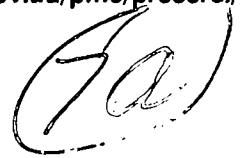


MEDIA TRANSCRIPT**Prime Minister the Hon. John Howard MP, ADDRESS AT CANBERRA
BUSINESS COMMUNITY DINNER
13 December 1996****E&OE**

Thank you very much Mr Denis Paige, the Chairman of the Canberra Business Council; to Mrs Kate Carnell, the Chief Minister of the ACT; to my ministerial colleague Warwick Smith; Andrew Whitecross, the Leader of the Opposition; Ministers in the ACT Government, Tony Dedomenico, Gary Humphries and Bill Woods; to my parliamentary colleague Gary Nairn, the federal member for Eden Monaro; to the mayor of the Tumut Shire Council, Mr Geoff Pritchard and to David Evans, the recently appointed and new Chairman of the National Capital Authority; ladies and gentlemen.

I am particularly pleased to be here tonight to acknowledge the presence of such a big cross section of the community of the Canberra region and to take the opportunity of saying very directly to you a few things about the attitude of the Federal Government towards the Canberra region.

I am releasing tonight a vision or mission statement about the attitude of the federal Government to the Canberra region and my remarks will be built around some of the things that are contained in that statement but will also contain some specific announcements which are not canvassed in such detail in the statement. I want to say very directly to you that the Federal Government remains absolutely committed to the special role of Canberra and the Canberra region as the location of the national capital of our nation, and because of that there are a number of particular things which we regard as ongoing commitments and obligations. And I speak as a Coalition Prime Minister, conscious, and I don't say this in any carping sense, of the contributions of Labor Governments to Canberra but I am very conscious of the history of Coalition Governments and their contribution to the development of Canberra. The particular role played by Sir Robert Menzies as a Coalition Prime Minister in really laying the foundations of modern Canberra, the establishment of the forerunner of the national Capital Authority by the Fraser Government, the establishment also of the Australian Institute of Sport; the Australian Defence Academy; the High Court building and the National Gallery, all of those projects were essentially initiated by and established under Coalition Governments.

I don't come as a political pauper in any sort of you know descended sense, so far as the Coalition is concerned it is an Australian gathering, I come as somebody who is in a particular tradition. Now I recognise that the decisions that we have taken have had a disproportionately large impact on the Canberra community. I know that, I acknowledge that, I don't mince words on that, I'm sorry about that, and it is important that it be understood that those decisions weren't taken in any punitive sense against the Canberra community. They weren't taken because the Federal Government dislikes public servants - that's nonsense. Anybody who pokes fun at the public service doesn't understand the important role the public service plays in the fabric of our country and particularly in the life of the Canberra community.

But we did have a problem, I don't want to go over all of that, you've heard the debate,

but I want you to understand the context in which those decisions were taken. We do attach particular importance to the role of the private sector in the Canberra community. It is true that 48% of employment in the Canberra area is in the public sector which is of course the highest anywhere in Australia, but that does leave 52% in the private sector and one of the emphasises as the Chairman said of the new Government has been on the role of small business. And I think it will only be over the next 12 months that the entire Australian community and particularly the small business community of Australia will begin to understand the scale of the changes and begin to experience the benefits of the changes that we are making in the area of small business. The changes under our industrial relations legislation for example don't come into operation until the first of January. As I speak now that silly unfair dismissal law which has discouraged so many men and women in small business around Australia from taking on new staff, that is still with us, and it won't be until the first of January that the new and better and fairer law comes into operation. It won't be until the first of January that small business has greater freedom and flexibility to arrange workplace bargains that suit their circumstances and the circumstances of their employees.

And it won't be until July 1st next year that an absolute tax revolution so far as the application of the Capital Gains Tax to small business will come into operation and I don't want anybody in this audience to misunderstand the scale of what we have decided to do in that area. We've not simply said that you can roll over the proceeds of the sale of one business into the purchase of another business of a like kind. We've said that up to a limit of \$5 million you can roll it over into the purchase now of any kind of business, any other kind of business without incurring Capital Gains Tax liability, and the impact of that when it spreads through the community and particularly through the small business community, and the new law will come into operation on the first of July of next year, we can't afford to run it any earlier than that because it will be quite an expensive item so far as the revenue is concerned. I think it will be very popular and I think it will have quite a liberating effect on small business. And there are many other things that we've done for small business. We altered the provisional tax uplift factor. I had a report from Mr Charlie Bell, the Managing Director of McDonalds on cutting red tape on small business, and he has put forward a number of very - in fact 62 specific recommendations - and I've promised him a definitive and positive response by the middle of February.

So when you add all those things up, when you add up the knock-on effect for small business of I believe a rise in investment and investor confidence. I'm appointing to my staff a major projects facilitator whose role will be to clear away unnecessary hurdles to government approvals for major projects in Australia. Now, major projects are important in themselves but they also have great effects for small business. Now, I stress the small business changes because they are a very important part of our long term strategy and they have very important affects for the Canberra region and they have particular relevance to the many people who are in this audience. So, part of our vision, indeed the fundamental part of our vision for this region is of course an invigoration and expansion and liberation of the opportunities for small business. And the growth of the private sector in the region is tremendously important.

Now yesterday Warwick Smith announced the appointment of David Evans as

Chairman of the National Capital Authority and he brings a wealth of experience to the job, he brings particular knowledge of the area, his administrative and leadership role in the RAAF ideally suits him for this kind of job and Warwick Smith has confirmed that the Coalition will amend the ACT planning and land management act during our current term to remove the current legislative barriers to perpetual leases.

The final decision on if and when to introduce the new lease hold system is of course something that rests with Mrs Carnell's government, and that decision will be a particular benefit I believe to Canberra's business community as it will improve investor confidence and therefore lead I hope to more jobs in Canberra. Now, the public service will remain a major part of the life and the economy of Canberra and although there has been a downsizing the federal public service, which I have to say in a sense matches the downsizing that has occurred some years earlier in a number of the State public services and perhaps we've done it in a rather more overt fashion than some of the actions of our predecessors because there was a significant reduction in the number of people employed in the federal public service under the actions of our predecessors.

We are increasing opportunities for the outsourcing of services to Government and they will be a particular benefit to small business. It's been estimated for example that initiatives in the administrative services portfolio alone could generate up to 2,500 jobs in the private sector. And right at the moment we are examining ways to facilitate greater access for small business to outsourcing opportunities. And as a result of the round table with local business and Government officials yesterday it's been agreed that the business community will be connected in the preparation and development of guidelines to deal with the outsourcing of Government services.

That brings me, Mr Chairman, to the issue of the National Museum. You will remember that during the election campaign I made a commitment to the establishment of the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander studies. I made that commitment during the Canberra by-election in 1995. It was reaffirmed by me during the Federal election campaign and tonight I say that the Government stands solidly behind that commitment. As a first step we provided \$1.5 million in the 1996-97 Budget for the National Museum Committee to investigate site options. The committee has reported and has recommended that the Museum be located at Acton Peninsula. And I announce tonight that the Commonwealth will accept the Committee's recommendation. The National Museum and the Institute will be major national cultural institutions which will service permanent repositories of Australia's rich heritage and culture. Now, I recognise that there's been some debate in the community about where the Museum should be located and not everybody will agree with the recommendation of the Committee nor with the Government's decision. But I think the essence here is to get on with it. The essence here is to make decisions and to move forward.

Now we're going to announce, as we probably should, funding details in the next budget. But as a down payment on further work and as a earnest of where we stand and what we think, the Commonwealth will allocate three quarters of a million dollars for a development brief to commence in January 1997. Can I also say that we will continue with the refurbishment of the Old Parliament House, the Australian War Memorial, as well as the extension for the National Gallery.

Now, we recognise the great importance of infrastructure for this region. And it is for that reason that I announced last week that the Commonwealth, the New South Wales and the ACT Government's will shortly call for expressions of interest in the provision of the high speed train service between Canberra and Sydney. We take a positive attitude to the private sector development of this proposal. There will be a competitive tender process and the Commonwealth will play its role as a member of the Project Control Study Group. We will facilitate a commercially viable rail service. They know that this project holds out very positive signs for many people in the region and I hope that the response

of the private sector is a very fulsome and positive one.

We also recognise the potential for expanding the role of Canberra airport so that it can better serve the needs of the region. The Federal Airports' Corporation is examining the feasibility of upgrading Canberra airport to international status which could, for example, facilitate direct flights between the region and major export markets into the Asia-Pacific area. This could be of particular benefit to local primary producers who want to develop niche markets in the Asia-Pacific region. I believe very strongly that the future of the region will be assured once major stakeholders accept that a new model of development is needed to guide it into the next century.

I want to commend the Canberra business community for responding in a positive, even aggressive fashion to the challenges that have been presented over the past few months, and exploring ways of embracing a new approach. The way in which the various members of the Canberra business community have come together at such short notice tonight, the evident commitment of so many of the people involved in that community to Canberra's future; a desire not to look back over the shoulder in recrimination about what may have gone before but rather to recognise that changed circumstances present new opportunities as well as new challenges is a very encouraging development.

As I said at the beginning of my remarks, I am very cognisant of the impact of some of our decisions on this region. Those decisions were necessary in the national interest, they were not taken lightly. I regret the personal difficulty that some of them have caused to many of my fellow Australians. I do not lead a Government which is a public service basher. I lead a Government that believes very strongly in the private sector, particularly in the small business sector. I have a deep personal and philosophical commitment to small business. I believe it is the engine room of future economic growth in Australia. I believe it is the sector which over time - and I stress over time - can provide the answer to our employment difficulties. But there is an important role for a professional and highly motivated and highly committed public service in Australia and it has a special role here in Canberra. And there is also a special place for Canberra in the life of Australia as its National Capital. It is a source of very great pride to me, the city of Canberra. It is a source of very great pride to all Australians. There is obviously debate around Australia about the size, the role and the shape of federal vis a vis State and municipal government. But that is part and parcel of the normal ebb and flow of political debate.

But I do want to assure all of you that my Government remains, as former Coalition governments have been and demonstrated, very deeply committed to the welfare of the Canberra region, very deeply committed to the people of Canberra. And I've endeavored tonight, with some of the announcements that I have made, to indicate the measure of that commitment. I can't promise that I will agree with everything that is put to me by the ACT Government or by the Canberra business community. But I can promise both the Government and the business community a very frank and regular communication and dialogue, a willingness to listen, a willingness to accede to reasonable requests that are clearly in the interests of the region and consistent with Government policy. And I hope that the announcements that I've made in relation to the speed rail project, to the possible extension of Canberra airport and in relation to the National Museum, coupled those things with our very strong generic commitment to small business, will represent a demonstration of our commitment to you and our desire to see a very bright and prosperous future for the people of the Canberra region.

Thank you very much.