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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS TO METAL TRADES INDUSTRY ASSOCIATION
ANNUAL NATIONAL DINNER - CANBERRA**

E&OE.....

Thank you very much Mr Thomas, the national president of the Metal Trades Industry Association; to Bert and Pauline Evans; to Kim Beazley the leader of the Opposition; Peter Reith, the Minister for Industrial Relations; other Parliamentary colleagues, ladies and gentlemen.

It is true, as the national president said that I have been to many Metal Trades Industry Association occasions over the years. I've spoken at gatherings both here in Canberra and around Australia. I've attended annual meetings and annual dinners and heard addresses by Prime Ministers and Treasurers and industry Ministers and I have to confess there is a certain novelty about addressing this gathering for the first time as Prime Minister and I look forward to opportunity later in the evening of participating in what for me will be a very pleasant exercise in saying a few words about Bert Evans, a person with whom I've had a very long association.

But tonight I wanted to address a few remarks to you about the priorities of the Government so far as they effect not only your industry but the Australian economy. I start by paying a very warm tribute to the MTIA. All of us have had to live with change, innovation, globalisation, greater competition, the demolition of distance, and the removal of things that previously provided comfort and protection.

I think it is fair to say that the Metal Trades Industry Association and its members has responded very powerfully and very effectively to the changed world economic

environment that the past 15 - 20 years has delivered. Bert Evans summed it up very nicely to me once. He said : "John I can't get a quorum at National executive meetings anymore. I've got to go to Kuala Lumpur airport to get the necessary number." I think what he was saying very effectively and very powerfully was that for an industry that for a long time was the leading protagonist for import replacement, the leading protagonist of resisting changes to levels of protection, for reasons that I'm sure people on both sides of politics understood only too well.

The industry realised the changed environment in which Australia found herself and set about doing something in relation to that environment. And I do believe that the members of your association have responded quite magnificently to the export challenge that has been ahead of Australia for a long time and still remains very much ahead of us. And you have been a very good example to the rest of industry about the need to adapt and change. In his remarks the national president talked quite properly of the challenges that are thrown up by globalisation, of the complete lack of sentimentality in world markets. He properly remarked that Australia has been better than most or faster than most in reducing levels of industry protection. I think it's fair to say that in the 1980s tariff protection in Australia was reduced at a very fast rate. And it was reduced as a result of I think bipartisan support.

I've often said that I found a number of the economic measures taken by the former Government to be ones that we could support and support very warmly. We of course live in hope for reciprocation, but I won't dwell on that tonight. It would be churlish in the extreme for me to do that.

But the tariff reduction measures announced in the late 1980s and the early 1990s did mean that Australia was in the forefront of tariff reduction and we can go to the international fora with very clean hands so far as the pace of adjustment is concerned. But I think industry is entitled to say well, we have done our part, we have borne the brunt of reduced protection, but have we seen sufficient matching of that reduced protection in the area of reduced business costs and in the area of reciprocation from our trading partners. I think most people would have to acknowledge that the answer is probably no to both of those questions. That is not to deny the inherent advantage to an economy of shifting resources into those industries that are more likely to attract them because of their naturally competitive edge. But I can understand the desire of Australian industry to say to Government, I can understand the feeling of Australian industry to say to Government : "Well, we have engaged in a lot of give-ups, we'd like a few give-ups in return". And I want to say to all of you tonight that I do understand that. And I also want to say to you tonight that, I suppose, the driving force behind many of the changes that my Government has advocated since it was elected in March and many of us advocated over a long period of time, particularly in the area of industrial relations, are designed to address the fact that the pace of reduction in levels of industry protection have not been entirely matched by the pace of reduction in the level of business costs.

Our focus, since being elected, has really been economically in two areas. We have focused very heavily on fiscal consolidation. And I'm very proud of the fact that we were able to deliver a budget that was seen broadly by the Australian community - and I know there were criticisms, I know there were criticisms from industry and I know

there were criticisms from sections of the community - but broadly the Budget was seen as both strong and fair. It was seen as addressing the fiscal challenge, the need to reduce the deficit, and if we can get the Budget through the Senate then in year three of my Government's term in office we will have a budget that is in underlying balance. And given where it has recently been and where, I suppose, it is at the moment, that will be no mean achievement. And the contribution that that will make to the national savings effort, the contribution that that will make to underlying business confidence, the contribution that that will make to the attractiveness of Australia as a place for overseas investment, is quite incalculable.

The other area, of course, has been a focus on micro-economic reform, and what I prefer to call reform designed to reduce the cost of doing business in Australia. And the forefront of that, of course, has been our commitment to bring about industrial relations reform. This has been a commitment of my Party and my side of politics for a long period of time. It's been something that has occupied a great deal of my own intellectual and political effort over the last ten years. I know that there are some in the MTIA who haven't always agreed with what I and my Party have argued for, and that could well still be the case. And I've always respected the candour and frankness and vigour with which we have been able to exchange views. Our commitment to industrial relations reform is not and never has been an exercise in union bashing. I have my views about the role of and the behaviour of areas of the union movement. I'm also prepared, as I have been in the past, to acknowledge the role of the trade union movement as part of the fabric of Australia's history and of Australia's life. My view is that trade unions in Australian society like so many other entities, as we go into the next century, will perish or survive according to their capacity to efficiently deliver services to their members and their supporters. There are no guaranteed market shares for you as businessmen and women. There are no guaranteed market shares for us, whatever our side of politics as political practitioners. And equally the philosophy that has underlayed our approach to industrial relations is that there should be no guaranteed market shares to any section of organised labour, or indeed, the organised employer associations.

We are reaching the moment of decision so far as the industrial relations reforms of the Coalition are concerned. The Workplace Relations Bill has passed the second reading in the Senate. The committee stage debate will commence, I hope, in the next couple of weeks.

I want to record publicly my warm thanks to my colleague, Peter Reith, for the patient, careful, painstaking and thoroughly professional way in which he has gone about his responsibilities.

We take seriously the process of discussion and negotiation with the minor parties in the Senate. I deal in political realities, I don't deal in political 'what might have beens.' And I hope at the end of the day we can secure, through the Senate, the passage of the Workplace Relations Bill in a form that essentially keeps faith with the principles that have been laid down over quite a period of time. It will be a bill that will focus far more heavily on individual agreement between employers and employees. It will elevate the consummation of those agreements far more than does the present legislation. It will sweep away the ridiculous unfair dismissal laws that we have at the

present time. It will change the conveniently belong rule so that if it is desired, enterprise unions can emerge. It will, I hope, give expression to the desire to give people an effective choice between a workplace arrangement or continuation under the current award system. It represents a very important element of the new Government's reform agenda, as indeed does our commitment to revitalise the circumstances in which small business operates in Australia.

Small businesses operate in every section of the Australian economy. And I know that within the membership of the MTIA the small and medium sized businesses bulk very large. And I hope to have in my hands within ten days a report from the taskforce I established under the chairmanship of Charlie Bell, the Managing Director of McDonalds, to advise the Government of ways and means of reducing by 50 per cent, the paperwork burden on small business during our first three years of office. It's an ambitious task, but a very important one. And in that context, if I can borrow from Bert Evans' anecdotes again - I've never forgotten an interview he gave on *PM* one night, when somebody was complaining of about how not enough small firms had responded to a circular about award superannuation. And Bert said, 'well, I think the person who's complaining...' - who I think had come from the Government - '...ought to understand that most small shows, particularly the one-man, one-woman shows, operate on the basis that you get into the office, you open the mail, you grab the cheques and you throw the rest into the wastepaper basket and get on with trying to make a living.' And I thought it encapsulated the reality of how many small businesses are forced to operate, and the sheer absurdity of imposing upon the very small firms of Australia the compliance obligations that can be easily discharged by large companies that have a personnel or human resources department. I thought it made the point very eloquently and in a very cut-through fashion.

Ladies and gentlemen, we talk a lot about micro-economic reform. We talk a lot about economic theory. But at the end of the day the goal of economic policy and the goal of economic decision making is not to satisfy some kind of ideology, it is not to satisfy some kind of theory. The objective of good policy in the economic area is to generate greater economic growth and through that, to generate more jobs for Australians. And that is a solemn responsibility of all governments. It's a solemn responsibility of governments, it's a solemn responsibility of oppositions, to pursue policies which generate greater growth, and through that, generate more jobs. And as a small earnest of my view about that chain of cause and affect, and of my commitment to the importance of job generation, I've announced tonight that we're establishing for the first time an employment committee of the Federal Cabinet. I had announced at the time of the election and the formation of the Cabinet that we would have an economic committee that would have as its prime goal the pursuit of micro-economic reform. I've decided not to pursue that. I've decided rather to establish an Employment Committee of Cabinet whose prime goal will be to oversee the implementation of policies that are designed to boost employment. The doesn't signal any departure from previously stated policies. But what it does signal is a very direct commitment to pull together the various activities of government and the various policies of government and point them in the direction of job generation.

A competitive economy or a more efficient economy from a micro-economic point of view is not an end in itself. It is only a tool to provide greater growth, and through

that, more jobs for Australians, particularly for young Australians. None of us, whatever our politics or whatever our vantage point in industry or the trade union movement, should ever lose sight of the human and social responsibility that goes hand in glove with economic policy. And the creation of jobs and the provision of opportunities and hope, particularly for young Australians, does remain very much at the core of what government is all about. We had a lot to say about that during the election campaign, we had a lot to say about the role and the place and the contribution of the small business community towards it, and it remains very much in the forefront of our thinking.

Ladies and gentlemen, the MTIA has made an enormous contribution to Australian industry and to the Australian economy over a long period of time. Your members have witnessed the enormous changes in the Australian economy of the last 20 years. You have become active participants in the new globalised world economy. You are at the cutting edge of change and competition. I have enjoyed in the past a very close association, on occasions an association that has brought forth very vigorous debate and from time to time disagreement, but always on the basis of a well intentioned desire to serve the long term interests of Australia. And I want to say, at this the first dinner I have addressed of the MTIA as Prime Minister of Australia, I want to say that drawing upon that past association I commit my Government to close consultation, a very close dialogue with your members and with your association. I regard the free exchange of ideas and information and advice, and on occasions where appropriate, criticism and rebuttal, between governments and the business community, as being very important. I've often said that the Party I lead can proudly say it's not owned by any one section of the Australian community, and that certainly is a very emphatic declaration that I make. But it does not alter the fact that we are a Party that has always sought to have a keen eye to the legitimate concerns of the business community of this country - the wealth generators, the job providers, the export providers, and the providers of the economic future of Australia. And I'd always want it to be seen that even if on occasions we might disagree, my Government and its various members listen very closely and carefully with what you have to say.

Can I, on behalf of my wife and myself and on behalf of my other colleagues who are here tonight and who won't be contributing to the proceedings, thank you most warmly for having us as guests. I wish the MTIA well. I look forward to the very closest possible consultation and cooperation between the MTIA and my Government in what I hope to be many years of a close partnership.

Thank you.