



## **PRIME MINISTER**

15 April 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
ADDRESS TO LIBERAL PARTY DIVISION LUNCHEON  
BRISBANE CONVENTION CENTRE**

E&OE.....

Well, thanks Bob. It's great to be in Queensland. You shouldn't be so shy. But Bob, to you and to your wife and all the other members of the Queensland Division, can I say that I always do enjoy coming to Brisbane. I came to Brisbane frequently in the various other guises I've had in politics and I've enjoyed coming to Queensland and to Brisbane since becoming Prime Minister. And today is the fulfilment of yet another Coalition promise and that was to take the Cabinet of Australia away from Canberra, Sydney and Melbourne. And to take the Cabinet of Australia around Australia, and thereby to drive home the point that we were elected to govern for all of the Australian people and not just for the people who dwell in Canberra or Sydney or Melbourne. I can assure you that over the next two years and beyond there will be regular Cabinet meetings in the mainland capitals of Australia and also regular Cabinet meetings in major provincial centres. We've already had one or two provincial Cabinet meetings and there will be more to come over the course of the next two years. And these exercises are not token exercises they are a demonstration of the genuine commitment by the government to take the deliberations and the processes of government around the country. There is not the slightest doubt in my mind that the more time we spend on the road, the more time we spend out of the Federal capital, the more time we spend out of the two major metropolises of Australia, the greater will be our understanding and the better will be our knowledge of what the mainstream of the community really wants.

Queensland of course was a marvellous State for us politically at the last election. The two party preferred vote the Coalition received in March of last year in the State of Queensland has not been bettered in any State in a federal election since Federation. And I want to thank my colleagues from Queensland. Many of them are here today, and your efforts were not in vain. You have sent some very energetic, very articulate, very vigorous and very plain speaking people from Queensland. Nothing shy about them in the party room I can assure you. They always tell you what you're not doing for Queensland. A characteristic to which I have become accustomed over the years from

people in the parliamentary party and also in the organisation. But that is how it should be. Because Queensland is different, and Queensland has particular characteristics. Queensland has a particular contribution to make to the future of our nation. And whilst first and foremost we are all united as Australians in the pursuit of common goals, as you go around our country you must accept and understand some of the regional variations and differences. And I understand the particular challenges, I know that the recession in some respects affected Queensland at a different time than it did the rest of Australia. I know the impact of the housing downturn on the Queensland economy of a few years ago. And I also know the importance of resolving the uncertainty surrounding Native Title, something to which I will come to in a moment.

But I thank your President for the comments that he made about some of the particular challenges facing the Government. It is true that small business in Australia has been doing it very hard over the last few years. I am very conscious of that. Small business was badly mauled by the high interest rates of the recession. And small business paid very heavily for the stupid, intrusive industrial relations policies of the former government. And I'm delighted that we were able to get our industrial relations legislation through. And in case somebody missed it, can I remind you that in the small business package I announced a few weeks ago, we went even further than we had gone in the industrial relations bill in the area of unfair dismissals. And I said that the federal law would be amended so that any small business in Australia employing fewer than 15 people, and under the existing law that is as far as we can go at the moment, would be free of any unfair dismissal restrictions of any kind in relation to any person employed for a lesser period than 12 months. In other words, any small firm under a federal award anywhere in Australia could take an employee on on 12 months probation, and if it doesn't work out that person, without any let or hindrance could be let go. Now that particular reform will be of enormous benefit to small business if it is extended not only to business operating under federal awards but also to businesses under State awards. And I've already had a personal discussion with the Queensland Minister for Industrial Relations, Santo Santoro, who is with us today and I know he shares my desire to extend that law to firms operating under Queensland law and I know that everybody in this room will encourage him to do so.

I know that there are some in the community who say that he should have gone further in some areas, and I know that there are some in the community who have criticised the pace of reform and change over the last 12 months, and I want to say a few words about that. I've been in politics a very long time. I'm a realist. And I understand that the euphoria of a huge election victory has to be matched by performance. You can't live by rhetoric alone in politics, you've got to deliver. And I want to go back over the last 12 months for a moment or two and remind you of what has been done in those areas where we've promised action. We did promise ourselves and promise the Australian community that we would change our outdated industrial relations legislation. Now we weren't able to go quite as far as we wanted to go because we didn't have the numbers in the Senate. And it's an unfortunate problem with our electoral system that because we have as a result of changes made in 1983, because we have a parliament, a Senate that

retires an even number of senators every three years, it's virtually mathematically impossible to get a majority in the Senate in a half Senate election. So we've had to rely on the support of minor parties and independents to get our legislation through. And as a result of the very skilful negotiations of Peter Reith we were able to get substantially all of our industrial relations legislation through. But it was six or nine months later than we would have liked and it is only now starting to come into operation. And it will be some time before the benefits of that are really enjoyed and really understood and realised. And I ask people to accept and to understand that.

We promised action in relation to small business and in terms of the actual commitments we made to small business it is fair to say that we have delivered beyond the commitments we made. I'm not saying that everybody is feeling the benefit. And I'm not saying that every small business in Australia has reason at the present time to think it's living in good conditions, because clearly it doesn't. But lets take an area such as capital gains tax. We promised some roll over relief for capital gains. From the first of July any small business operator anywhere in Australia will be able to sell a small business and to invest the proceeds of that sale up to an amount of \$5 million in any business, not a business of a like kind, in other words you can go from a newsagency into a computer software business, and you'll be able to invest up to \$5 million without having any liability at all or capital gains tax. Now that represents, ladies and gentlemen, that does represent us having taken that decision beyond what we promised at the time of the last election. We have also implemented most of the Bell Committee recommendations in relation to red tape. We have introduced remedial measures in relation to fringe benefits tax. If you have fringe benefits of less than \$5,000 a year, then you are no longer required to keep records providing you keep paying the amount of fringe benefits tax levied on those fringe benefits. We have also made some particular exemptions in relation to car parking and taxi travel. We have also simplified the procedures for small business dealing with governments. We implemented our commitments in relation to provisional tax relief. I mention these things ladies and gentlemen to remind you of what has been done, but also as a token of our continued determination to bring out and effect reforms that are important to small business.

And we want to improve the climate for small business for two reasons. First and foremost because it is the heart and soul of the Liberal ethic, indeed of the National Party ethic, to help and promote small business in the Australian community. Small business is the engine room of economic growth. And as I travelled throughout China recently I was not only reminded of the great opportunities that exist for large Australian companies in that huge nation, but I was also reminded of the opportunities for small business. And the opportunities for niche exporters in Australia into the Asia-Pacific region are immense, and they are growing all the time. And the communications revolution has empowered small business not only in Australia, but throughout the world, in a way that you wouldn't have thought possible a few years ago. So we have a strong belief in the central importance and role of small business in our community. We also have an unshakeable belief that the only way in which we are going to achieve a lasting reduction in

unemployment, particularly amongst the young, is to get small business going far more actively and energetically than it is at present.

So I would say ladies and gentlemen, yes I know that small business is still doing it tough. I know the burden small business carries. You will never hear pass my lips remarks such as "what are you going on about? You've never had it so good". As was the stock response of my predecessor when small business men and women complained. I know you've had it tough, I understand that. We have implemented our commitments. We continue to have our eyes fixed on further measures to help and improve the climate for small business.

And it's not only in the economic area that we have delivered very strongly, we've also of course delivered very strongly in areas such as the environment. Fortunately we were able to secure the Senate's support for the one-third sale of Telstra. I find it strange that people still criticise the fact that we worked with the independents to get the Telstra legislation through the Parliament. There was nothing dishonourable about that. We had actually told the Australian people before the election what we were doing in relation to Telstra. We had a mandate to sell one-third of Telstra. And we had a mandate to use a billion dollars of the proceeds of that sale to establish the Natural Heritage Trust. And I find this suggestion in areas of the press and from our political opponents that in some way it was sort of wrong to actually deliver through the Parliament, with the support of the numbers in the Parliament, what you actually promised the Australian people to do, a very curious piece of political analysis. And I am very proud of the fact that come the next election I will be able to say on behalf of the Liberal and National Parties of Australia, that we have established the largest capital fund for investment in the environmental future of this country that any government has established since the end of World War II. And I won't be reluctant to tell the Australian community at the time of the election that we established that fund for the benefit of the Australian environment in the teeth of ferocious opposition from both the Australian Labor Party and the Australian Democrats.

But it is true and it should never be forgotten, that we did inherit a very large deficit, a very large budget deficit. On an underlying basis it was revealed a few months ago that the true deficit that we inherited was in the order of \$10-11 billion. Now people can say that incoming governments always say that they inherit deficits. Whether that is the case or not, nothing can alter the fact that we did have that enormous fiscal challenge. And as a result of the decisions that were taken in the first budget that Peter Costello brought down and delivered with such skill in August of last year, we have broken the back of the fiscal challenge that we inherited in March of last year. That doesn't mean that this year's budget is going to be easy, or is going to be slack. We still have a tough task ahead of us. But we broke the back of the fiscal challenge last year as a result of the measures that we were able to take and as a direct consequence of that we created the climate for lower interest rates.

There have been improvements on the interest rate front. I know they haven't flowed through as well to the small business sector as they have in the housing sector and there's a very good reason for that. There's more competition in the housing sector. And when the Wallis Committee report was released last week we made it very plain that we wanted more competition in the banking industry. And the thrust of that report is towards - the thrust of the government policy - is towards more competition. And certainly both Peter and I have made it clear to the trading banks of Australia that we want to see more competition and a better deal for the small businesses of Australia from the Australian banking system.

I have said to many small business men and women, that if you have the sort of conditions of competition in the small business lending area that organisations like Aussie Home Loans and RAM have provided for the banks in the housing area, you would have a cheaper flow of funds into the small business community than at the present time. And I think it's very important that be said. So the fiscal challenge this year, although significant, will not be as great as it was last year. But providing a reduced budget deficit, continuing to provide fiscal consolidation, all of that builds international confidence in Australia. All of that builds the right climate for lower inflation and lower interest rates. And every one of you in business in this room know damn well that your best friends are really lower interest rates, stable economic conditions, and economic predictability. And the first responsibility of any government that really believes in the business community, really believes in the private sector, is to provide those conditions.

In his remarks the State President quite properly referred to the uncertainty over Native Title. Can I say to you that that issue is of immense concern to me and to my Government. I have no problem with the concept of Native Title. I had no particular problem with the decision of the High Court of Australia in the Mabo decision. I had a lot of problems with the *Native Title Act* that was enacted by the Keating Government with the support of the Australian Democrats and the Australian Greens.

And for the sake of the record may I remind you that in 1993 the Liberal and National parties voted against the present *Native Title Act*, so when quite correctly you rail against the failure of the *Native Title Act* to give certainty; when you throw up your hands in despair about the disgraceful saga of Century Zinc, which has taken an inordinately long time; when many of you would have read with dismay the letter written by the former Governor General and a former leader of the Australian Labor Party Mr Hayden, to the Queensland Premier, you will wonder why it was that an Australian Parliament should ever have enacted such a confused law, I ask you to remember that there wasn't one person in the Liberal and National party who voted for the law in that form. Now, I want to make that clear because occasionally in the heat of these sorts of debates it is forgotten that the law in its present form was something that we inherited and it was enacted in the face of our fierce criticism and opposition - not to the principle of Native Title but to the way in which the Keating Government implemented that principle and the way in which the Keating Government gave to Native Title holders rights of veto which are not available to title holders of any other description under the land law of Australia.

That is why in the lead up to the last election I said that we were going to make changes to the *Native Title Act*. Now, I operated as most people in Australia did in the belief that the grant of a valid pastoral lease would extinguish Native Title, because that was contained in the recitals to the *Native Title Act*. It was contained in the former Prime Minister's second reading speech, it was acknowledged by leaders of the Aboriginal community and it was acknowledged by leaders of other organisations, and I have to say that it was quite surprising to me that the High Court in the Wik Case found otherwise.

And on that point can I say very simply that there seems to be a very confused view in the Australian community at the present time in the minds of some about the respective role of the judiciary and the role of the legislature and the executive. I am a staunch believer in the separation of powers. I believe in the rule of law, and as a citizen of Australia I am as subject to that rule of law as any other man or woman. I believe in judicial independence, I believe in the security of tenure of judges appointed to courts within Australia, and I accept that it is the role and the right of the judges of Australia to interpret the law of Australia as it presently stands. But I equally assert the undoubted, unqualified, unambiguous rights of the Parliaments of Australia to alter the law of Australia if they think that is in the national interest.

I mention that ladies and gentlemen because of some strange interpretations that have been placed by sections of the media on the declaration made by the judges yesterday. There has never been anything wrong in any citizen of Australia in disagreeing with or criticising a judgment of a court. That has happened for time immemorial, it has always happened under the anglo-Australian legal system and it always ought to happen. But what is wrong of course is for parliament or the executive to try and influence particular decisions or to unreasonably or improperly attack the integrity of judges or the application of those judges to the task before them, and there's certainly been no suggestion by my Government and there never will be that any such criticism is warranted. I respect the separation of powers but I will always assert the role and the right of both the executive and the legislature.

But that my friends is a bit of a diversion, but a necessary one from what I was saying about Wik. I know it is a difficult issue and when the decision was brought down in December of this year, I studied it like everybody else and I convened a meeting of all the Premiers of Australia, including my friend and colleague Rob Borbidge, the Premier of Queensland, and I said to the Premiers that I had two goals that I would work towards achieving them I hoped by the common agreement of all parties, and those two goals were to respect the concept of Native Title but to deliver to the pastoralists of Australia and the mining industry of Australia a degree of predictability and certainty to which I believe they are entitled. And they remain my goals and I am working very hard to achieve them. My patience is not endless, it is not inexhaustible. I have spent a lot of time already in discussions with the various parties and I am talking to my Cabinet colleagues about the issue at this very moment as we meet here in Queensland. I will go

on trying to find common ground if that is possible, but if at the end of the day it is not possible, then we will decide on a particular course of action.

But I want to make it very clear to the farmers of Australia as I've said in the past, I won't let you down. I've made it very clear in the past that I respect the contribution of the farmers and the pastoralists of this country. I know the difficult times that they have been through. I know the burdens they've had to carry, I know the contribution that they make to the great export earnings of this nation of ours and I can certainly assure them that I am not going to sell them short, I'm not going to sell them out, I'm not going to let them down. And I know that they and you would hope that if it is possible to find a common ground, if it is possible to find an accommodation of all parties behind a practical response to the this challenge, this unexpected challenge thrown up by a decision which I didn't expect and I don't think anyone else expected then I think all of you would agree that it is my responsibility as Prime Minister, my responsibility in relation to all of the Australian people to go that extra yard in order to try and see if we can reach that common ground. I don't think it is going to be very easy. I have no false illusions but it is my responsibility to all of the Australian people to endeavour to do that.

Can I just say one other thing ladies and gentlemen, and that is that one of the many things that I committed myself to when I became Prime Minister in March of last year was to remain in touch with the Australian people, to not imagine that I had been elected Prime Minister because of some sort of inspired belief on behalf of the majority of the Australian people that uniquely I had all of the answers and that nobody else had a legitimate alternative point of view. And what I've tried to do over the last year is to remain in touch with the Australian people is to listen to them and in particular I've tried very hard to keep in touch with the business community of Australia.

The Liberal Party is an independent party, the National Party is an independent party. Neither of the Coalition parties is owned by any section of the Australian community. The Labor Party is owned by the trade union movement and the politically correct chattering classes. I don't know who owns the Australian Democrats but I can assure you that we are not owned by anybody. We might have close links with the business community but from time to time we do things that some people in the business community don't like. I know that. I mean, I think there may be one or two people in this room who've been mildly critical of the decision we took in the budget last year about the superannuation surcharge. Now, I'm sorry about that but I think it is better for me to mention it and it is better for me to acknowledge the fact that I am aware that you are unhappy about it and to explain briefly why we did it then to sort of pretend that I am not aware that you are aware that you are unhappy with it, and that is why I've raised it.

Now we brought down a budget last year that got nine-and-a-half out of ten in the Australian community for fairness and balance and one of the number of reasons why it got nine-and-a-half out of ten in the community for fairness and balance was that they thought we had invited all sections of the Australian community to make a bit of a contribution to solving the problem and I'd like you to see that particular decision in that

context. I'd like you to see it as not a decision that we enjoyed taking but a decision we believed ought to have been taken in the interests of balance and fairness, and I've had a lot of criticism of it and none of that criticism has yet indicated to me a superior way of implementing the decision without having some deleterious impact on the revenue that is to be gathered from that particular decision.

I wanted to mention that because I know there's been some criticism and because I wanted you to know that I'm a person who listens to and receives and is willing to respond to criticism and I wanted you to understand the context of fairness in which that particular decision was taken in which I would like it to be judged. But I have endeavoured, and all of my colleagues have endeavoured to keep contact with the business community, not because of any sense of direct obligation but because our goals are essentially your goals, despite the fact that we are a free standing independent political movement representing all Australians, we are at heart people who believe in the private enterprise system.

We do believe in a smaller Government sector, we believe in a strong Government sector, doing the things Governments ought to do like having a more efficient defence force and having a defence force that spends more money on training and weaponry and getting ready in case they are needed than on bureaucrats in Canberra. We are a Government that believes strongly in small business, we are a Government that believes very strongly in private effort and of course very passionately in the rights of private property ownership for all Australians irrespective of their position in life. So I have tried over the last year to retain that contact with the business community of Australia and particularly of course with the business community here in Brisbane and I want to say that the links through the Party organisation are very important. I think we have made a good start. I think in many areas we have delivered beyond what we said. I know in some areas people might have wanted us to have gone further and a bit faster. Can I assure you that none of us has lost the zeal or the commitment or the enthusiasm for further reforms. I think good Government is about providing a sense of reassurance; a sense of purpose; a sense of hope; from time to time providing a few surprises, surprises of the pleasant variety rather than the unpleasant variety and all the time reminding itself that its obligation is not to govern for the self interest of individual members of Parliament but to govern for the greater good for the Australian community.

We had a slogan at the last election called 'For all of Us' and I have endeavoured to govern for all of us. We are a group of men and women who worry very much about the views of mainstream Australia. We don't believe that Governments should ignore minorities but we strongly believe that Governments shouldn't be driven by minorities and it has been very much our concern and our goal to govern for the mainstream of the Australian community.

I want to say thank you to all of you for the support that you have given to the Party particularly during its difficult years out of office both federally and State. The friends you have when you are out of office are the true friends. I want to thank you for the



support that you've continued to give us, your support for being here today and the role all of you played in the magnificent Coalition win in March of last year here in Queensland, and finally I want to say to you that I'll keep faith, I'll keep touch, I'll listen, I'll respond to criticism, I'll occasionally disagree with you as you will with me, but you will always know that fundamentally the goals and aspirations you have about your businesses and about your families and about the future of your State and the future of our nation are goals that we overwhelmingly share very much in common with you.

Thank you.