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## **PRIME MINISTER**

20 October 1996

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD, MP  
ADDRESS TO LIBERAL PARTY FEDERAL COUNCIL  
WREST POINT HOTEL CASINO, HOBART, TASMANIA**

E&OE.....

Thank you very much ladies and gentlemen for that very warm welcome. Before I commence my address to this Federal Council I am sure that there's somebody here who you would like to greet and that is the re-elected the Federal Member for Lindsay, Jackie Kelly.

Tony Staley, Tony Rundle, the Premier of Tasmania, my other Federal and State Parliamentary colleagues, ladies and gentlemen. It is an enormous privilege for me to stand before you today as the first Liberal Prime Minister in 14 years, addressing a Federal Council Meeting of the most successful political party since Federation. When yesterday we received Andrew Robb's report on the campaign it ended with an excerpt from the acceptance speech that I delivered at the Wentworth Hotel in Sydney on the second of March and in that speech I committed myself and my Government to the service of all of the people of Australia. And as I look back over the last seven-and-a-half months, I can say to you ladies and gentlemen that we have stayed true to the values, principles and the policies that we took to the Australian people in the election. And over the past seven-and-a-half months there has not only been a change in policy, there has also been a change in the style of the Government of this country. No longer do we have a Government that responds to the loudest clamour of the noisiest minority, no longer do

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we have a Government that is so arrogant it can never say sorry, or never say that it was wrong, no longer do we have a Government that is remote and out of touch with the aspirations and the hopes and indeed the dreams of the mainstream of the Australian community.

Over the last seven-and-a-half months we have begun the task of addressing those aspects of the Australian economy that need change and reform. We delivered what I believe was the best Federal Budget in close to two decades. It was a Budget that was both strong and fair. It was a Budget that delivered the core commitments of the Coalition taken to the election. It was a Budget that goes greatly to the credit of the man who delivered it, the Deputy Leader of the Party, Peter Costello, and the Federal Treasurer.

We also have in place a group of men and women who bring to the Government of this country great skills and great ability. I am immensely proud of what my team has achieved. I am immensely proud of the skills that so many of them have brought to the job of governing Australia. I am immensely proud of the fact that despite 13 years of Opposition, we have brought together a very professional and effective Government. A Government that retains the overwhelming respect of the Australian people. A Government that has delivered for all of us on what we took to the election. I remind you that in the election campaign, we spoke extensively of our commitment to the Australian family. We spoke extensively of our commitment to industrial relations reform. We spoke of our commitment to the environment. We spoke of our commitment to restoring the strengths and the vigour and the competitiveness of the Australian economy. We spoke of our commitment to the small business sector of the Australian economy. And in all of those areas, every single one of those areas, which were the heart and soul of the substance of the election campaign - the battleground, the things that people had in the minds when they voted for us - all of those things have been addressed. And if they haven't been completely addressed and if they haven't been finally addressed it is not through a lack of will on the part of the Coalition Government, it is the circumstance that we do not control both Houses of Parliament. And that is a reality that we must grapple with and we are doing it realistically. Whatever the size of our majority in the House of Representatives, it remains a reality that we do not control the Senate. Our supporters must understand that, you must understand that and you must understand the steps we must take to deal with that reality. And we don't do it in a pig-headed arrogant fashion, we do it in a realistic fashion.

Over the past weeks Peter Reith has done a superb job as the Minister for Industrial Relations, a key portfolio in a key area. And over the past few weeks and months, Peter has as any quality Minister would do in that area, he's been patiently negotiating with those who hold the balance of power in the Senate. And he and I and members of the Government remain hopeful that the legislation that for 10 years many of us have advocated above any other single economic reform, we remain hopeful that legislation can be passed into law. Because if this Government were through some circumstances only to be able to choose one economic reform to introduce during its first term of Government unquestionably that economic reform would be to change Australia's old-

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fashioned, outdated, uncompetitive, arthritic, industrial relations system. To sweep away such things as Laurie Brereton's job destroying unfair dismissal law - a law which has done more to discourage men and women in small business around Australia from employing Australians than any other legislative measure introduced by a Federal Government over the last 20 years.

So ladies and gentlemen we have kept true, we have remained true, we have stayed true to the issues that formed the focus of our election campaign. We took to the Australian people upfront a commitment to invest \$1 billion into an historic natural heritage trust of Australia and out of that we would fund ongoing environmental works and environmental projects. And we would find the wherewithall for that out of a sale of one-third of Telstra. We made no bones about that. We didn't temporise, we didn't kid about that, we were upfront about it. We didn't write to the members of the Telstra Union as my predecessor had done in 1993 to the members of the Commonwealth Bank Employees Association and promise that he wouldn't privatise - we made it clear that we would sell a third of Telstra. And we remain committed to that and it will be upon the heads of those who might defeat the Telstra legislation if this nation is denied the greatest ever capital investment in the environmental future of Australia, promised by any Government since the end of the Second World War.

And the environmental measures that we have in mind are not the environmental measures of those who academically fancy improvements in the environment. They are measures in practical, ongoing areas such as soil degradation, salinity, ocean outfall, river pollution, landcare - the sort of things that are needed to restore the sustainable base of agriculture in this country. The sort of things that will enhance the clean, green image of Australia not only in our region but throughout the world.

We have also of course delivered on our commitments to small business. There were few issues about which I spoke more frequently in the election campaign than the importance of small business in Australia. More and more Australians as the years go by will be employed by small firms. The hope of reducing significantly unemployment, particularly youth unemployment, lies in a revitalisation of the small business community of Australia. It is the large firms who are reducing staff. We hope that we can create a climate where a multiplicity of new small firms employing Australians come into existence in increasing numbers. And we have taken a number of major steps already. We changed the provisional tax uplift arrangements which have injected \$160 million of cashflow into small business. We've promised capital gains tax rollover relief from the first of July next year. Within a few weeks, I'll have a report from the Small Business Deregulation Task Force about ways and means of reducing red tape by 50 per cent on small business during our first three years in Government. And of course no sector of the Australian economy will benefit more than the small business sector from the reforms that we have in mind in the area of industrial relations.

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So ladies and gentlemen, as I look back over the past seven months, as I take you back to that momentous and emotional evening of the second of March 1996 an evening that ended for many of us what had seemed like a long political nightmare of 13 years of loss, 13 years of frustration, 13 years of wondering whether again the Liberal Party of Australia would summon the unity, the courage, the campaign skills and the application and the commitment to become the Government of this country once again. And of course history records that we did. History records that those, and there are many in this room, who kept the faith through that long political nightmare, who persevered with us, like one of those magnificent people, who we gave an Award to last night - who I understand at one stage was the sole member of the Liberal Party in Toowoomba during one of the darkest times for the Liberal Party in Queensland. It was really to people like that that the victory on the second of March belonged - because people like that had retained their faith and their commitment in the Liberal Party and the things to which the Liberal Party has always stood. And what we are able to do with that victory was to demonstrate that when it comes to effective, professional campaigning, the Liberal Party is without peer. I don't say that arrogantly or complacently but we need when we survey such an historic achievement, we need to reflect upon what are our strengths. And we need now that we are back in Government to begin treasuring the heritage of our Party in a way that perhaps we failed to do in the past. We need to honour the past greats of the Liberal Party of Australia as well as to praise the present and to project forward to the future because the past seven and a half months has been a period of great activity and a period of significant change and a period of consolidation. I've outlined the way in which we have stayed true to the commitments that we took to the last election. But those commitments were not restricted to the area of domestic policy, they also extended into the international arena. How pathetic, how petty, how ridiculous, the claim made during the election campaign that our Asia Pacific neighbours and leaders would talk to but not deal with a Coalition Government. How ridiculous, how against the national interest, the Australian national interest, such an absurd claim stands. I have made it clear on the two visits I've paid overseas, most particularly the visit to Japan and Indonesia, the essential bipartisan continuity of many aspects of Australian foreign policy. When I was in both of those countries I praised the contribution made by two former Labor Prime Ministers to our relations with the nations in the region. I did that quite deliberately because I do think in areas where there is common ground between the major political forces of Australia we should identify that and then worry about our differences in areas where there is not common ground. It has long been a bipartisan given of Australian foreign policy that our principle economic and strategic and political focus must be in the Asian Pacific region. In 1957, 40 years ago next year, John McEwen as the Deputy Prime Minister in a Coalition Government put down the fundamentals of our economic relationship with Japan in the Australia-Japan Commerce Agreement. He did it against the fierce opposition of the then Labor Party and the RSL. He did it at a time when forging an economic link with Japan was a far harder proposition than it is now. He did it in 1957 and he showed courage and leadership and vision. And if you look at the contribution of other Coalition people at the time, of Richard Casey as the then Minister for External Affairs - and the list could go on - of Percy Spender, his immediate predecessor. They all played major roles in forging those links. And successive Prime

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Ministers of Australia - Whitlam in relation to China, Fraser in relation to China, Fraser in relation to Indonesia, Hawke in relation to APEC, Keating in relation to many of those countries as well, they've all played a role. And it's in that tradition of looking to the Australian national interest and not trying to find some cheap partisan political point scoring difference that I have tried to bring a focus to our foreign relations. There's been one difference that I have identified and that is that sometimes when I listen to the former Government it sounded as though their policy was a region only policy, that somehow or other you couldn't refurbish your relations with nations such as the United Kingdom, the rest of Europe and the United States without in some way drawing back from our new found relationships in the region. Now that of course is nonsense. It has never been necessary for this nation and it never will be necessary for our nation to choose between her history and her geography when it comes to the making of friends abroad. We can have them both, we will have them both, and under this Government I'm sure that we can build all of those relationships in a most productive and effective fashion. So it is not only in the areas of domestic policy, but it is also in the area of our relations with other nations where there has been some changes and there has also been some essential continuity.

But another change that I believe that has occurred is in the way in which some aspects of politics are conducted in this country. Some of it hasn't changed and some of it, given the robust combative style of Australians, oughtn't to change either. Politics is about difference as well as being about other things. And it's the job of political parties to identify differences, to acknowledge similarities, but to identify differences and to campaign on them.

I spoke - when I addressed the Queensland Division of the Liberal Party - of the way in which in certain areas of debate the former Government had created a climate of intimidation, a climate in which people were frightened to express views on certain subjects. And I also reminded those in the audience on that occasion that robust debate in free speech carried with it the obligation to speak in a tolerant and sensitive fashion. One's obligations as a citizen are always a combination of freedoms and responsibilities. No freedom is absolutely untrammelled, there must always be a balance between the freedom to speak and say and act as one chooses, but also a respect for the rights, the property, and the sensibilities of others.

And the last few weeks we've had a bit of a discussion about such things as immigration. I think that's a good thing, not a bad thing. I think we should talk about difficult issues, but we've got to talk about it in a sensitive and sensible fashion. Immigration has made an enormous contribution to Australia. It's made an enormous contribution to the Liberal Party. I might remind you - we sometimes forget it - that the first non-English speaking member of the national parliament was a Liberal, Senator Misho Lajovic, and quite a long time ago. It was the Liberal Party that put the first Asian born members of parliament into the parliaments of this country. And I want to say that over the last 40 years, people from all around the world have made a great contribution to this country. And the day that I came back to the leadership of the Liberal Party, the 31st of January 1995, I

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identified a number of values that would guide and instruct the development of policy under my leadership. And one of those values was a vision of an Australian nation composed of people drawn from the four corners of the world but united behind a common set of Australian values. And that remains both the history of this nation and also the ideal of this nation. And it follows from that, that tolerance and respect for difference, a respect for the rights of people no matter where they may have come from once they are citizens of Australia is a core and important Liberal value.

Ladies and gentlemen, we had an exhilarating night last night, we really did. And I want to say something about the Lindsay by-election. I first of all want to extend to you, Jackie, our thanks and our gratitude for an absolutely magnificent campaign. I also want to extend my congratulations to Tony Nutt, the Director of the New South Wales Division, and all of the others who worked so very hard in Lindsay. This was the first by-election since the election of the Government and it's very important that we neither get carried away in any surge of complacency and smugness arising out of the result, but also we don't allow the spin doctors on the other side to so devalue the result and to so create the impression that it was an entirely predictable, in-the-groove, unavoidable, inevitable, natural, how-could-you-think-otherwise outcome. I mean, around in the ether is this suggestion that governments when they're elected after long periods in opposition, always win the first by-election that's held shortly after they were elected. Well, I seem to remember a by-election in a place called Parramatta, which was held in September of 1973 that was less than a year after the Whitlam Government had been elected. And Philip Ruddock knows the percentage swing even better than I, but I think it was about seven and a half per cent against the Whitlam Government that had been elected. Now I mention that, ladies and gentlemen, because I think it is important in the debate about the implications of yesterday, it is important to preserve a sense of perspective. By-elections do normally go against incumbent governments. The history of the seat of Lindsay is a Labor history and no amount of attempts to rewrite political history can alter that fact. We achieved an 11.5 per cent swing on the second of March and yesterday Jackie got another 4.76 per cent.

Now there are a few messages that come out of it. The first message of course is to us - don't get carried away with it. One of the great capacities of the Australian people, and one that I will strive never to forget, is to level those in authority if they get too carried away with themselves. It's one of the great protective devices of our psyche and of our nation. It's one of the things that distinguishes us and it's one of things we, I hope, never lose - the capacity to bring people down to earth and to remind them that this is, at the end of the day, about the most egalitarian nation you can find on earth and that is one of its enduring strengths and I hope it always will be.

I think the second message that comes out of Lindsay is simply this: that the Australian people made a fundamental decision on the second of March. They wanted to change the Government. They wanted a new group of people to govern this country and they did it loudly and clearly and they did everywhere in Australia. It wasn't confined to Sydney or Tasmania or Western Australia, it was everywhere. It was about the most comprehensive

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swing that you could possibly find, both numerically and geographically. I mean, who would have thought, if you listed all the great industrial and mining towns in centres of Australia since federation, who would have thought that after the second of March only Newcastle and Wollongong continue to have Labor Party representatives. That towns such as Mount Isa and Ipswich and Kalgoorlie and Whyalla and Port Pirie and Broken Hill, all of them are now represented by people other than the Australian Labor Party. And that was a measure of the socially and geographically comprehensive character of the victory that we won. So they said loudly and clearly, 'what a change!' And I think one of the messages coming out of yesterday, loudly and clearly is, we didn't make a mistake, we wanted a change, and for those who would endeavour unreasonably to frustrate that change, get out of the way and let the new crowd have a fair go. And if after a two or three or whatever years we don't like what they're doing, then we'll do the same thing to them as we did to the other mob. I couldn't see it in clearer terms. I think it is fundamentally a question of that. And of course at a local level there was a great determination on the part of the people of Lindsay to give a magnificent, energetic, youthful candidate of the future and member of the future, a fair go.

So ladies and gentlemen, it was a very, very exciting result. And there are just two other things that I want to say to you. The first of those is that amongst the many things that we were asked to do on the second of March was to continue to properly address the need for practical reform and change where change and reform is necessary. As you know, I've always adopted a rather Burkeian view to institutions and practices in Australia. If something works well I'm reluctant to see it changed. If on the other hand something is clearly failing the national interest, then it is our responsibility to vigorously pursue change. And in areas such as waterfront reform, industrial relations reform and all the other areas of change and reform that are needed to make Australia a more competitive nation, we have a special responsibility to pursue them. And we have, if you like, a renewed reminder from the Australian people that the job of a sensible, progressive government is always a job of practical reform and practical change where that is necessary. And my Government will be a government of practical reform and change, particularly in areas that go to Australia's economic competitiveness. Our first Budget was splendidly received. It was seen as the right Budget at the right time, addressing the fundamental issues of debt and our current account deficit weakness. I mean, if we can have the opportunity through the Parliament and elsewhere to build on that, then we can discharge our mandate for practical reform.

The very last thing I want to say is to renew my commitment to our common cause. As I said to you last night, like so many in this room I joined the Liberal Party when I left school. The Liberal Party has been my life ever since. I love the Liberal Party and everything that I have achieved in public life has been due to the courtesy of the Liberal Party. I would never have been a member of Parliament, a Cabinet minister, let alone Parliamentary Leader, or the greatest honour of all, Prime Minister, had it not been for the Liberal Party. I will never take it for granted. I will always treasure what it has done for me, but more importantly, I will always honour what it has done for Australia. We belong to a great political movement. It is not just a collection of people, although they

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are fundamental to its success, it is a collection of values, it is a belief system about the kind of society we want for ourselves, the kind of society we can have for Australia and the kind of Australia in the world that we would like our nation to be in the next millennium.

Ladies and gentlemen, I thank all of you from the bottom of my heart for the support that you gave me over the last year. I want to particularly thank my wife, Janette, and my three children who have been such an indispensable mainstay and continuum in all the time that I've been in politics. It has been a great Federal Council. It was crowned by a great victory last night, but in the nature of things we must address ourselves to the future, we must guard against complacency, and above all we must remember that we carry with us the trust of the Australian people and if we betray that trust, they will wreak the same vengeance as they wreaked upon our predecessors for their betrayal and trust, and let us never forget that imperative of political life in Australia.

Thank you.