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PRIME MINISTER

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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
KEYNOTE ADDRESS TO THE
NEW SOUTH WALES STATE CONVENTION
UNIVERSITY OF NEW SOUTH WALES**

E & OE

I think I'll come back to a university again! Alex Howen, John Cameron, and very specially Tim Fischer, the Deputy Prime Minister of Australia and Leader of the National Party. And Tim has virtually, well actually this morning, returned home after having led the Australian Ministerial Delegation in the Regular Ministerial Consultations with Ministers in the Government of Indonesia. Who said that the great nations of Asia would not deal comprehensively with a Coalition Government?

I'm delighted for a number of reasons that Tim is present this morning. Not only because of his role as the number two person in the Coalition Government, as the Minister for Trade, but as the Leader of the National Party he symbolises by his presence here this morning one of the enduring realities of politics in Australia. When the Liberal Party and the National Party work together, they win together. I thank Tim Fischer for the magnificent loyalty, the magnificent support and cooperation that he has extended to me, sometimes on some difficult issues for his own constituency. He's always seen the long view, the Australian view, the Coalition view, and he follows a fine tradition of other Country and National Party leaders who have been powerful and influential Deputy Prime Ministers of Australia.

It is Alex, not only a delight to be welcomed here as the Prime Minister of Australia, I too have waited a long time. But it has been worth the wait. It's been worth the wait overwhelmingly because I believe, and in my heart I know so many of you believe, that if we persisted long enough we would achieve a crucial change of government in Australia. And the magnitude and scale of our victory on the 2nd of March, not least here in the State of New South Wales, vindicated the perseverance and the loyalty and the commitment of so many of you over such a long period of time. And words, of course, really fail me in describing the sense of excitement and exhilaration we felt last

Saturday night when Jackie Kelly was re-elected as the Member for Lindsay. Gee we're looking forward to her being sworn in on Monday.

I think it is a tremendous demonstration that that great Australian trait, that great Australian which we all believe that of a 'fair go' is still alive and well. And to not only retain the vote that we achieved on the 2nd of March, but to increase it in primary terms by over six per cent is an extraordinary achievement. It's a great tribute to Jackie as a candidate and a Member and it's a great tribute to the Party organisation here in New South Wales, for Tony Nutt and to all of you who have revitalised the organisation in this, the numerically largest State in Australia. And you have increased the Liberal Party representation from a level after the 1993 election, which was the battle of interstate jokes, to a level now where the New South Wales Division is making a massive contribution to both the strength and the stability and the quality of the Liberal Party throughout Australia.

And I speak to you this morning, ladies and gentlemen, although a home grown product of the Liberal Party here in New South Wales and as a Member myself of the New South Wales Division, I of course speak to you as the national leader of our Party as somebody who, in the seven-and-a-half months that has gone by since we were elected, has had as my great goal achieving the things that we said during the election campaign that we would do if we were elected.

I think one of the great achievements of the Coalition in its first seven-and-a-half months has been the extent to which it has honoured those core values and commitments and promises it took to the Australian people before the 2nd of March. Despite the static, despite the criticism and despite our natural inability to implement every last commitment because of the scale of the fiscal inheritance and mess that was ours after the 2nd of March, all of the things with which the Coalition was associated before the 2nd of March have been up there right at the very top of our implementation agenda since we were elected.

We committed ourselves to extensive action in a number of areas. We committed ourselves to industrial relations reform. And that remains at the heart of a more competitive, a more open and a more productive Australian economy. Over the past few months intensive negotiations have been underway between the Government, and our interests have been represented so very well by Peter Reith and the Australian Democrats. And I hope, in the course of the next couple of weeks, that the outcome of those negotiations will become known.

Industrial relations reform is critical to Australia's future. And the industrial relations reform that we are committed to deliver contains a number of absolute elements. It contains an absolute commitment to rid this country of the last vestiges of compulsory unionism and the closed shop. It involves an absolute commitment to get rid of Laurie Brereton's job destroying unfair dismissal law which destroyed almost...that has destroyed almost as many jobs in small business as Paul Keating's record high interest rates of the late 1980s. It involves an absolute commitment to give people an effective choice between a workplace agreement and an industrial award. It contains a commitment to restore effective secondary boycott laws which were swept away by the former Government for one reason, they worked too well and they upset some of

their friends in the Trade Union Movement. And it also involves an absolute commitment to allow the emergence, if trade unionists want them, of workplace or enterprise unions. So that's a very important part of our reform programme. We talked about that before the election, I've campaigned for industrial relations reform in my various political guises, almost unceasingly over the last ten years.

We committed ourselves to the greatest ever investment in Australia's environmental future. The commitment to establish the Natural Heritage Trust of Australia will give to this country the greatest capital commitment to environmental protection and development promised by any government in the last 40 or 50 years. And that will only be possible if the Senate passes our proposal to sell one third of Telstra. A proposal that was fully explained and made public to the Australian people before the election. It's a very, very interesting thing you know ladies and gentlemen, that before the 1993 election the Labor Party said nothing about its plans to change the industrial relations system, yet their proposal sailed through. We said everything about our plans to sell one third of Telstra and that legislation is still under consideration in the Senate. I don't know the final outcome of that, discussions are still underway. But I do know this, that if the concept of mandate means anything, if the concept of the Australian people expressing a view on the right of people to implement the programme that they have made public before the election, then we have a right to expect the Parliament to pass our Telstra legislation.

I said before the election that revitalising small business would be an important element of reducing unemployment. A number of steps have already been taken to implement our commitments to small business. We've injected \$180 million via the provisional tax system into the pockets largely of small business in the next twelve months. Our moves in the industrial relations area will be of enormous benefit to small business, particularly the removal of the unfair dismissal laws that hoisted on us after 1993. We have proposed in the Budget, but it will come into operation from July of next year, measures in the area of capital gains tax that will provide much needed relief for small business. And I'll have in my hands next week the report of the Small Business Deregulation Taskforce, chaired by the Managing Director of McDonalds, Mr Charlie Bell. And the terms of reference of that committee were to tell the Government how to reduce red tape effecting small business by 50 per cent in our first three years of government. And I'll have that report in my hands next Friday and I'll make it public then. Because if ever a set of laws have been made in this country in ignorance of the people they affect, they are many of the regulatory laws that afflict small business. They are made in the stupid, uninformed belief that the one or two person business with people doubling up as the sales manager, the managing director, the personnel manager, the tea maker, the bookkeeper, the everything, but they've got some kind of large personnel department at their disposal to whom the voluminous regulations can be passed for examination and leisurely comment. Well big companies may have that, but the tens of thousands of small businesses which contribute people that make up the heart and soul of the Liberal Party certainly don't have those resources at their disposal. So a major assault on small business red tape is very important to us.

And of course, ladies and gentlemen, we also said that we would pursue a responsible budgetary policy. And whatever may now be said by Mr Beazley and others, and the records are there, the video recordings are there - we replayed some of them at the

Federal Council meeting in Hobart - we were told by Mr Keating and Mr Beazley that the Budget was in surplus when they knew it was in massive deficit, and nothing can alter that fact. We faced that problem and we produced a budget that was widely seen throughout the Australian community as being strong but fair. And that is what the Australian public wanted. And one of the reasons, one of the reasons you now see interest rates in certain areas tumbling to levels we haven't seen for more than 20 years, one of the reasons for that is that we brought in a strong, fair and fiscally responsible budget. And that budget tackled, that budget tackled the economic problem but it also did in a way that was fair. The Australian public will always accept the need for change and reform. The Australian public will always accept the need for some belt tightening if two conditions are fulfilled. Firstly, we must explain in clear and lucid terms that national interest in making the change. In other words we have to explain to people why it is good for Australia that something be done. You don't tell them that you're doing it because it satisfies some nebulous economic theory. Economic theories are important but they're only theories, they're not ends in themselves. They are merely reasons why you might do something in the national interest. But when I take a decision I ask myself a fundamental question - is it good for Australia? And if it passes that test then it's something that ought to be considered. And the second test that it has to pass is - is it fair? In other words, does it impact unreasonably on one or other section of the Australian community. The great sense of the fair go and the egalitarian instinct of the Australian always says:- 'well, I don't mind doing my bit if the bloke next door does his bit as well'. And that is a very, very natural Australian instinct. And if we can apply those sort of principles and those considerations to the decisions that we take then we will continue to retain the understanding and support of the Australian people. They won't always like what we do. I had somebody in Adelaide say to me a couple of weeks ago:- "I went through your Budget and there were about seven or eight things that I didn't like". He said it was terrible. But he said:- "I wrote congratulating you on a good budget because overall it was fair and it was good for Australia". And that was really the object we set ourselves. You can't always do things that people like, but if there's a national interest in doing it and if it's done fairly and the pain is spread evenly and you keep faith in those key areas where you said you'd take action, then I believe that the Australian public will go along with it. And the benefits of that strong but fair budget are now beginning to be seen. And there's no doubt that the better climate for lower interest rates is a direct result in part - I stress, in part - of the strong fiscal line that we took in the Budget. And I ask people who may say, well, the Budget may have done this that I didn't like, I ask them to take into account the benefits for the multitude of Australian families is one of the major reasons that we will end up having lower interest rates, still lower interest rates in Australia, is the contribution of that Federal Budget. And I want ladies and gentlemen, to record my gratitude to Peter Costello, the Treasurer, and John Fahey, the Minister for Finance, who carried the major burden of the day to day work in putting the Budget together.

Ladies and gentlemen, the next couple of months in the lead up to Christmas, and the next few weeks in Parliament will see decisions taken on a number of the crucial legislative measures that we have put forward. But I know some people are saying well we would have liked to have seen these things through earlier, so would I, but

I've got to deal in the reality that we don't control the Senate. We may have retained our forty five seat majority, in the House of Representatives but we don't control the Senate. And the arithmetic of the Australian political process is such that no matter how strong a mandate a government may receive in the lower house it is next to impossible to see a government of this country in the foreseeable future having the numbers in its own right to control the Senate as well, and dealing with the Senate and having intelligent strategy to negotiate with the Senate is a very, very important element of political and government reality in Australia in the 1990's.

It is important, ladies and gentlemen, that we never lose sight of the social responsibility we have to do everything we can to reduce the still chronically high level of unemployment in Australia. I don't have any unrealistic prescriptions, I don't have any unrealistic predictions or targets. I think setting targets, numerical targets in the area of unemployment is just so much window dressing and that incidentally was the view of my Labor opponent the Leader of the Opposition, when he was Minister for Employment in the Keating Government. But what I do regard as realistic and appropriate, and in the national interest is to focus all of the policy activities of the Government towards the objective of generating jobs and reducing unemployment. That's why I've established in lieu of the previously intended Economic Committee of Cabinet, a Cabinet Committee chaired by myself with Tim Fischer as Deputy Prime Minister and member, that will focus on the objective of job generation. Of gathering together all the policy decisions we've taken and asking the question, will this help to generate jobs for Australians? Will this promote a climate for investment that will generate jobs for Australians? What is the unemployment dimension of this or that political decision? I don't pretend that that's going to solve the problem. In establishing it I don't acknowledge that any fundamental policy shift is needed, because at the end of the day, a higher rate of economic growth sustained over a longer period of time with a freer labour market together will do more to reduce unemployment than any other policy prescription.

But it is important that we don't lose sight of our social and our human responsibilities. Governments do not exist to live out the fantasies of economic theories. Governments exist to provide good, stable, and where necessary, progressive government based on practical reform. Economic theories, ideological beliefs are important, but at the end of the day what is most important is what we do for people. And doing things for people, understanding people, being sensitive to people's feelings, is a very important element of government.

Before the last election, before the Government was properly charged with arrogance, it was charged with being remote from the concerns of the mainstream of the Australian community. It did generate in the Australian community an elitist view that somehow or other the public out there were too foolish to be involved in the decision-making process on important issues. And in effect the public on some issues were told well just leave it to us mature sophisticated people in Canberra, on both sides if you like, together with our advisers and of course the commentators in the media - we'll work out the solution and we'll tell you the result. Now there was a flavour of that, not on every issue, but there was a flavour of that about a lot of issues. Well that is not an attitude of mine that I have. One of the reasons that I don't spend quite as

much time in Canberra as some of my predecessors, is a determination to retain as much contact as I can with the generality of the Australian community.

We've already begun the process of taking Federal Cabinet around Australia. Of meeting in Perth, in Adelaide, and over our term in office, not only the mainland, the capital cities of Australia, both mainland and Tasmania, but also major provincial centres. And we're not going sort of do it right at the end of our term in response to the distant thunder of the electoral tumbrel, as indeed was the case with our predecessors. I mean they suddenly discovered Western Australia. The Prime Minister - the former Prime Minister - went about twelve or fourteen months on one occasion between visits to Western Australia and you can't treat, as a national leader, you can't treat the various parts of Australia in that kind of fashion. There is more to Australia than Sydney, Melbourne and Canberra, and one of the reasons that we have done so well in the less populated states is that we have demonstrated, ladies and gentlemen, a national perspective.

The last thing that I want to say in a policy sense, is going back to my welcome to Tim Fischer, is to say how important it is for Australia to present a balanced view of its own assessment of our place in the world. It was always ridiculous and untrue, and unhelpful for the former Government to say that the nations of the Asia-Pacific Region would not deal with a Coalition Government. It denied the history of our successful involvement in our region, under Prime Ministers of both political persuasions. It sold short the maturity of the leaders of the nations of Asia, who understand our society and understand its workings much better than some Australian politicians patronisingly give them credit for. It denied of course the massive contribution that was made way back in 1957 by one of Tim Fischer's predecessors, Sir John McEwen, as Deputy Prime Minister in the then Coalition Government, who forged the Australia-Japan Commerce Agreement which laid the foundation of the modern trading relationship between our two nations. And forging that agreement in 1957 represented politically a far more difficult task than such a thing would do now. And he didn't get much help from the Labor Opposition - he got a lot of opposition from people who then should have known better. But he nonetheless went ahead and did it because it was in Australia's interests to take the long view. But if you look back over the broad sweep of that forty year period, few acts on either side of politics have had such a seminal influence on that relationship which is now so important to us.

And of course we remain deeply committed to that region. Our political, our economic, increasingly our people to people future is tied up with that region and rightly so. But it isn't necessary in building further on those very important links, to deny the many other important associations that Australia has around the world. Our natural and deep links with the nations of Europe, of Britain and the other nations of Europe, and our strong historical defence and foreign policy associations with North America. It's not a question of choice, it's a question of having a full and appropriate relationship with all. And if there is a change in the nuance of Australian foreign policy, it is that change more than anything else which is important. It is not a walking away, in any sense, in any sense, shape or form, of our association with the nations of the region, it would be folly in the national interest to do that. But it is an unapologetic affirmation that as well, we do have other associations - they complement each other - we do not have to choose between our history and our geography. We

are a nation confident enough with a sufficiently distinctive identity of our own as Australia and nothing else to be able to have all of those associations together.

Finally, ladies and gentlemen, I want to say something to you as fellow Liberals. There are many people in this room that I have worked with in the Liberal Party here in New South Wales for most of my adult life. I come from the branches of the Liberal Party here in Sydney. I've held most of the elected offices that it's possible to hold in the Liberal Party organisation. I was a young Liberal a long time ago. I enjoyed the activities of campaigning in marginal seats over a very long period of time and I have a very deep affection for the Liberal Party. What I have achieved politically I owe entirely to the Liberal Party. Without your support, without your warmth and understanding and your help and your forbearance during the wilderness years, both personally and politically collectively for all of us, - there were a lot of them - without that assistance and I could never have hoped to as Leader of the Federal Parliamentary Party to lead it to victory on the 2nd of March. And of all the many things I felt, on the 2nd of March, one of the strongest feelings I had was one of gratitude that at long last your efforts had been rewarded. The efforts of the thousands upon thousands of Liberal Party branch members, who without any public recognition, without any reward, worked for a cause because they believe in it, and they dedicate their lives to it, they get up early in the morning on polling day, they go to the endless meetings, they go to the fundraises, they go all over the country preaching the cause, and I get mightily angry when I hear anybody speak derisively of grass roots members, or pamphlet folder or any of the other insulting terms that some of the self-appointed critics of Liberal Party organisations sometimes use, because without people like you, we would have gone out of existence when the public repudiated us.

The rank and file members of a party give it sustenance and nourishment when it's going badly, and the concomitant of that is that when it's going well you are entitled not to be taken for granted. You are entitled to be listened to, you are entitled to be consulted. You may not always be agreed with but that's in the nature of life. And I want to say on behalf of all of my colleagues, that we won't take you for granted, we are deeply grateful for what you have done to keep our cause alive and to keep the flame of Liberalism burning very brightly even through very difficult times. And I want to say to you that I'll always keep in touch, I'll always listen and I'll always remember what the Liberal Party members here in New South Wales and throughout Australia have meant to me and how they have made the great achievement of all of us, of winning Federal Office possible.

Thank you.