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PRIME MINISTER

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TRANSCRIPT OF THE PRIME MINISTER THE HON. JOHN HOWARD MP ADDRESS TO THE WESTERN AUSTRALIAN DIVISION OF THE LIBERAL PARTY, PERTH

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(Tape begins) Ladies and gentlemen it is a tremendous delight to be here with the Cabinet and can I say that it is part of a deliberate plan that the new Government has to make absolutely certain that it is a Government for all Australia and for all Australians. And not a government that is obsessed with the triangle of Canberra, Melbourne and Sydney, important though those parts of our nation are and I make that perfectly clear. But it is tremendously important in a nation as geographically large as Australia and as regionally diverse as Australia. And running an economy which is performing so differently in different parts of the nation. It is important that we not only have a Federal Government that is comprised of people from all parts of Australia but also a Federal Government that is prepared to take the decision-making process around Australia. Because if there is one thing that I would say contributed more than anything else to the defeat of the former government was that, particularly in the last few years of its term in office, it really did elevate to an art form the process of not listening to the Australian community, of becoming arrogant and remote. And I know you've all heard of the famous sign that President Clinton or candidate Clinton had on his wall in the run up to the 1992 Presidential Election and the words read "It's the economy stupid".

Well, I've got something on my wall that says "It was arrogance, stupid". And it is a reminder that it was one of the reasons that the former government lost was that it really did become arrogant and out of touch. And part of the flow between the business supporters of the Liberal Party and the business supporters of the National Party, part of that flow is to have a relationship whereby we can talk directly to you and see a lot of you and you feel completely unrestrained, as I know you will be, in giving us any advice that

you think is necessary. And having that process is very important and I am delighted to acknowledge the presence here today of the two Cabinets, it's a very important day and it symbolises the close relationship that has existed between the new Government at a Federal level and the Coalition Government here in Western Australia. Both of them are governments committed to longer term economic development. Both of them are governments committed to longer term goals. Both of them are governments that are very conscious of the fully enterprised base of our side of politics.

And in the decisions that we have taken since we were elected on the 2nd March, we have tried very hard to keep faith with the core commitments we made to the Australian people in the lead up to the election. I have often said that I inherited an economy that was good in parts. I think most people here today would say the really good part is the Western Australian part and this is true, particularly on the export side. But we inherited more of an economy that had relatively low inflation and reasonably good growth. But we also inherited an economy which was very heavily in debt and we inherited an economy that had a very large current account deficit, had an acute savings problem and had an old fashioned arthritic industrial relations system. And our economic goals since the change of government have been to address the weaknesses of that economy. And our Budget was a determined attempt in the first year that we're in government to do something serious about Australia's budget and savings problem. And we are going to take 2 percent of GDP out of Federal Government spending in the space of only two years.

And if our budget, yes I think that is worthy of applause, it really is, because if our budget is passed by the Senate, we will in year three of our first term in office, have got it into an underlying surplus and the bad thing is, and the bad debt we inherited, was that we're supposed to have had five years of positive economic growth in this country but we still had a very significant underlying budget deficit.

Now some of the decisions that we took in the budget some people in the community didn't like. There are some people outside who have got quarrels with some of the decisions we took in the budget. There would be people in this room who wouldn't agree with everything that was in the budget. I had a well known business man in Adelaide the other day say to me look, I didn't like this, I didn't like that, I didn't like everything else that was in it but he said, I have written you a letter congratulating you on it because overall I think it was good for the country. And you were fair as well as being strong in the decisions that were taken. And I am very proud of the fact that in our first year we have tackled the fundamental economic challenge and if we hadn't done it in the first year we would have never done it. You know that, I know that, the commentators know that.

The first year after a change of government is the year to take some of those difficult decisions. And having done that, I think it puts us in a much stronger political as well as stronger economic situation. So we've done the job in year one as far as the budget is concerned. But in the process of course we've kept many of those commitments that featured very prominently in the election campaign, commitments relating to the family

tax package, the health insurance initiative, the capital gains tax rollover relief for small business. And so the list could go on.

But beyond the Budget, we have also addressed in a very determined way something that has been, I guess, a symbol of our side of politics federally for a long time, and that is the need for fundamental industrial relations reform in Australia. I have spoken to gatherings here in Perth over the years as Opposition Leader, as Industrial Relations spokesman, as private citizen for a few months sort of thing, whatever the position was, in various guises, and I've talked every time about industrial relations reform. I've probably driven a few of you mad talking about industrial relations reform but I really do believe that if there's only one thing that you could be allowed to do to reform the Australian economy, fixing up the industrial relations system would have to be that one thing because I believe very, very strongly that reforming an industrial relations system that hampers our productivity and our competitiveness and is a reminder of a past that has gone forever, a past where the industrial base of this country was essentially based on large aggregations of employees in blue collar employment working exclusively for manufacturing and an overwhelmingly male workforce, an overwhelming unionised work force, overwhelmingly a workforce not involved in export industries. Now I am not for a moment denigrating those elements of the Australian workforce that still conform to that model but every year it becomes less and less of what is the aggregate of the Australian economy and we need an industrial relations system that accommodates the new Australian economy, not the old Australian economy.

We need an industrial relations system that promotes the globalised participation that is now increasingly required of Australian companies. We need an industrial relations system that accommodates the needs of small and medium size firms. We need an industrial relations system that accommodates the needs of the resource and service sectors as well as the manufacturing sector. And that is why the most important piece of legislation by far that we have introduced since coming into power is Peter Reith's Workplace Relations Bill. And I want to compliment Peter on the job that he's done in shepherding that bill so far through the Parliament. He hasn't had too much trouble getting it through the House of Representatives - it would be a bit of problem if he had fallen there but it's now in the Senate and Peter is in the process of negotiating with the minor parties and the Democrats. And all I can say is that it has reached a very important stage and we are serious about those negotiations and I hope they can be brought to fulfillment.

I just want to say one other thing about that industrial relations legislation. It is not anti-worker, it is not anti-union, it is pro the individual and it is pro the free choice of the individual in the workplace. And they are the principles around which the legislation is so strongly built and they are very important principles. And if we can get that legislation through then I think we will lay the ground work for a far more productive Australia. It will compliment legislation that has already been passed in a number of States including here in Western Australian which has brought far more freedom to the workplace and has underwritten the growing productivity of this State. We've also

moved to implement our very strong commitment to establish the Natural Heritage Trust of Australia with funding of \$1 billion out of the proceeds of the third sale of Telstra. That legislation is also the subject of discussion and negotiation in the Senate. And if we can get that piece of legislation through we will not only have privatised one-third of Telstra and introduced into that organisation the inevitable disciplines and influences to a much greater extent of the market place and the private sector but we would also have provided the largest capital investment ever in the long term environmental future of this country.

Can I say to you ladies and gentlemen, as somebody who has been in politics, in parliamentary politics now for 22 years that concern in a long term, mature, balanced fashion, concern for the environmental future of Australia is now very much a mainstream political issue. It's no longer the passing preoccupation or fad of the chattering classes. It's something that concerns us, it's something that concerns my children, it's something that concerns my friends, not the headline-hunting, flippant kind of environmental passion but rather a concern for such things as water pollution, for soil degradation, for salinity levels, the shocking state of the Murray-Darling basin - I know that is a long way from Western Australia but it's a very important element of the agricultural base of this nation. Those are issues that are of long term concern and it always amazes me that people who are concerned about the environmental future of Australia should play around with the possibility of rejecting a package that is going to inject \$1 billion into the establishment of the Natural Heritage Trust.

Richard quite properly mentioned the Native Title legislation. The existing legislation is not working properly. The existing legislation is unreasonably and unfairly hampering necessary development, not only in this state but also in other parts of Australia. I said before the election and I will repeat it again today that I had no quarrel with the particularity of the decision of the High Court in the Mabo case. My quarrel was the way in which that case was translated into the Native Title Act. My criticism was of the terms and provisions of the Native Title Act as drawn up by the Keating Government, and that legislation and the behaviour of the former Government subsequent to the passage of that legislation did show an insensitivity towards the particular concerns of a state such as Western Australia. Although there is a common thread of national economic interest in so many things that affect all of us as Australians, inevitably on some issues there are going to be particularly strongly held concerns and interests in different parts of the nation and it goes beyond argument that a state such as Western Australia, with such an enormous resource sector, such an enormous resource base, contributing so greatly to our export income through your resource sector, it is inevitable, and given the large amount of Crown land still left in your state, it is inevitable that you will look at native title issues with greater intensity than people who live in parts of New South Wales and Victoria and it is the obligation of a national government to reasonably respond to those concerns.

Now we have spent a lot of time over the past few months in discussing and analysing and talking to the states about substantial amendments to the Native Title Act. The

amendments that will be revealed in just over a week's time will not undermine the basic principles of the Act and will not be antagonistic to the principles of the High Court decision but they will address the issue of workability. They will address the very legitimate concerns of many people in the mining and pastoral industries and they are designed to try and achieve a fair balance between the rights and interests of Aboriginal people who saw in the Mabo decision a vindication of their long held views about their title and their rights as fellow Australians but also the legitimate rights and interests of those who seek to risk their capital and to risk their all to develop this country and to provide jobs for themselves and for others, and it will be legislation that looks very much to the future so far as the relationship between Australians, whether they are Aboriginals or not, and that is really what we ought to be doing. We perhaps spend a little too much time in the area of Aboriginal affairs in reflecting upon the past in a negative fashion rather than thinking of ways in which we can positively promote a more united and co-operative future. And that legislation will be very much designed to do that.

The final thing that I want to say to you, ladies and gentlemen, is that I am very conscious that in winning the last election, after having been part of 13 pretty dismal and desolate years, I read occasionally of how the new Deputy Leader of the Opposition, Gareth Evans, thinks out aloud about the privations of Opposition. He talks about the relevance deprivation syndrome which is a feeling he has that nobody listens to you in Opposition. Well, they've had six or seven months of it. I can say, Gareth, I had 13 years of it and it doesn't get any better for a long time. But it is very important that all of us in the Cabinet understand the particular responsibility that we have, and that we take, as we have, that responsibility very seriously. It's also important to not lose sight of the longer term national goal but also not to lose sight of the importance of the political battle and never to take anything in politics for granted.

We live in an age of greater political volatility now than used to be the case. You can't take anything or anybody for granted and I certainly don't and it's therefore, of course addressing an audience like this it's worth my while reminding you that even though we've only been in power for six or seven months, you never ought to take your eye off your political opponent. Just before I walked into this luncheon today I was handed a bit of paper which was a transcript of what the now Mr Gareth Evans said on 3 AW this morning when interviewed by Neil Mitchell and he was talking about taxation. Now that's a subject that never seems to be far from anybody's mind and he was asked about redesigning the taxation system and he had this very interesting comment to make, and he said this, that *it's not just a matter of rearranging the existing taxes. I think since we are so undertaxed by any relevant international standard, there is a case for having some overall revenue increases.*

Now I think that's a statement that might get repeated. He won't be suffering any relevance deprivation syndrome from that. I think that statement is going to get a big run, Gareth, because basically, what he is saying is that he believes in higher taxation. He really thinks higher taxation is more important than taxation reform. Now nobody lives in the dream world of pretending that if you want governments to do certain things,

you can't do those things without resorting to revenue. But just as we overwhelmingly sought to close the budget gap when we brought down the budget in August by an emphasis on the expenditure side of the budget, it remains our goal to keep a very tight control on Federal Government spending, and it serves us well even six or seven months into a term of office to remind ourselves, to remind our supporters and to remind the Australian public of the current thinking regarding levels of taxation of our political opponents.

The very last thing I want to say to you, ladies and gentlemen, is that many of you in this room have been great supporters of the Liberal Party over a long period of time. Many of you have supported the Liberal Party when you must have wondered about the wisdom of such a choice and you must have wondered as to whether we were ever going to get back into office. I am very grateful for that and I am very conscious of the loyalty and support that you gave through the lean years and I want to say on behalf of my Government and the new Cabinet that we are very committed to remaining in touch with the Australian people. We don't take you for granted. We never will, and if at some time in the future, we fall into the error of taking people for granted then we will deserve to be voted out of office because the Australian people are fair minded and understanding people. When they vote for a change of Government, they do it in a quite deliberate fashion and having made that decision, they're prepared to give the new government a fair go and if the new government gives them a fair go, they will go on reciprocating and that is what we intend to do. We value very much the opportunity that we obtained on the 2nd March to serve the Australian people. We will continue to regard being in Government as a gift of the Australian people and not as the result of some kind of divine selection, and we'll do that with a proper understanding of what the Australian people want and we will most particularly do all we can to retain our very close and important links with the business community of Australia, and we will do that in a variety of ways, including having regular Cabinet meetings here in Perth.

Thank you very much.

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