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PRIME MINISTER

2 October 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS THE TO THE CANNING/SWAN
BREAKFAST, PERTH**

E & OE.....

Thank you very much Don, to Ricky Johnston and Senator Winston Crane and my State colleagues, my former Federal colleagues, other distinguished guests, ladies and gentlemen.

It's really good to come back to the same place that you visited when we were in a Opposition. It gives you a sense of the occasion, it gives you a sense that you've achieve something. There was a big crowd at the breakfast here in the lead up to the election campaign, there's an even bigger crowd here this morning and that cheers me no end because of the many miracle results that we had on the 2nd March. The results here in Western Australia, the fact that we were able to reduce the Labor Party to only three seats in Western Australia, the fact that we were able finally to win the seat of Canning and I really do want to congratulate Ricky Johnston for her persistence. I've got a bit of a soft spot for people who keep plugging away and I think you did that magnificently. And to Don who ran a very skillful campaign, I mean just remember the seat of Swan became too hot for Kim Beazley and he moved to another seat.

And I want to congratulate both of these very fine grass roots campaigners. Yes, I remember the afternoon of the 2nd March very well and I'm sorry in a sense that the results on the east coast may have spoilt some of the fun over here but I'm sure it didn't spoil the fun of the campaign supporters in Canning and Swan in recording such remarkable wins and it is important to remind ourselves on an occasion like this, to remind ourselves as to some of the reasons why we won the last election. And there are

many reasons but one of the very important reasons we won the last election is that the people we defeated got sadly out of touch with what the mainstream of the Australian community was thinking and saying and wanting. They listened too much to the elite commentators, they listened too little to ordinary Australians. And that lesson carries a very strong message for us. It carries a firm message that having won Government we shouldn't assume that we're going to hang on to it automatically. We shouldn't assume that because we are now in Government we're somehow or other a cut above the rest of the community, we're not. We're representatives of the community and we are there as a gift of the Australian people and not as some kind of divine selection process.

And also one of the interesting things as you reflect upon the political scene over the last few months is that how little some of our opponents seemed to have learnt. I think we had the Deputy Leader of the Opposition, Gareth Evans, yesterday talking about taxation. He thinks we're undertaxed. I'm certain the battlers in the western suburbs of Sydney in the seat of Lindsay where there's a by-election on the 19th October are going to really appreciate being told that they ought to pay more tax because that is basically what Gareth Evans is saying and I do think that any senior politician who argues that there is a strong case as he does for higher taxation is certainly out of contact with the Australian community.

Now I have never argued that governments can deliver things out of thin air, I've never argued that everything that an electorate asks for or wants can be delivered, it certainly can't. But we in the Coalition Government do not believe that the path to budget balances lie in increased levels of taxation. We believe very strongly that the path to budget balances lies, as far as possible, in reduced government expenditure. And we were able in the first Budget that the Coalition brought down in 14 years, the first Coalition Budget since 1982, we were able to announce a program that will in year three of our term of office return the Federal Government budget to an underlying balance.

And given the very, very substantial level of debt that we inherited, far greater than we had been told, that is a remarkable achievement. And it has involved taking some decisions that people don't like. It's involved importantly though taking decisions that are seen by the community as strong but fair. And I would be very happy to see my Government's handling of the economy as being categorised as strong but fair. That is what Australians want. They want governments to strongly address problems but they want governments to address those problems in a fair and an understandable fashion.

The Australian people will accept the need for change and reform. The Australian people will accept that there are some burdens to be undertaken and some things they want to be foregone provided the reason for those changes is explained and provided those changes are implemented fairly. The main example of this, in Adelaide a couple of days ago, I called in there on the way across to Perth and I met one of Adelaide's well known businessmen and he said to me, look there are a couple of things in that budget that I didn't like, you did this and you did that and I didn't like that. But he said, I have written you a letter congratulating you because what you've done, he said, is that you've

spread the pain around fairly. And he said, I'll buy that, I will accept that. He said, that's we've been wanting for a long time.

But the other really good thing about the budget is that, and it's representative of what we have done over the last six or seven months and that is that we have delivered on all of the core commitments that we made in the election campaign. And don't let any commentator, don't let any of our political opponents divert you from the reality that all of the commitments that were uppermost in people's minds when they voted on the 2nd March, the things they really took account of in a positive sense in voting for us those commitments have been delivered. Remember our commitment about the family tax package? Every last dollar of that has been delivered. Our commitment about private health insurance tax rebates, every last dollar had been delivered. Our commitment to give capital gains tax rollover relief to small business, every last dollar delivered. We've already passed the law to reduce the provisional tax burden on small business by \$180 million this financial year. We've implemented our commitment to reduce red-tape on small business. And I will have a report in six weeks time from the chairman of our Small Business Deregulation Taskforce explaining how it is that we can reduce the burden of red-tape on small business by 50 per cent within our first three years of government.

And very importantly for the small business community and for Australia generally, we have delivered on our commitment to change the industrial relations system of this country towards one based on agreements at the enterprise level between employers and employees. You remember what I had to say during the campaign about the unfair dismissal laws. And that was a rule that was brought in by Laurie Brereton and the former Labor Government without warning, without a mandate, without any moral authority at all. And that particular law in my view did more to intimidate men and women in small business around Australia from taking on more staff than just about anything over the last two or three years. And I lost count of the number of people I met around Australia, all over Australia who are in small business and they said it may be all right for BHP or CRA or a very large company, if they have an unfair dismissal suit they can accommodate, it they can settle it. But if I have an unfair dismissal argument with one of my three employees and they threaten to take me to court I can't afford to pay the \$20,000 or \$30,000 to keep the thing out of court. What I won't do, I won't employ them in the first place so as not to run the risk.

And that is the story that I've found all around Australia. And that particular law delivered covertly without warning. I mean it is a very, very odd circumstance isn't it. Before the 1993 election the Labor Party said nothing about the industrial relations reforms it ultimately was to make and yet those industrial relations reforms sailed through the Senate. We on the other hand laid all of our plans out and we're still in the process of negotiating them through the upper chamber. But I'm hopeful that those negotiations have progressed well and we are serious about negotiating with the minor parties in order to get those reforms and those changes through the Senate because that industrial relations law is absolutely fundamental to Australia's economic future. It's a

law that's based on five essential principles. The first of them is that we want to get rid of Labor's job-destroying unfair dismissal law. The second principle is that we're absolutely committed to voluntary unionism, to a free choice, that men and women in the work force should be entitled to join or not to join a union and not to be persecuted for the choice that they make to join or not to join.

The third principle is that people should have a complete freedom of choice between remaining under an industrial award or going into a workplace agreement, negotiated directly between the employer and the employee with people representing the employee if that is the wish of the employee, subject to some guaranteed minimum conditions. The fourth provision is that we should allow the emergence of workplace unions if that is what people want. People should not only have the right to join a union or not to join a union, they should also have the right to join whatever type of union they choose. And finally, we are committed to restoring the secondary boycott prohibitions introduced by the Fraser Government in the Trade Practices Act in the late 1970s that have proved so very effective to curb predatory union conduct, particularly against small businesses. Now if we can implement those five major reforms to Australia's industrial relations system, it will over a period of time yield enormous productivity and competition dividends and it's very, very important that that reform be implemented and it remains a core element, ladies and gentlemen, of Australia's economic future and a core element of the reform plans of the Coalition Government.

Only a couple of weeks ago I was able to undertake my first substantive visit overseas as Prime Minister of Australia and quite deliberately and not surprisingly, I chose to visit Indonesia and Japan during that visit, and that visit revealed to me a number of fundamentals about Australia's associations with the rest of the world. They revealed, that visit revealed to me that Australia is a highly regarded, respected country in the Asian Pacific region. It revealed to me something that I already knew and I am sure most Australians knew, and that is that this country's democratic traditions are understood and respected in our region, and the proposition, the insulting proposition that in some way the leaders of those countries would only deal with one political complexion in the leadership of Australia was of course an insult not only to their intelligence but also an insult to the democratic processes of this country.

It is quite plain to me that the governments of Indonesia and the government of Japan, indeed the Governments of all of those nations would not only deal with this Government in Australia but will deal with it enthusiastically and in a very friendly fashion. And the links that exist between Australia and the Asia Pacific region are links that have been built over the years by both sides of politics. It's sometimes forgotten that the man who laid the foundation stone of Australia's economic association with the Asia Pacific region was John McEwen who was Deputy Prime Minister in the Menzies Government in the 1950s and he was the driving force, the author, the inspiration behind the Japan-Australia Trade Agreement of 1957 and negotiating a trade agreement with Japan in 1957 was a far more challenging political undertaking than negotiating trade agreements these days, and he faced opposition, including at the time from the Labor Party yet he laid that important

foundation, and Australia and Japan have forged a remarkable economic partnership in this part of the world, a partnership that works very much to the benefit and to the credit of Australia. Japan is our best customer. We are one of the few nations in the world with an extremely healthy trade balance with that country and it's a relationship that's very important to Australia's economic future and it's a relationship that owes a lot to the far sightedness and the political leadership of a Coalition figure.

But that is not to deny that over the years, Labor Party leaders haven't also made a contribution to that process. It is very important and it's going to be a feature of my Government that where there are areas of agreement between the Government and the Opposition, let us not waste time manufacturing false division and false argument. On the other hand, where there are areas of fundamental disagreement, such as for example our attitude towards levels of taxation, let us by all means in those areas have very vigorous argument and very vigorous debate, and so far as the foreign relations of this country are concerned, I want to say to you again that our commitment to the economic and political linkages between Australia and the Asia Pacific region are as strong, that commitment is as strong under the Coalition Government as it has ever been in the past, and we have moved early in our term of office, including in particular my meeting with the Prime Minister of Malaysia, we moved early in our term of office to reinforce the importance of those links. But we do that without in any way downplaying or denigrating or walking away from the associations that we have with other parts of the world.

I have said frequently that Australia's foreign policy does not involve a choice between our history and our geography. We don't need to shun our European - American associations in order to strengthen our Asia Pacific associations. We can have the lot and there is no reason at all, given the history, the culture, the democratic traditions, the values and the attitudes of Australia, there is no reason in the world why we can't. In our early months in office we upgraded the quality of the defence association with the United States and I am happy to say that President Clinton will be visiting Australia in November before going on to the APEC meeting that I will also attend in Manila. Both of those developments are a reminder of the importance of that association and of course the associations that Australia has with the nations of Europe are all around us, and the presence in this very room of so many people who were born in the United Kingdom or other parts of Europe, as well as people from other parts of the world, from Asia, from the Middle East, is a reminder of the great diversity and the great heritage of this country in that diversity.

So we are very much a nation which sees itself as a vibrant, diverse part of an increasingly globalised political entity, an increasingly globalised economy, and it's very important therefore that we have a government that understands those balances and understands those linkages, that does not become obsessed with one or other emphasis in the area of foreign and international economic relations but sees the opportunities for trade advantage when they occur and we intend, so far as the conduct of our trade policy

is concerned, to adopt an attitude that is driven ultimately by Australia's national interest and by absolutely nothing else.

Ladies and gentlemen, it is an enormous privilege to be the Prime Minister of Australia. It's an enormous privilege to be part of the first Coalition Government in this country for 13 years. As Liberal Party supporters, you waited a long time. You must have wondered if it was ever going to come. 16 years between election wins was a pretty extraordinary period of time and Don mentioned the afternoon of the second of March. I think I've said to some other Liberal Party audiences around Australia, I was in a high state of nervous excitement myself on the Second of March as you might imagine, and I've never quite forgotten that poor official of the Australian Electoral Commission. We were at the Intercontinental Hotel in Sydney where we had our headquarters and the Electoral Commission had sent a couple of gentlemen along with their computers and they were all on line to get the results as they came in and at a quarter past six I said to him, "Have you got anything?" and he said "No".

'Twenty past six I said "Have you got anything?", he said "No". At twenty one past six, I said "Have you got anything?" and he said "No", and at twenty nine past six he said, "I've got something" and he said, "There's been a 15% swing to the Liberal Party in a polling booth in Portland". I said, "Gee, 15%" and I said, "How many on the roll", and he said "83". So I said to Grahame Morris who was beside me, I said "We've won, we've won".

He said "No calm down, calm down". As it sort of turned out, it wasn't bad. I mean, it wasn't quite as good as that everywhere. Portland is a little town near Lithgow in New South Wales. But it was a great day, it was a great night and it was a great reward for all of those supporters of the Party around Australia like yourselves who have worked tirelessly, who'd kept the faith, who supported us when you probably thought we weren't worth supporting. You must have wondered on occasions if we could ever get it right. You must have, you stop nodding your head, and you must have thought to yourself, gee, they've run out of feet to shoot which basically is very understandable. But finally it all came together and it did demonstrate that if you stick at things, if you listen to people.

But you also stick to certain fundamental attitudes and if you go back over the years you can find a consistency between what we took to the last election and what a number of people, including myself have advocated in areas such as family policy, industrial relations reform and small business. And if there are three things that I've tried to make a mark on as far as policy is concerned in the political debate in this country over the years it has been in those three areas. And I would like at the end of my three years in Government, first three years I hope, never take it for granted. One term at a time, that's my motto, and you work on it. And I would like at the end of that term, for people to have a look at what we have achieved in those areas of doing something to strengthen small businesses. The aggregate impact of our policies regarding the family and also of course what we have done in industrial relations reform, if we can get those things right then we have a real prospect of seeing some improvement in the employment area.

They're of course not the only issues that the Government but they are three things that are very important to the type of Party we are, the Liberal Party and they're very important to the kind of society we are and they're very important values to me and to other leader of the government and of the Coalition.

Ladies and gentlemen, thank you again for the tremendous help that you gave to both Don and to Ricky in the campaign. Thank you for giving us two energetic, grass roots members who will fight for their electorates, who will understand and support the need for certain decisions that have a short term difficulty but a long term benefit and a long term gain. It is a great experience to be in Government. It's an enormous privilege. We've waited a long time. We've worked very hard to get it and we don't intend to let you down. Thank you.

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