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PRIME MINISTER

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THE YEAR AHEAD

Australians have every reason to look forward to 1997 with hope and confidence.

The fundamentals of our economy are strong. Very low inflation, lower interest rates, more flexible labour market conditions and substantial progress in cutting the budget deficit, all bode well for strong business investment and greater consumer confidence.

Relatively strong growth in the major economies of the world will be positive for the Australian economy in 1997.

From today, new tax benefits worth \$1 billion will be delivered to low and middle-income Australian families with children. These benefits will enhance the child care choices of parents and give particular assistance to one income families thus addressing some of the current bias in the tax system against such families.

Although much has been achieved in recent months the task of economic reform is far from finished.

Supply side impediments to a more competitive economy, in areas such as the waterfront, must be addressed.

More steps must be taken to lift the burden of red tape from small businesses which, now freed of the stultifying effects of the old unfair dismissal rules and antiquated industrial relations laws, still offer the best hope of progress on the jobs front.

Now that the sale of one-third of Telstra has been authorised by Parliament, 1997 will see reality given to the Natural Heritage Trust of Australia. From it will be funded the greatest ever capital investment in the renewal of Australia's environmental assets.

This will represent an historic programme well into the 21st century of reclaiming Australia's environmental heritage for future generations.

There are major challenges ahead on the native title front. In the wake of the Wik decision, which altered one of the basic tenets of previous thinking on native title, responses are required which deliver both predictability and justice to all concerned.

The responsibility of delivering such a balanced and fair outcome does not rest with governments alone.

As Australians approach the New Year, we are entitled to do so with a quiet pride that we live in a nation which is unsurpassed when it comes to freedom, stability and tolerance.

We still have many blemishes. Some of our fellow Australians remain profoundly underprivileged living in or at the edge of poverty. They continue to need our compassion and help.

If we can keep that balance - pride in what we have achieved - yet determined to address our shortcomings, 1997 will be a very good year for Australia.

My wife and children join me in wishing all Australians a very happy New Year.

31 December 1996