



PRIME MINISTER

23 August 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
OPENING ADDRESS TO THE STATE COUNCIL MEETING OF
THE LIBERAL PARTY OF AUSTRALIA
(TASMANIAN DIVISION)
COUNTRY CLUB CASINO, LAUNCESTON**

E&OE.....

Thank you very much Bill, to Tony Rundle, the Premier of Tasmania, Tony Staley, the Federal President of the Liberal Party of Australia, to my cabinet colleagues, Jocelyn Newman and Warwick Smith, to all my other parliamentary colleagues from Tasmania and my State parliamentary colleagues, ladies and gentlemen.

Can I start these brief remarks of mine because I did have an opportunity last night of talking at somewhat greater length about what has happened over the last 18 months and what lies before us, by saying to the Tasmanian State Council how fortunate you have been over the last three and a half years to have such a dedicated, energetic and capable State President.

If ever anybody qualifies for that perhaps overworked description of indefatigable, it is Bill Gatenby. It is not easy to be State President of a Liberal Party organisation. It's certainly not easy when you inherit that job at a time when you are in opposition Federally, you face difficulties at a State level, and Bill has been a great companion and colleague on the Federal Executive, and I am absolutely delighted that he will continue. He's obviously a student of Edmund Burke. I will report him to the John Stewart Mills society of the Federal Parliamentary Liberal Party and I think some of those choice Burkian quotes -- I've often been accused of having a form of Burkian liberalism in my veins. Burke extolled the view that you didn't remove a practice or an institution unless its worth was demonstrated as no more. In other words he was what you might call a selective conservative or a discerning radical. You can take your pick.

I think that's one of the great challenges of Statecraft in Australia at the present time. We are living in a time of enormous change and anybody who thinks that we can sort of opt out of the globalised economy is deluding himself. As I said last night, the revolution in information technology is the greatest economic change the world has seen since the industrial revolution and we can't avoid globalisation, we have to live with the consequences, we've got to adjust to it.

But equally, there are within our society values and practices that simply because we've had them for a long time that doesn't mean you discard them. And one of the challenges of Statecraft is to get the right mix, to throw out those things and to change and adjust where change is necessary, but by the same time hanging on to those markers of a stable society and those great stabilisers which are important for the continuity of the kind of society and the kind of values that we all believe in.

But enough of my Burkian diversions, Mr President. Could I, in the interests of historical accuracy with the very greatest of respect, just record one tiny fact and that is in 1983 the Federal Parliamentary Liberal Party voted against the increase in the size of the Parliament and it got through because of the support it received from our then Coalition colleagues who saw some value in increasing the Parliament. But I just have to say in defence of those who were members of the Federal Parliamentary Liberal Party. I think I am the only one in the room - unless Shirley Walters is here - I think I was probably the only one at the time because Jocelyn you joined us in '84 didn't you ('86) - well anyway, enough of that.

Ladies and gentlemen I just want to say before having the great pleasure of introducing Tony Rundle to address you and in formally opening this State Council, could I just make two observations. The first of those is a policy observation and the second of those is a personal observation about the person that I'm going to introduce.

The policy observation I make is that none of us should ever lose sight of the social and economic challenge of unemployment in this country. My government inherited an unemployment rate which had averaged 8.7% under the stewardship - if you can call it that - of our predecessors. None of us should ever forget that they were in office for 13 years. We are now regularly regaled with their solutions to Australia's ills. We are told, of course you need tax reform but don't ask us for any details. We are told that you need an industry policy. We are told that you need different solutions for unemployment, yet for 13 years those solutions and those alternatives apparently eluded the ladies and gentlemen who now regularly regale us with their alternative solutions.

But that is a legitimate political observation on my part. The more relevant observation that I make is that reducing unemployment remains a major challenge of this Government and of this community. But we should not approach it any sense of despair or defeatism. There have been some good things done in the cause of reducing unemployment over the last seventeen months.

We have got the nation's finances in order, we have laid the foundation of budget and fiscal stability, even prosperity over the next few years. To turn a deficit of \$10.5 billion into a surplus of \$1.6 billion in three years is no mean achievement. To be able to say to the rest of the world that by the year 2000, we will have halved the national indebtedness of Australia as a proportion of our annual wealth generation in just five years, is also no mean achievement.

To pay off in this financial year \$5.5 billion of Mr Keating's and Mr Beazley's debt is also no mean achievement, and that has been directly translated into lower interest rates. We would never have had five reductions in interest rates if we had not had the courage to reduce our budget deficit and those falls in interest rates have been a benefit, not only to home buyers, but they have also been of benefit to small business.

We have changed dramatically Australia's industrial relations system. We have ended forever compulsory unionism in this country. We have restored the strength of the secondary boycott laws which were reeked by the union dominated Labor government, with the cooperation of the Australian Democrats a few years ago. We have made it possible for employers and employees to negotiate directly with each other without the intervention of a trade union, unless the trade union is invited to be part of the process.

We have given new strengths to the industrial relations commission to deal directly with recalcitrant behaviour in an industrial dispute. We have given heart to companies that are seeking to change outdated work practices that are costing them valuable markets overseas. And we have restored the rule of law to the conduct industrial relations in this country.

Now, they represent monumental changes and monumental achievements. The benefits of those changes are now flowing through, but they have only been in operation for a few months and the notion that if you pass something that comes into operation on the first of January or the first of March of 1997 that that should, by August of 1997, turn the economy completely on its head, demands a cause and effect in economic and industrial affairs that has never been experienced anywhere in the world.

And for those who say that those changes have not gone far enough and have not achieved enough, I throw back in their face the self evident fact that a certain amount of time is needed for them to work their way through the Australian economy. All of that is good news for the unemployment problem because a more flexible industrial relations system over time will reduce unemployment and make a contribution to employment generation.

But by far the best piece of good news for unemployment that we've had for a long time was the speech made in Perth two weeks ago by the Governor of the Reserve Bank - not the speech itself, but what it revealed about the progress that we have made with the Australian economy. The Governor of the Bank, the first time in 23 years that I've heard a Reserve Bank Governor ever say it, said that essentially the speed limits on economic growth in Australia had at least in the short term been removed. In other words, he was saying, unlike his predecessors, that we can afford to grow at a faster rate without risking inflation and without risking a current account deficit crisis. Now

that carries two very important messages. By far the most important is the message it carries for the unemployed of Australia. Because if we can grow at a faster rate we can generate jobs in comfort and we can generate jobs without the concern that they may be destroyed by a surge of inflation or a current account crisis. Because in the long term, let's face it, the only way that we'll markedly reduce unemployment in this country is to have a stronger level of economic growth over a sustained period of time. You can't reduce unemployment by growing at two and a half per cent. You can begin to reduce it if you grow at four to four and a half per cent or even higher. And the Governor of the Bank, from his position, was saying that our economy is now strong enough and healthy enough and vigorous enough and reformed in its fundamentals enough that we can in fact grow at that faster rate.

And the second implication of his remarks, of course, was that the changes undertaken by my Government with the help of my colleagues over the last 17 months had so repaired the fundamentals that we could afford to grow at this higher rate without risking some of the deleterious consequences that have occurred in the past.

So that's the observation about unemployment. Let's not be defensive. Let's record the things that have been achieved over the last 17 months. We have repaired the fundamentals, we have created the circumstances for higher growth, we have changed the labour market in a permanent way and we therefore over time have created far better circumstances for job generation. And we took sensible decisions in industry areas like the motor car industry which have guaranteed long term investment and long term job security. And all of these sorts of decisions my government will be heavily influenced and this applies obviously to the decisions we are to take in relation to the forest industry here in Tasmania. We will be heavily influenced by the job implications of those decisions because jobs for Australians, jobs for Tasmanians and jobs. And it remains the great responsibility of government to always take wise decisions that promote job generation. That is my policy observation. My personal observation and I do it with very great pleasure in introducing Tony Rundle who is addressing you. Can I say that at a personal level, to deal with Tony Rundle as the Premier of Tasmania is a great delight. He's an intelligent, courteous, co-operative, but tough fighting representative of the Tasmanian people.

He's a person who took over the leadership of the Liberal Party here in Tasmania and therefore the Premiership of Tasmania after a difficult and not particularly positive election. It's never easy to govern with a minority. It's hard enough when you don't control the Senate not to control the Lower House also represents something of a special experience. Over the past few months he's displayed a great deal of courage, a great deal of direction and a great deal of leadership. It is true that we all have to change. Tasmania must change to survive and prosper. Australia must change to survive and prosper. To pretend that the world will pass us by and leave us floating untouched living in the world that we have lived in for the last 40 or 50 years is utterly and completely unrealistic.

Your Premier knows that. I believe that your Government knows that. We know it at a national level. Some of the changes are painful, they are unpopular, they are suspected but in the long run if they are properly and patiently explained and if they are linked to the national good then they will be accepted and I think your Premier has in

the time that he's occupied the job, which is not that much longer, I think, than the time that I have occupied my position, he has displayed a very very great leadership.

I want to thank him and in doing that I also want to thank all of you as members of the Liberal Party here in Tasmania for the tremendous loyalty and support that you've given to me and my colleagues over the last 17 months. It has been a great privilege to be the Prime Minister of Australia during that time. It has wetted my appetite for occupying the job for a long time into the future.

But the most humbling thing of all is to have had such sustained loyalty and support from so many people and to you Tony I wish you well in the months ahead in the very very difficult decisions that you must take and I can assure you that you have in Canberra a Federal Government and Prime Minister who does understand the particular circumstances of Tasmania, who has been in the past personally and directly responsible for policies that have recognised those special disabilities. We won't always be able to yes to everything but we will always be understanding and comprehending. We will always recognise the special characteristics of Tasmania.

I can understand the desire of anybody born in this State to want to stay on living here. It is a beautiful State. It is a very special part of our nation and we want to preserve as best we can its special character. And I hope over the weeks and months ahead we can make decisions that make a practical and enduring contribution to that partnership and to that very special characteristic.

Ladies and gentlemen, thank you very much for your support I hope you have a marvellous State Council meeting. When I leave here after a discussion with the Federal President I go to South Australia to address the South Australian State Council meeting and I look forward to meeting you fellow Liberals in Adelaide. But, ladies and gentlemen, thank you very much, have a great conference and have a great year.