



PRIME MINISTER

7 SEPTEMBER 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
SPEECH TO THE NSW STATE COUNCIL
ST MARY'S BAND CLUB, SYDNEY**

E & OE.....

Thank you very much Bill Heffernan, and to my Federal and State Parliamentary colleagues, ladies and gentlemen.

I thought I was hearing things a few moments ago when I heard Michael Baume say he sat in the Senate for a whole week without saying anything. Can I at the commencement of this address, can I wish Michael and Toni whatever the future may hold, excellent good fortune and to the replacement chosen by the Party and shortly to be endorsed by the New South Wales Parliament in accordance with the Constitution, Bill Heffernan, can I offer you my personal congratulations in being chosen as the new Senator to represent the people of New South Wales and behalf of my federal parliamentary colleagues extend a very warm prospective welcome to you.

May I congratulate the New South Wales State Council for having this regular state council meeting right out slap bang in the middle of one of the areas of Australia which so decisively rejected the Keating Labor Government only seven months ago. Now we all know that the Labor Party doesn't like losing and the former Labor member for this seat didn't like losing at all - they complained and whinged and he's taken his whinging and complaints to court and if the court awards a by-election we'll have a fight in the seat of Lindsay and on behalf of all of her colleagues, may I say how absolutely delighted every one of us will be to campaign for Jackie Kelly.

She had a terrific result, I mean, to turn around 16,000 votes and to win a seat like Lindsay, to have a margin of one, let alone a margin of about 1,000 votes was a remarkable performance. And there are a few things about her that qualify her for emphatic re-endorsement if that is the decision of the Court of Disputed Returns.

To start with she represents the fresh break from the failed past which the Australian people wanted on the 2nd of March. She's asked more questions in seven months than any member on the Government's side. They're about all aspects. She's a person who vigorously and energetically represents the battlers of the outer suburbs of the big cities of Australia. And yes, she represents the young as well. She represents very much the rallying cry of the Coalition that we took to the election and that is it was going to be a Government for all of us. And not a Government for the privileged noisy minorities but a Government for the mainstream of the Australian community. And it's worth remembering that and it's worth remembering that we will take into any battle for a by-election that we will take in to that by-election battle the knowledge that the Australian people voted for a big change on the 2nd of March. They wanted to throw out the failures of the last thirteen years; they wanted to draw a line both under and against the idea that this country's future should be dictated by a Government that was prepared to cave in to noisy pressure rather than to calculated decisions in the long term interests of the future of all Australians.

And it is worth remembering, pause for a moment only seven months out from our remarkable election result to reflect upon the themes that took us to such a great win on the 2nd of March.

We campaigned for the future of Australian families, we said a lot about the importance of small business and we railed against the scandal of high unemployment, particularly high youth unemployment. And they remain very much the centre focus of the aspirations of the Government.

If you look at the Budget, it was a document designed to do what any decent responsible Government representing the mainstream of the aspirations of the Australian people ought to do. We had to address Beazley's Bankcard we had to, to pay off the debts. In both economic and political terms it was essential that it be tackled straight away.

If any man or woman in this auditorium this morning really imagines that we would have had any credibility if we'd have said "oh, it's very difficult, and it's got to be attended to, but we'll do it next year or the year after." If we hadn't done it in the first year, we'd have never done it. And you wouldn't have thanked me and you wouldn't have thanked the Treasurer, who I think did a marvellous job in the presentation of the Budget, you wouldn't have thanked either of us, either economically or politically, if we'd have left the Liberal and National Parties with the ridiculous predicament of going into the next election having either left undone what we ought to have done in the area of difficult decisions, or in fact made some of the difficult decisions on the eve of the election. We'd have been rightly seen as having betrayed the great trust that you've put in us.

And the Australian public understands that.

And one of the reasons, to the great chagrin of the Labor Party, and some of our other critics, that the Budget has been well received by the mainstream of the Australian community, is that they actually do understand very well, that just as a family can't and a business can't live beyond its means, neither can a nation. And that when you've had

five years of economic growth and you're still very deeply in debt, there must be something wrong in the way you're running things. And that is why we set ourselves about the task of repairing the deficit and giving us the real prospect within year three, we will be in the black and we will be able to look back on a period of three years of economic consolidation and economic progress.

That we were able, ladies and gentlemen, to put together a Budget that not only did the economically responsible things, but also delivered on the core commitments that we've taken to the Australian people. I'm very proud of the fact that every dollar of that family tax initiative is going to be delivered in full on the very day that it was promised during the election campaign.

I'm very proud of the fact that we are going to deliver on our commitment to private health insurance. And we're going to deliver on our commitment to small business and if the Senate is willing, and I hope it is, we will be able to deliver in full on all of the commitments that we've made in the area of industrial relations, and the sale of a third of Telstra, so that we can use some of the proceeds of that sale to fund the biggest ever investment, capital investment in the environmental future of Australia. And it's also worth remembering, ladies and gentlemen, that the reason that we want industrial relations reform, the reason that we want waterfront reforms, the reason that we want to reinvigorate small business, is that by doing those things we make it possible to run a higher level of economic growth in this country without running into a balance of payments crisis every couple of years, and if we can do that, we have some hope over time of reducing Australia's high level of unemployment.

I don't regard eight and a half per cent as being a satisfactory or a proud level of unemployment in this country. I of course, ignore completely the sermonising and the lectures of the Labor Party about unemployment. I just simply say that you had thirteen years to fix the problem I think you should be ashamed to say anything about it for next five.

The two things that are vital to tackle the problem of unemployment in Australia, particularly youth unemployment, the two things that are needed are a fast rate of economic growth, in other words, we have to be able to take the speed limits off economic growth in Australia and a change in the structure of our labour markets in our industrial relations system, to make it easier and more attractive to employ people. And the first cab off the rank, of course, is to get rid of this ridiculous, stupid unfair dismissal law. The High Court has found that parts of the former Government's law were unconstitutional. A very interesting decision with quite a lot of relevance to the future of industrial relations law in Australia. But if we can get those industrial relations changes we will make it easier and more attractive and less burdensome to small business in particular to take on more staff. And if combination with that we can run a fast rate of economic growth, then those two things working together over time will reduce unemployment. Now that is the only way you can reduce unemployment. You can't imagine that spending hundreds of millions of dollars to churn people through training schemes and then land them back on the end of the unemployment queue creates jobs. That is why we are adopting a radically different approach to training and to labour market programmes.

We want to make them based upon the tried and trusted principle of providing incentives for the generation of real jobs and we want to generate an economic climate in which it is possible for our economy to grow without boiling over and creating a balance of payments crisis.

So the Budget was very deliberately designed to fulfil the aspirations of our election campaign and the commitments we made to the Australian people to meet the economic challenge that we faced with a much larger deficit than disclosed by the former Government and to put down the foundations of a faster growing freer economy, which is the only path to reducing unemployment. And it is important that we always see what we do as a Government and as a Party and as a movement in the context of our goals for the future of Australia.

We weren't elected just to enjoy the trappings of office, and anybody who thinks that they were should really reconsider their position. We were elected to do good things for the Australian people. We were elected to represent the interests and the values of the mainstream of the Australian community. Not in a way that is insensitive to the vulnerable. I'm very proud of the fact that all of the commitments I gave when I delivered my carefully thought through speech to the Australian Council of Social Services, in October of last year about the social security safety net in this country that all of those commitments have been kept. We haven't mucked around with the pension, we haven't played around with pushing people off unemployment benefits when they genuinely need them.

And the hypocrisy of the Labor Party to attack our nursing home changes which are a direct model of the changes they introduced in relation to hostels in 1987, with our support, and they know in their moments of honesty and policy honesty, they know that unless we have reform in this area that gets more capital into the nursing home sector, then the people who are going to suffer will be the elderly people, the poorer elderly who won't be able to find places in a diminishing stock of nursing home availability. And that's the problem you face. I mean, either the general body of taxpayers provides the capital, or people who can afford to do so make some provision. A provision that carefully protects people who don't have the resources to do so and carefully guarantees or financially disadvantaged older Australians, the opportunity to have the nursing home bed.

Now I will defend this reform as being fair and equitable and subsequently responsible. I know the Labor Party is trying to run a fear campaign on it, but it's a hypocritical, dishonest, baseless fear campaign. I mean, how can you criticise something that you yourself championed nine years ago. I suppose join the Labor Party, it's very easy.

I mean they did it with privatisation, remember what they said about the Commonwealth Bank? "Ben Chifley would spin in his grave", Bob Hawke said in 1985. if you dreamt of selling Australian Airlines. The gum tree would wither in the sun if you thought of privatising Telstra. And as for the Commonwealth Bank, well how could you ever dream of selling any of it, let alone the lot of it". And yet it's all happened. And the only difference as I said, between the honesty of us on Telstra at the last election, and the Labor Party, is that we were honest enough to say what we were going to do.

The Labor Party pretended all along that it wasn't going to do something that it knew darn well that if by any chance it fell across the line it would be able to do.

Now I defend all of the decisions that have been taken in the Budget. Some of them are not popular. There's no such thing as always taking a popular decision when you're in Government. But you've got to take decisions that are fair and in the national interest. And all of the criticised decisions that we've taken are fair and in the national interest. It never ceases to amaze me for example, that in the tertiary education area, the Labor Party should continue to defend a system which in its pure form, in other words, when there was no contribution sought at all from the tertiary education students, was really a fraud on the working people of this country, because what it basically did was to say to people who'd never been to university, and whose children had no intention of going to a university, we are quite happy to take your taxes to pay for a university education that will enrich another section of the Australian community. And that is fundamentally what the Whitlam fraud on the working men and women of Australia of free tertiary education, was all about. It was always a fraud and I don't think any of us should for a moment imagine that people who attack what we are doing in relation to HECS, that those people who are, that they are speaking out for the low income earners of Australia - they are not. They are speaking against the interests of the low income earners of Australia.

And the balanced system that we have proposed which does involve for new students an increase in the HECS charges, and it does involve maybe a number of other changes that will give a great deal more autonomy. Including the allowance of universities in Australia to charge full fees over and above the Government funded places. And it will be very interesting to me, and I think to a lot of Australians, as we wait and see what attitude the Labor Party and others are going to take to the proposal which will put Australians on the same basis as foreign students, when at the present time if you come from another country you can buy a place in an Australian university over and above the funded places, but according to the Labor Party, if you're an Australian you're not allowed to do that. Now it's a funny kind of social equity, it's a funny kind of social equity, it's a funny kind of principle of looking after the national interest, to say that if you can afford it and you're from England or America or from China or from Indonesia, or from Malaysia, you can buy a place in an Australian university, but if you come from Sydney or Coonabarabran or Melbourne, you can't. Now I think that's stupid, I think it's unfair and I think the Australian people will see it as stupid and unfair. And I think it's one of the changes that ought to be supported.

And another piece of the Budget that has received virtually no publicity, but is important to this part of Sydney, is a little reported decision that we took in the area of providing greater choice for Australian parents regarding the schooling of their children. We proposed to abolish the Labor Party's new schools policy, which placed an artificial limit on the creation of low fee paying independent schools in the outer suburbs of the big cities of Australia. And one of the practical consequences of this will be to allow the growth in for example the western area of Sydney of low fee paying independent schools. Let anybody criticise that as being something done for elite. Let them see it for what it is - a ...(inaudible)...to give lower income earning Australians who want some opportunity to send their children to independent schools,

but want a greater choice than the schools that are now available and give them the opportunity to do that. And this is a change that the previous government was asked to make but because of the still latent hostility of many people in the Labor Party towards full choice in the area of education, they failed to make that change. And the person who refused to make the change, of course, was the defeated former member for Lindsay, the former Minister for Education, in the Keating Government. I mean they had the opportunity to make that change and it was a change for the benefit, I repeat, not for so-called elite schools, and I use the word "so-called" advisedly, because it's often a very unreasonable description. But in fact what this will do will be to enhance the capacity of people living in the western area of Sydney, for example to exercise greater choice regarding the education of their children.

Ladies and gentlemen, I'm very proud of the first Coalition Budget in thirteen years. It was very well received by the financial markets, but more importantly to me it was very well received by the mainstream of the Australian community.

They saw it as responsible, they saw it as strong, they saw it as fair and they saw it as delivering on the main promises that we made during the election campaign. And you don't often get the combination of those four. And if the Labor Party imagines that it can muck around and can foot and take and can say well we'll support this but we'll oppose that, and escapes the political consequences of doing so, then I think the Labor Party continues to be very much out of touch.

One of the great direct benefits that Australian families have derived from the determination of the new Government to address deficit problem, is the very beneficial impact of that decision on the level of interest rates. We have already seen in seven months average mortgages on variable interest rate loans fall by about eighty dollars a month, around Australia. Now nothing - I have said this in the past and I'll say it again - nothing helps a battling mainstream Australian family more than a cut in housing interest rates. It goes directly to the monthly living costs of the most essential thing a family needs and that is a roof over its head. And if you bring down a Budget that cuts the deficit and is well received in the financial markets that must take pressure off interest rates. And it must have been in the minds of those who caused falls in interest rates to know that we now had a Government that is prepared to address the deficit problem, and ... that the Labor Party wants to hold the thrust of deficit reduction the Labor Party is striking a blow for higher and not lower interest rates in Australia.

So I would say to the Labor Party in its determination to frustrate the objectives of the Budget, you are playing with interest rate fire if you do that. You are playing around with the possibility of Australian families not enjoying a still lower interest rate to which they are entitled. And if you do that you will be once again demonstrating that you are completely out of touch with what the mainstream of the Australian community wants.

It's very much, ladies and gentlemen, a Budget - not only of responsibility and fairness and strength, but of keeping trust with commitments. It was also a Battlers' Budget that delivered a better climate for lower interest rates and nothing is more important to families living in areas like Lindsay, than a Budget that does that.

But we should always, ladies and gentlemen, a Budget not as being some end in itself, but rather as a means to an end. It should never be seen as just a dry economic document. And we should never see our mission in Government as being a dry economic mission. We should always see our mission in Government as building the quality of life of Australians and in enhancing the values and beliefs that Australians hold dear.

Governments are about taking decisions, but governments are also about reinforcing values and reinforcing attitudes. And I've spoken at length since becoming Prime Minister about the importance of governing for the mainstream of the Australian community. And I noticed that my current opponent is now starting to use the word "mainstream". At least he's focusing a little better than his deputy.

The Deputy seems to be very unhappy. Something caught my eye in the Sydney Morning Herald - a column in the Sydney Morning Herald - as I was coming out. Gareth Evans was being interviewed the other day by Derryn Hinch. And he was complaining about the fact that nobody listened to him any more. This is what he said; these are his words and not mine, he said "it's called Relevant Deprivation Syndrome". Relevant Deprivation Syndrome - it hurts", he says, and he goes "nobody takes any notice of you, even though you're busting your tail day in and day out to get a message out, and it's just that combination of impotence and irrelevance that really is pretty mind-boggling, particularly" - this is the good bit that reveals the true self "particularly, when you've been, as you say, at the centre of things for so long as I have."

Well, dear, dear me Gareth, you're breaking my heart. I think you might be breaking the heart of your dwindling band of Labor Party supporters too. I don't think any political rank and filer will thank a senior member of the Parliamentary Party for grizzling about his or her political fate seven months out from an election, when they were sent packing by the Australian people.

So I can say to Gareth Evans, and to all of those who are feeling miserable, get used to it. Because we had thirteen years of it. And of course it's no good being in Opposition and now that we're back in Government we intend to behave in a way that will keep us there for a time I hope for a long time. And if we continue to listen to people, if we remind ourselves, as we must always do, that we are there at the gift and the pleasure of the Australian people and not because of some inherited right. I mean they used to say how wrongly of the Liberal Party that it was the born to rule party, that we had a born to rule mentality. I always thought in relation to most of the Liberals I knew that that was a very unfair charge.

But can I say looking across at the Labor Party, if every a group of people in the last few months have demonstrated a born to rule mentality, there was that air about them in the first few months after the change of government, but that this was all some ghastly mistake, and that you know, the mob out there would realise that somehow or other there would be a spontaneous uprising and we would be sent and they would be restored to their rightful place. And in a way the Budget and the reception the Budget, has rung down the curtain on that first seven months of unreality and I think that now for the time it's really setting in to the consciousness of the Labor Party that there has been a change of government, that it wasn't an accident. That they were sent packing

because they no longer represented the working men and women of Australia - they no longer represented the mainstream aspirations of the Australian community. They were seen as a group of people who bent to the pressure in the winds of elite specialised interest groups and stop listening. And they wondered why it was that they would expend a lot of energy in preparing a policy and they'd be told and they would be told by some of the ...(inaudible)... elements of the National Press Gallery that it was a great policy, and then they'd go out in the community and they'd find that nobody was the least bit interested in it - they wondered what it was all about. And time and time again that happened. And I think that has to be called the "Self Delusion Syndrome" and I think there was a lot of that. And I think it is now dawning on the Labor Party that things have really changed - that we have a Government in Canberra now that is committed to the mainstream - a Government in Canberra that is very strongly committed to governing in a sensible and intelligent way - in a modest but strong way for a long period of time.

Now, I've said before, and I make a habit of saying it in just about every speech I deliver. That it is very important that we all keep in touch - I mean all of the Members of Parliament - in touch with rank and file opinion in the Party. That we listen - that when you are unhappy about something that we're prepared to listen and if what you're putting to us is sensible, we do something about it. If what you are putting to us, we reckon is wrong, well we'll say that. But we've got to have a proper free-flowing exchange. I never want to be in the situation where the Liberal Party loses an election and then people come up to us and say, well if only you'd listened to what we'd said two or three years ago, you mightn't have lost.

Now that's happened in the past and I want to avoid it happening again. We're doing well politically at the moment, but I have been in this game long enough to know that we going to go through some difficult times. And it's not all going to be beer and skittles and there are going to be on occasions, when your support for what we do will be very very important. And I think it's tremendously important in these early months of our Government that we establish a frank and friendly channel of communication between the Government and the members of the Party organisation.

And can I say how much I have appreciated the loyalty and support, not only of my Federal Parliamentary colleagues, and can I say on that note how immensely proud I am of the way in which the members of the Ministry have performed over the past seven months. I think of all those ridiculous things that were said about how we wouldn't be able to rustle up a decent front bench. And I think of the first seven months of the Labor Government - back in '83 - I remember it. I was sitting in Opposition, I remember it very well. Mick Young had to resign. Lionel Bowen I think said Japanese troops ought to be used in Cambodia, or some, your know, foreign policy gem such as that. Paul Keating was looking very indecisive as the new Treasurer. Gareth Evans had become famous because he'd organised some spy flights over Tasmania which earned him the title of "Biggles". Now he'd do anything for a headline. And so the list went on. And I think if that compares with our first seven months, then they really are as different as chalk and cheese. And it's as well to remember when people make comparisons, let's compare likes with likes, don't compare the first seven months of a group of people who bar one or two of us have not had previous ministerial experience with people who've been in for power for ten

or twelve years. And when you make that proper comparison, you see the quality of the Coalition Ministry stand out. And I think that is something you all as Liberals, should be particularly proud.

Ladies and gentlemen, it's a terrific privilege - it's a terrific honour - to be part of the Government of Australia. It's an enormous privilege to represent this country abroad. It's an enormous privilege to feel that at long last we have the opportunity of doing good things for the Australian people. And that is what Government distils to its absolute essence is all about. It's not about the self satisfaction of John Howard, or Tim Fischer or Peter Costello. It is about doing good things for the people of Australia. And if we keep that as our vision and as our goal, if we keep reminding ourselves that that is the test that you should apply to every decision that is taken by the Government - is it something that will do good things for the people of Australia, then we'll be a successful Government, and we'll long enjoy the confidence and respect of all of the Australian people.

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