



12 March 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD MP  
SPEECH TO LUNCHEON AT ECHUCA, VICTORIA**

E & OE.....

This is quite a meeting. It's a big tent and I don't often speak under big tents but they're quite a, it's quite, I don't think I've been on the site of a land claim under a tent on a river bank before. I've been in a lot of unusual places in my almost 23 years in politics but it is a great delight to be here. I think I am sort of the first Prime Minister of Australia who has paid an intentional visit to this electorate and I am delighted to be here, delighted to be welcomed into the electorate of Murray by your new, very effective, very energetic, highly intelligent and highly articulate Federal Member, Sharman Stone. She really is doing well.

If she thought the second of March was a good night, I can tell you, there was another bloke, no, there was another fellow, another Liberal who thought it was too and it was a great night and it's a night that really, and I said it then and I will say it again, it's a night that really belonged more than to me or to Sharman, but it really belonged to all those hundreds of thousands of supporters of the Liberal and National parties throughout Australia who, year in and year out, worked so damn hard to elect a Coalition Government and for one reason or another we kept getting it wrong and stumbling or shooting in the wrong direction and then finally it all came together and we finally did win. We didn't win with a whimper but we won very strongly on the second of March and we have a tremendous opportunity and I still feel the sense of excitement that we no doubt all experienced on that occasion and all of my colleagues still have that sense of excitement and that sense of commitment and that sense of mission to try and bring about some significant changes. And one of the things we do try very hard to do and my being here today and in Pakenham yesterday along with all the members of the Cabinet is to end for all time the notion that the world revolves around Canberra, Sydney and Melbourne. It really doesn't.

One of the things I am quite determined to do is to take the Cabinet I lead to the people of Australia. We had a Cabinet meeting in Pakenham yesterday and we're going to have Cabinet meetings all around the regions as well as the state capitals of

Australia so that at the end of our three years in Government we will not only have talked the rhetoric of listening to the regions of Australia, we will have acted out the reality of listening to the regions of Australia. What I did yesterday and what I am doing today is really the beginning of a very long journey over the next couple of years, a journey of listening to the Australian people, especially in the regions, hearing about their concerns, often agreeing with them, sometimes disagreeing with them but hopefully, at the end of that process being able to govern well in their interests as well as in the interests of all of the Australian people.

Now we inherited an Australian economy that had some good features but it also had some bad features. It had relatively low inflation but it had very high interest rates and in the 12 months that we have been in power, we have seen that inflation rate come down a little further which is welcome and we have seen some quite substantial falls in interest rates. We inherited an Australian economy that had a very high level of unemployment and that high level of unemployment was the product of policy failures over a long period of time and that high level of unemployment is still with us and I didn't expect that it would be gone. I didn't even expect that a dent would be made in it in 12 months.

(Tape breaks)

.. the last year the level of business investment has been higher and for the next year it is prospectively higher still than it has been at any time over the last 25 years. Now not all of that is being felt evenly in Australia. A lot of that investment is concentrated in the mining industry and in areas of the construction industry and the major cities and some of it in the tourist industry, and I know that when politicians talk about big investment figures, if you live in an area of Australia where there's not a lot of investment, you sort of are a bit sceptical and you are entitled to be a bit sceptical because all of those figures are nationally expressed.

So to get unemployment down you have to get the economy growing and it's got to grow stronger than it is at the present time. It's growing at about 3.5% which is pretty high by world standards. There aren't many better but it needs to grow at somewhere between 4 and 4.5% to begin to make really solid inroads into the level of unemployment. And that is why you have to take out of the economy all of those things that stop people doing sensible investment and taking sensible business decisions.

And one of the things that we promised we would do is we would change the industrial relations system of this country. And I am very happy to say that Laurie Brereton's stupid, job-destroying unfair dismissal law is finally a thing of the past and that was got rid of only at the beginning of this year, not because I didn't want to get rid of it earlier but it took us a while to get it through the Senate.

Remember it? We don't control it. I mean, I keep reading about how we do now because of Brian Harradine and Mal Colston. Well, I mean, they vote better than the Democrats but I tell you what, it still takes a lot of effort to get anything through the Senate but there's nothing we can do about that. The mathematics of Senate elections are such that you have an even number of Senators retiring in each state every three

years and it is absolutely impossible to get four out of six. You have to get about 65% when I went to school anyway, 65% of the two party preferred vote to get four out of six. It used to be fairly easy to get three out of five because that's an odd number but that was all changed in 1983 and we're stuck with this situation and we have to live with that and we have to try and get around it and we've done rather well. We've done better than I thought we would be doing three or four months into the Government's first year. We managed ultimately to get the Industrial Relations bill through and we ultimately got the Telstra sale through and that of course, that particular piece of legislation, the Telstra sale is of enormous importance to regional Australia because out of the proceeds of the sale of one third of Telstra which we conservatively estimate will yield about \$8 billion, that's the figure in the budget, out of that we're putting \$1.2 billion into the Natural Heritage Trust of Australia, and as Sharman said, that will be the greatest ever capital investment in the environmental rebuilding of this country any government of any political stripe has ever committed.

Now out of that \$1.2 billion we're going to dedicate \$163 million to clean up the Murray-Darling basin. And that is something that has been needed to be done for years and years and that is why we put so much store on that Natural Heritage Trust and I can't for the life of me understand how the Australian Democrats who claim to be the greenest of the green and how the Australian Labor Party could possibly vote against the sale of Telstra and therefore effectively vote against the establishment of the Natural Heritage Trust of Australia. But that fund over time will do more in a constructive way to regenerate the Australian environment than any other set of policy decisions that any government has ever undertaken. And of course it will have employment implications in regional Australia. Most of the money from the Trust will be spent in regional Australia rather than in the cities and that in turn will have employment consequences.

To return to my employment theme, we need to get the economy moving more rapidly in order to generate more jobs but we also need to tackle the unemployment problem in other ways. We need and we are now delivering a modern training and apprenticeship system for this country. Apprenticeships have declined alarmingly in Australia over the last ten years and David Kemp has developed a modern apprenticeship and training system that will arrest that decline. No longer will traineeships and apprenticeships be driven by the industrial requirements of industrial awards. Traineeships and apprenticeships will be developed to suit the interest and the convenience of individual employers and the young men and women that they take on to their payrolls.

And the third area where we are adopting an approach which I believe will make a contribution, on its own it won't solve the problem and I don't represent that it does but we plan to introduce a work-for-the-dole scheme in Australia. Now for years and years whenever this was raised people would say, oh you can't do it. It's against the ILO, it's against this, it's against that. The reality is that it's not against the ILO it never has been and it's not sweated labour. What is wrong in a community that is willing to look after people when they don't have a job, which it is the obligation of any civil society to do, what is wrong with saying in an appropriate form that those people so looked after should be asked to do something in return for the support that they receive from the rest of the community. It is the principle that I have described -

the principle of mutual obligation. We have an obligation to look after people who need help and in return they have an obligation to give something back at an appropriate level. I think that is a sound principle of the Australian fair go.

Now the people who are involved in these schemes will be paid award rates of pay. They won't be asked to work for a dollar or two dollars an hour, they'll be required to work the amount of time necessary to work out, according to the relevant award, the value of their dole. Any suggestion that that is unfair, it's anti-Australian, that it's conscripted labour that is absolute nonsense. And I want to know precisely where the Australian Labor Party stands on this issue. When it was first announced they said it was stupid, then they had another think and thought to themselves well maybe it's not and maybe we'll let it through. Yesterday we had Mr McMullan saying well we're against, we'll try and amend it but ultimately we'll let it through. And this morning I understand Mr Beazley has attacked it and says it's unfair. Well I just have one very simple question for Mr Beazley - there is a core element in our proposal and that is to change the *Social Security Act* so that people can be required to do work in return for the dole. And I want a simple answer from Mr Beazley, will he or will he not vote in favour of that particular amendment? I mean, that is the test of whether you're for or against this scheme. I just want to know what the answer to that is. But I don't pretend and I don't want anybody in this audience to pretend or to imagine that I see the work for the dole scheme as being the answer to unemployment - I don't. I see it as being part of the answer along with a lot of other things. But the biggest way, the biggest contribution that we can make to getting unemployment down in Australia is to give the small business community of this country a much fairer go. That is the key, that is the key.

Now I talked a lot about small business during the election campaign and I continue to talk a lot about small business because I believe that small business can hold the key and can provide, more than anything else, an answer to the medium and longer term economic problems of Australia. You are entitled to ask, particularly the men and women in this audience who are in small business, you are entitled to ask what have you done over the last year to deliver on your promises to small business. And can I start by saying that I understand why a lot of people in small business would still be feeling a bit unhappy. I don't pretend that everything has magically changed in a year - it hasn't. We've started to do the job, we've started to make changes but anybody who tells you that in 12 months you can wave a magic wand - I mean, there was one of my predecessors who claimed credit for the drought breaking and I knew a State Premier who reckoned he made it rain but the reality is that in 12 months you can make a start and we have made a big start.

To start with in the area of small business we changed the industrial relations system as I mentioned and we got rid of the unfair dismissal laws. From the first of July this year any person in small business in Australia will be able to sell his or her business for an amount up to \$5 million, invest that \$5 million or a lesser amount into another business, any other business, and not have any liability for capital gains tax as a result of that sale. That represents a major change. I mean, we said we would introduce roll-over relief for small business. We've not introduced roll-over relief - we're introducing mega roll-over relief with that particular proposal. I mean, it is a fair more generous proposal than what we put forward at the time of the election and it is

designed to suck more capital into small business. It's designed to do that. We made some changes to the provisional tax uplift factor that has improved the cash flow of small business by about \$180 million over the past 12 months and in a couple of weeks time I will respond in detail to the report of the Bell Committee that inquired into the amount of red tape and regulation effecting small business in Australia and I will be making a number of other announcements in that response that I believe will be of very significant benefit to the small business community.

So we are very focused on the needs of small business. We are very committed to improving the climate under which small business operates in this country and it's something that we will nag away at during the whole of our first term in Government because if we can really create a fundamentally more benign climate for small business in Australia then we I think will go a powerful way towards effectively addressing Australia's unemployment problems. Because big companies are into downsizing, governments of necessity need to make efficiencies at all levels and it's at the small business level, the micro level of the economy where businesses are coming into existence at a rapid rate, some of them expanding very rapidly, some of them not doing so well. It's in that whole area where I believe that we're going to get our greatest employment growth.

Now ladies and gentlemen, Sharman mentioned in her speech the concerns of this district and, indeed, the concerns of many other parts of Australia about some of the problems thrown up by the native title issue. I don't think any government could have a more complex issue than responding effectively and fairly to the decision of the High Court in the Wik decision. I made it clear when that decision was brought down that all of the options were on the table, including significant legislative change to existing Acts of the Federal Parliament. The two things I said that weren't on the table was, firstly, we were not going to try and overturn the original Mabo decision because I accept that Native Title as such, the concept of Native Title is something that has come to Australia and it is a concept that should be respected. But it is the extent of it, it is the operation of it and, in particular, the operation of it as expressed through the existing *Native Title Act* which presents so much of the problem. I want to produce an outcome that delivers justice and security. I want to produce an outcome that respects the rights of Aboriginal and Torres Strait Islander people in this country. But I also want to produce an outcome that returns to the pastoralists and the farmers of Australia the sort of security and predicability that they imagined for two hundreds that they had and in reality has been taken away by the decision of the High Court. Now, I thought it was a strange decision and may I say on the subject of responding to court decisions it has never been out of, dare I say court, but it's never been out of order to criticise a decision of the High Court. And it's always been the role of the Parliament if it thinks fit to change the law as currently interpreted by the courts. And this idea that you can't ever interfere with the law as interpreted by the courts is a very strange notion and has no support or no logic in any proper understanding of the anglo-Australian legal system under which we operate.

Now, I hope to be in a position if it is possible to produce an agreed outcome but I think that will be very difficult to achieve although I am endeavouring to do so and I am spending a lot of time talking to all of the relevant parties, but one way or another I hope by about Easter we'll either have an agreed outcome or I'll be in a position to

recommend to my colleagues in the Cabinet the sort of course of action that we need to take.

Ladies and gentlemen there are lots of things that we could talk about at a gathering like this. It is a gathering, not exclusively, but predominantly of people who join in common cause in the weeks leading up to March of last year to secure first and foremost of course a Coalition Government in Australia and can I take the opportunity of acknowledging and saying what a great privilege and great honour it is to be in Coalition with Tim Fischer and his colleagues in the National Party. Tim Fischer is a great bloke to work with, he's a very fine Australian, he's a very good deputy Prime Minister and an outstandingly energetic trade Minister and he makes a great contribution to my Government and I'm delighted to have him as a close colleague and friend.

But you also here in the electorate of Murray and particularly most of the people in this audience, you worked so hard to get Sharman elected, you worked hard to get a Government of Liberal values, a Government of the values of the National Party, and our values on most things as two Coalition parties are very close indeed. Over the last year we have delivered on all of the essential commitments that we made to the Australian people. We said we'd have a family tax initiative, we delivered every last dollar of it on the first of January. We said we'd have a Natural Heritage Trust and now thankfully it is through the Senate. We said that there would be Capital Gains Tax relief for small business and it is being over delivered on the first of July. We said there would be tax subsidies for private health insurance and they will be delivered on the first of July as promised and we said that in so many other areas we would deliver on our commitments and we have.

But that is only the down-payment, that is only the beginning. And we I hope have a number of years ahead of us as a Coalition Government. But I want to promise you that one thing we won't make the mistake of doing is that we will never take your support for granted, and we will never take the support of the Australian people for granted. Australian people are great, as we all know, we are great levellers. We have a very sceptical appreciation of somebody when he or she believes that in some way they hold a position of authority through some kind of divine gift and not as a gift of the Australian people. I've seen many governments and many political leaders before me be cut down by the Australian people because they have got out of touch and one of the things that I am determined to do is that I won't get out of touch and that my Ministers won't get out of touch and that my members of Parliament won't get out of touch and that means that we have to do what we are doing today and what we are doing when Parliament is not sitting and that is getting out of Canberra, out of Sydney and Melbourne and getting around the rest of Australia listening to peoples' concerns, explaining what we are on about, articulating the values of the Government and listening to peoples' concerns. We are an enthusiastic bunch of people. Can I say thirteen years is an awfully long time to be in opposition. It is an eternity. I'll never go back to it. I mean, it is just terrible. And I know that there are lots of people in this gathering who shared every moment of those 13 years of agony of frustration and I admire the patience and the tolerance and the understanding and the charity that you displayed towards the political representatives of the Liberal and National parties over that period of time because you must have felt let down and disappointed if not even

more strongly so over that period of time. But that is behind us, we have this marvellous opportunity to sensibly shape Australia as we go into the next millennium and it is an Australia built on the sort of things that all of us hold in common. It is an Australian society that does reward effort, that is built on the notion of mutual obligation. You can't hold a society together unless we look after each other, but looking after each other involves both rights and responsibilities and that of course is a very very important principle to understand and as we look towards the turn of the century we naturally think of the regeneration of our environment, that this tremendously valuable asset we have in the Australian environment does need care, it does need nurturing, it does need regeneration and it does need investment and long term investment and I am very proud to say and I'll finish on this, that my government is the first government in the history of Australia to make such a long term commitment of capital and a long term policy commitment to the regeneration and the re-invigoration of the Australian environment and the people and the area of the Murray Darling Basin of Australia will be the principle beneficiaries of that visionary policy and in the years to come, I believe the initiative of the Natural Heritage Trust will be seen as the great post-war environmental initiative of any government in the history of Australia.

Thank you.