow into the public hospital system and therefore into the coffers of State Governments as a result of the decisions that we have taken in the area of private health insurance. So we delivered on that.

We've also delivered on our commitments to adopt a preventative approach to family breakdown and not just a responsive approach when the breakdown occurs. We have doubled the resources going to marriage and relationship counselling. And we have also committed ourselves to a special programme of some \$6-8 million to deal with problems of domestic counselling and violence. The resources will be committed to the peak and quality welfare organisations of this country to provide first rate counselling. Organisations like the Salvation Army and the Society of St Vincent de Paul and the various capital city missions designed to provide counselling for families at risk and to get at the preventative stage at the problems of child abuse and domestic violence. We quite properly hear a lot about the incidence of child abuse - we should hear more about the efforts of government to strike at the causes of that abuse before in fact it takes place. And I'm very proud that one of the as yet unreported features of the Budget are the additional resources that are going into the area.

One other thing of which I am proud is the significant increase - an increase of \$5 million a year in the base funding under the emergency relief programme that is going to the volunteer welfare organisations similar to the ones that I've just mentioned. Their base funding had declined because the formula being used by the former Government had not kept pace with the increased demand on their services - so we have increased that funding permanently by \$5 million a year. And we're going to bring in a new escalator which will ensure that the funding for those organisations are coupled with the very generous public response that properly comes the way of those organisations continues.

Now these are some of the as yet unheralded, unreported measures in the Federal Budget - and they give the lie to the idea that we're just a mob of bean counters, disinterested in some of the coal face problems of family hardship and personal distress and domestic unhappiness. Those are real problems in our society and they are part and parcel of the responsibility of the Government.

I'm very proud of what the Budget has done for families and there'll be more done in that area. I'm very proud of our defence of freedom of choice for families in the area of education. We have maintained increased funding for both public and private education in Australia. We've also introduced an important new policy in the area of independent schools. We propose to abolish the former Government's very restrictive New Schools' Policy which prevented the spread of low fee paying independent schools. And one of the direct consequences of that decision will be to facilitate the establishment of low fee paying independent schools. Isn't remarkable that it's a Liberal Government that has championed a policy that will allow the expansion of low fee paying schools in areas like the western suburbs of Sydney? Yet it was the former Labor Government that maintained a restrictive policy that prevented that occurring. Once again you see, I suppose conventional perceptions of political ideology turned on their head. You see the Liberal Party championing the cause of choice for the battler in education as well as choice for the battler in other areas of society.

The other area that we made much of in the campaign of course was our very strong commitment to small business. The greatest way in which we can help small business is to get our Industrial Relations Bill through the Federal Senate. And the moment of truth is fast arriving on that issue. The Democrats have said in principle they support the legislation, naturally the fine print of the qualifications and the detail of the negotiations will be all important. And we seek to establish a co-operative discussion with them because the passage of that Bill is very important. On the passage of that Bill hangs the fate of our proposals to get rid of Laurie Brereton's stupid job destroying unfair dismissal law.

Our commitment to end for all time compulsory unionism in Australia. Our commitment to restore the full operation of the secondary boycott prohibitions bought in by the Fraser Government in the late 1970s - and they were so successful that the Trade Union movement never rested until they persuaded the former Labor Government with the help of the Democrats to get their repeal through the Parliament a couple of years ago. And we are pledged to bring them back. And we're also committed to get rid of the conveniently, the long restrictions in the Industrial Relations Act that prevent the emergence of workplace unions. And finally and importantly we are committed to giving Australian employees the right to choose between an Award and going into a workplace agreement.

I want to make it very clear to you and to the Australian people that the legislation now before the Parliament honours in full my rock solid guarantee that any Australian going into a workplace agreement, cannot be worse off than he or she would have been if remaining under an Industrial Award. We are not in the business of driving down peoples wages, we are in the business of driving them up based on higher productivity - and that has always been the touchstone of our approach to industrial relations. Now getting that through is very important to small business but in others we've also acted.

We've delivered on our promise to legislate - and we will be delivering on our promise to legislate to provide capital gains tax relief when you rollover the proceeds of the sale of a business into a like business. We're also providing capital gains tax relief for people who sell businesses at a certain age and live on the proceeds of the retirement. We think it is only reasonable that that be done. I'll have by October the Report of the Task Force into red tape that strangles small business, being chaired by the Managing Director of MacDonalds Foods, Mr Charlie Bell. And that document will advise the Government on how we reduce by 50 per cent the red tape burden on small businesses in Australia during

our first three years in Government.

We've already legislated a reduction in the provisional tax uplift factor for small business and that this year is worth \$180 million in cash flow and benefits to the small business community of Australia. So we have not been idle, we have delivered in that area too. And as you know I have a very strong philosophical commitment to the role of small business in this country. And so far from the age of the communications explosion being an age in which small business falls further behind, it's in fact the reverse. The doctrine of the 1970s that big was beautiful in business is now looking a bit dated. In fact the communications explosion and the accessibility of those basic tools of that explosion: the personal computer, the facsimile machine and the mobile telephone have given an authority and an independence and a power to small business that wasn't previously there. By the turn of the century a greater proportion of Australians will be employed in small business than they are at present. Small business is the way of enterprise in the next millennium rather than big business. And that is why getting the right industrial relations framework and the right industrial relations setting and the right taxation setting for small business is so tremendously important.

Ladies and gentlemen can I simply say on a personal note what a special delight it is to be here. I want to say again as I did last night when addressing many of you, that I understand the importance of links between the parliamentary party and the organisation - I am a child of the organisation. I came through the Liberal Party ranks. I know how important it is for Members of Parliament to keep their feet on the ground and not get carried away with the paraphernalia of office. I've been around for a long time, I've watched other people do that and I've watched them crumble and fail as a consequence and I'm absolutely determined that it won't happen.

It is good to be in Government. I've watched the faces of those opposite us over the last five months - I mean we had 13 years of it and they've only had five months and I want to make sure that they realise as time goes by how we've felt over the last 13 years. I believe in sharing these things around. I don't say that in any sense of triumphalism because we've experienced it all. We had years in Government, we lost, we went down and we then seemed to go down even further. We fought and we spattered with each other, we brawled, our Coalition broke up, we had several false starts and then we finally made it. And having made it we have a special responsibility to you to make sure we don't waste the opportunity. We will nurture it, we will husband it, we will care for it, we will make sure we deliver on the commitments that we've made and we will make sure that we fulfil the trust that I know all of you have invested in us. Part of that process will be to work in company and in harmony with our State colleagues. Of course there are inevitably differences of emphasis between National and State Governments. It wouldn't be a properly functioning Federation if it weren't. But at the end of the day Tony Rundle's success is my success and my success is Tony's success. At the end of the day parties that work together win together. Parties that don't work together politically fail.

So ladies and gentlemen thank you again for your tremendous support, for the leadership role of Bill Gatenby, for the contribution of all my Federal colleagues I warmly thank them, my Ministers, my Parliamentary Secretaries, my Senate colleagues - for the contribution that so many of them have made - I am so immensely grateful. It is a tremendous privilege to be the Leader of the Liberal Party of Australia. It's an even greater privilege to be the Prime Minister of Australia. I am very conscious of that, I certainly won't let you down.