



# PRIME MINISTER

3 September 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
THE INAUGURAL PRIME MINISTERS ON  
PRIME MINISTERS LECTURE, OLD PARLIAMENT HOUSE**

E&OE.....

Well thank you very much, Richard Alston, for that very kind introduction, to Mrs Kate Carnell, the Chief Minister of the Australian Capital Territory, to my predecessor, Sir John Gorton, Prime Minister of Australia from 1968-1971, the first Prime Minister of Australia to really give a significant charge to the arts in this country, particularly the Australian film industry.

Can I say ladies and gentlemen, how very delighted I am to be in this beautiful, historical building for which, I have an immense affection. As a child I saw it as the centre of political and national life in Australia. It was the place where great and important decisions were made. It was the place where as a young person I listened over the radio to those great debates between, Sir Robert Menzies and Dr Evatt. The great debates over Petrov, the letter to Molotov, the unfolding of the Royal Commission into Communism, espionage in the 1950's, the great schism in the Australian Labor Party which led to the formation of the Democratic Labor Party during those years.

And, of course, it was a building, as a person consumed by politics at a very early age, it was a building to me which seemed the epitome of all that you could want in terms of passionate pursuit of those things that you held very dear. So I do have and retain a great affection for this building.

I served in it in various capacities for 13 years and although the new building is more spacious and lavish, the accommodation is better, not only for the members but also for the staff who work there and for the press. There's no doubt that it lacks the intimacy and the warmth. You get swallowed up.

I have mixed recollections of this building and the new building. I did rather better in leadership ballots in the old building than I did in the new, although I recovered fairly

well recently on that score. The sheer distance of the new building is a daunting prospect and there is a lack of, I suppose, warmth about it which you can't say about this building.

Having said all of that and having said that I was not an enthusiastic mover to the new Parliament House in the late 1980s. I have to say that I have no doubt in the world that in 30 to 40 years time the Prime Minister of Australia will speak with warmth and affection of the new Parliament House and will have long forgotten the contribution of this wonderful building.

I have to say that the debating chamber in the old Parliament was more intimate. You could literally almost reach over and touch one of your opponents in the course of the debate and the very intimacy of the old debating chamber, I think, led to a greater commitment to Parliamentary debate. I have to say that there is one thing that the two buildings do have in common and that is that it is always better to be on the right hand side of the Speaker.

It goes without saying, ladies and gentlemen, that one of the offices most associated with this building and indeed the new building, is the office that I now have the immense privilege of occupying and that is the office of the Prime Minister of Australia.

It is plainly an office that offers enormous opportunities. The capacity to influence events for the good, the capacity to bring about change is almost limitless but it is an office that has to be exercised and used in partnership with the other great institutions of our nation. The first and foremost of those is of course the Parliament itself and I do revere Parliament and I do revere the accountability of the Executive to the Parliament.

I did promise, before I became Prime Minister, that I would take Parliament seriously and except when I have been out of Australia or indisposed, I have attended every Question Time since I became Prime Minister. And without boring you with figures we have averaged 19 to 20 questions every Question Time, which is about half as much again as our predecessors.

I enjoy Parliament, I enjoy its immense cut and thrust, its banter, its opportunities for serious debate, and of course there is no greater respect that you can display towards an institution than to demonstrate your accountability to it.

Each of the 25 Prime Ministers of Australia has brought his own value system to the job. And I say his own value system, not out of any insensitivity, but merely to record the fact that Australia is yet to have a female Prime Minister, something I know that everybody will hope at some stage and I don't want to get specific - you always get into trouble on these things, at some stage, I hope, in the not too distant future will be remedied.

I came to the office with a very strong commitment to put the mainstream interests of the Australian community back at centre stage. That doesn't mean that I set out to

ignore the rights and the interests of specific interest groups but rather to adopt a fresh approach to Government which was to put the broad national interest first.

I came to office with a very strong personal commitment to the principle of mutual obligation. Society, in my view, has a responsibility to look after those who are deserving of help. They, in turn, have a responsibility to meet reasonable, I underline reasonable, requests from society to contribute in return for the assistance that they have received.

I came to office with a strong view about the importance of families in our society, about the role of small business in our community, the virtues of restoring incentive and the need to look after older Australians.

I came to office with a very strong commitment to take Australia's workplace relations into the 21st Century. In the economic area, I also had a fundamental belief that the speed limits on our capacity to grow faster should be and could be removed because it is only through a faster growth in the Australian economy over a sustained period that we can seriously hope to significantly reduce unemployment.

I also came to office with some strong views about realistic plans to allow development to proceed in this country, alongside a massive program to improve our natural environment.

I also have a strong belief in the value, strength and resilience of rural Australia. My Governments horizons do not stop east of the Great Dividing Range and I also came to office with an unshakeable belief that the things that united us Australians were much greater, more enduring and more important than the things that divided us and that it has been my desire as Prime Minister to concentrate on the unifying rather than the dividing values of Australian society.

The Prime Minister of Australia is of course also the Prime Minister of a Federation. Moreover it is a Federation which is here to stay but it is a Federation which can and must be made to work better. In my view there is too much time wasted in empty rhetorical exchanges about centralism versus federalism.

I was asked recently whether I regarded myself as centralist. I said that I was not a centralist, however I quickly added that I was a nationalist and there is a world of difference between the two. A nationalist is somebody who believes that all decisions should be governed by the national interest. A centralist is somebody who asserts that the central government is always the personification of the national interest and that is a very important difference. I am, and always have been, and will continue to be, a very passionate nationalist.

What I have described are some of the main beliefs which have underpinned decision making by my Government over the past 18 months. Governments without general guiding values and beliefs will in my view only tinker at the edges of change and reform, rather than make long term improvements for our society as a whole.

Every Prime Minister, has also of course been, the product of a particular political philosophy and has led either a particular political party or a coalition of parties and some, of course, have had the rare honour in their careers of having lead various parties and changed sides on a number of occasions.

The Liberal Party of Australia, my Party, is a very special animal amongst centre/right political parties around the world. It is not exclusively a Liberal Party in the European sense of that word, nor is it a Conservative Party, in the European or American definition of that term. It is a combination of both. It is the custodian of the Conservative tradition in Australian politics. It is also the custodian of the progressive Liberal tradition in the Australian polity and although people may think there is something contradictory about that, when you think about it there really isn't.

Increasingly, modern government is about facing the challenge of very rapid change but also remembering that there are certain stabilisers in society that provide reassurance and support when a society is undergoing great change particularly of an economic character.

Therefore, a party which is the custodian and the trustee of those two traditions in Australian politics, is the party best placed to get the right balance between preserving those past values and traditions which have enduring worth, strength and support, whilst at the same time recognising that change in many areas of our life and our society is absolutely unavoidable, indeed overwhelmingly desirable. For example, anyone who imagines that the Australian economy can somehow or other stand aside from the forces of globalisation which are now sweeping around the world, delude themselves.

For example, the information technology revolution is the greatest single economic transformation the world has seen since the industrial revolution and we have only really begun, in my view, to tap the surface of all that which is involved.

Prior to the election, I undertook to put an end to Government pressure groups and to serve as Prime Minister in the national interest. We are, after all, a nation of special individuals, not special interests. I pledge to give voice to the Australian mainstream and to serve those who quote properly; "felt disadvantaged, disenfranchised by those who went before us."

More particularly, I sought to empower and small business. I want as a guiding philosophy for people to make their own choices. I want to promote initiative and excellence. At the same time I believe very strongly that no one should be left behind for want of opportunity, and therefore, in Government we have preserved and in areas strengthened a social security system which has provided a decent safety net for those who genuinely need assistance.

The family has a pivotal role in the fabric of the Australian nation. Families remain the basis of the teaching of the principles by which we live our daily lives. It is the influence of the family that has the most direct effect on moulding the character of individuals. It is there that love, dignity, morality and character are crafted. It is there that we are taught faith and loyalty and conscience and integrity.

There remains no substitute for the primacy of the family in Australia. The daily sacrifice a parent makes for a child demonstrates the strength of the family as the building block of our nation.

Tonight, ladies and gentlemen, marks the precise midpoint of our first term in Government, having being elected on the 2nd of March in 1996.

The last 18 months have represented the first phase of our first term. It has very much been a phase in which we have been preoccupied with repairing and reshaping the social and economic foundations of Australia. It has been a phase in which we have been focussed on attending to those things that were left unattended or done poorly by our predecessors.

We are now moving to the second phase.

Our goal in that second stage is to realise our full potential as a nation as we move into the 21st century. We must increasingly look to the next century and we must increasingly judge all that we do as a national government in terms of realising the enormous potential, particularly in the Asia/Pacific region of Australia as it faces the next millennium.

This second phase requires keeping the fundamentals in good repair while pursuing a positive agenda of change and growth, to expand opportunities in key sectors of the Australian economy, so as to provide for strong economic growth and the job creation which that entails.

I have always had a deep and abiding belief in the economic and social potential of Australia supported by our vast natural beauty, the endowment of a rich resource base, an imaginative and skilled people with a lifestyle unique in our region, indeed in the world.

A young country with a bright future is the image we all have of Australia. That image is our birthright. Its realisation ought to be our goal.

Our abundant natural resources have been the basis for the development of world competitive mining and agricultural industries that are amongst the most efficient and least protected of any country.

Our first class scientific and technological infrastructure has resulted in a much higher rate of invention per capita than other countries of our size.

We have a stable political system based on deeply held democratic principles and a powerful egalitarian ethic.

Our diverse nation has welcomed with open tolerance people from the four corners of the world to share a unique lifestyle.

Australians are a resilient people who have coped with problems of various kinds.

We have relished the opportunity to undertake programmes of nation-building such as the post World War II construction phase, the development of our manufacturing and the absorption of large migrant intakes in the 1950s and 1960s.

Above all, we are optimistic and forward looking people who take immense pride in national successes in sport, the arts and invention.

Yet we have missed opportunities and we have yet to reach our full potential. At the turn of the last century Australia had the highest living standard in the world and yet since we have slipped down the international league tables.

Australia can do better and as Prime Minister I am anxious and ambitious for Australia to succeed and for all its people to share that success. Part of that process is to strengthen families and our communities.

A prerequisite to meeting our potential as a nation is to restore fairness for those individuals and families. Fairness does not necessarily entail handing out growing amounts of government largesse which only serves to impose further taxation burdens on those who need relief.

It does mean, however, truly giving voice to individuals by ensuring that government programmes adequately reflect the social values and concerns of the broader community.

As a Testament to our first phase of Government let me mention one or two things and the first of those is the immense turnaround in our budget position. We inherited a \$10.5 billion deficit and at the end of our first term we will have turned that into a surplus of \$1.6 billion.

Our workplace reforms have simplified awards, abolished compulsory unionism, given the opportunity for workplace agreements without union interference, restored secondary boycott provisions, reduced unfair dismissal applications by 55 per cent and we are giving employers leeway to pursue where appropriate, damages actions against unions.

We are providing real incentives for small business such as delivering on our promised capital gains tax relief, providing fringe benefits tax relief and we have reduced the burden of provisional tax.

There are very tangible benefits for families. Reducing the financial pressures on families was a key election promise and a real priority for my Government. We delivered in full, on time, our \$1 billion Family Tax initiative.

The most tangible assistance, even beyond that that we have provided is the substantial reduction in home loan interest rates. That families on the average mortgage in Australia are around \$293 a month better off than we came to power is evidence of our commitment to home ownership within the reach of average Australians. We now have the lowest interest rates in this country since the late 1960s. From July this year

low and middle income Australians have receive tax benefits for taking out private health insurance.

The savings plan announced in this year's budget is the latest measure to secure the financial future of our families. Our tax cut on savings which will be phased in from July next year will be worth up to \$450 a year. It is part of a practical plan to increase national savings and reduce debt. The initiative will be available by way of a 15 per cent rebate on up to \$3,000 of savings interest or by claiming a rebate on personal superannuation contributions.

I am particularly proud, ladies and gentlemen, to say that Australia is a safer place, freer in one very important respect than it was eighteen months ago. After the tragedy of Port Arthur we moved quickly to deliver stronger, more effective and sensible uniform gun control laws to provide a safer Australian nation. This week marks the first anniversary of the implementation of the Government's firearms legislation and the gun buyback scheme. All automatic and semi-automatic firearms were banned except in very restricted circumstances. The nationwide gun buy-back has already seen more than 517,000 guns handed in exchange for proper compensation which has already totalled about \$265 million.

We are also in the process of eliminating waste in the welfare system. Reviews by the Department of Social Security show that a crackdown on fraud and non-compliance is saving the taxpayer around \$19 million a week. Overall, we expect to save \$1 billion over the course of a year in the crack down. Part of removing the stigma associated with the payment of welfare benefits to the needy are stringent controls upon those who are not so deserving. In the nine months to July this year 137,790 people had their payments cancelled for non-compliance.

There are also been a number of important initiatives to help address youth unemployment. We have announced that the Government will provide more than \$550 million for at least 220,000 apprenticeships and traineeships over the next two years. This is aimed at enabling young people to earn while they learn and gain a valuable headstart in the job market.

While the Government is working to provide greater job opportunities through apprenticeships and by helping small business to get going again we cannot forget young Australians who cannot find work now. Our Work for the Dole plan ridiculed by people who I don't think really understand the psyche of Australian people (as not only the generality of the community but also those who are out of work) has been introduced to break the cycle of despondency and despair that unemployment can cause.

Work for the Dole is an example of how we apply the principle of mutual obligation. It is fair and equitable that people be asked to contribute to the community in return for the community's provision of a fair and equitable safety net. The plan will give young unemployed Australians the chance to experience a work culture and it will keep them involved with the community rather than being alienated from it.

The response to the scheme has been extraordinary. After advertisements in the national press calling for projects, the Government had 10,000 inquiries about Work for the Dole including 4,000 requests for application forms. 579 groups eventually applied for funding for the 70 community projects originally planned for the pilot work for the dole scheme. The pilot scheme was meant to get 10,000 of the 90,000 unemployed young people to work on community projects in regional areas with high youth unemployment.

Another important social policy reform has been the introduction of the common youth allowance. It is part of fulfilling our election promise of simplifying income support payments. Through that change the Government has taken away incentives for young people to be on the dole rather than improving themselves by education or training. They have been replaced by incentives aimed at improving the national skills base and reducing long-term unemployment.

As we look towards the next 18 months and beyond unemployment remains an immense social and economic challenge. It is important to remember that the Labor Party had 13 years to fix the problem. Throughout that time unemployment averaged at 8.7 per cent and at one stage went over 11 per cent.

Reduced unemployment depends on both sound economic fundamentals and also significant liberalisation of the labour market. The economy is now, as is evident, capable of growing at a much faster rate than has been the experience of the Australian economy over recent years.

One of the most significant economic speeches made in Australia in recent times, was that of the Governor of the Reserve Bank recently, in Perth, when he said because the fundamentals had altered it was now possible for the Australian economy to grow at a much faster rate without igniting inflation and by implication challenges on the trade account.

For years the Australian nation has wanted to be in a position where the speed limits on economic growth could be removed so that through faster economic growth, greater job generation could occur. I believe that those circumstances are very much within our grasp and the fundamentals have been so ordered that for that occurring is very real.

Unemployment does remain a huge challenge but it is always, in economic experience, the last of the economic fundamentals to come right. We have laid the foundations for solid improvement in the future.

Ladies and gentlemen, I think it is inconceivable that Australia can realise its economic potential into the 21st century without a reformed, modernised and fairer taxation system.

How can we live with a tax system which imposes a top marginal rate at one and a half times average weekly earnings when in 1960 the top marginal tax rate cut in at 15 times average weekly earnings.



How can we have a tax system which imposes a 22 per cent sales tax on the family car but no sales tax on a lear jet. Why should Australians put up with a tax system which imposes a 22 per cent sales tax on savoury snacks but no sales tax on caviar.

These are but some of the reasons why we have embarked on a process of lasting taxation reform. We aim for a system which ignites incentive to work, to save and invest and one which will be designed with an emphasis of promoting jobs, exports and investment.

This is probably the last real serious opportunity for a long time that a Government of Australia will have to bring about fundamental reform to the Australian taxation system and anyone who has seriously looked at the Australian economy over the last 10 years. Anybody who has occupied any serious position of responsibility in public life in this country will know that of all of the major reforms that have been needed or remain to be done in this country, none has been more important than the need for fundamental reform of the Australian taxation system.

That is why we have embarked upon it with vigour, not underestimating the difficulties that lie ahead but recognising that not only the great office of Prime Minister but also the other great offices of the Ministries of State in this country are to be used responsibly for the greater good of the Australian people, tackling fundamental reform of that kind is absolutely essential.

In a now famous passage in his work, my longest serving predecessor and the founder of my own Party, Robert Menzies, in his work: "The Forgotten People" Menzies wrote the following:

"I do not believe that the real life of this nation is to be found either in the great luxury hotels and the petty gossip of so called fashionable suburbs, or in the officialdom of organised masses. It is to be found in the homes of people who are nameless and unadvertised and who, whatever their individual religious conviction or dogma, see in their children their greatest contribution to the immortality of their race."

Those words are in substance as true today as they were then. The real life of this nation on the brink of the 21st century remains the family unit. Truly giving voice to families and demonstrating fairness in public administration for their benefit has been and perhaps been the greatest task of any Australian Prime Minister.

Menzies spoke, in those days, of 'homes material', 'homes human' and 'homes spiritual'. 'Homes material' represented the concrete example of frugality and saving. 'Homes human' represented one's family and the noble instinct to be with them and give them a chance in life. 'Homes spiritual' represented the brave acceptance of unclouded individual responsibility. The point at which a person seeks moral refuge in the crowd was seen to be the point at which he or she ceases to be an individual human being. What was common to the Menzian concept of home was a sense of security.

I believe that the concept of home is a compelling notion in our psyche. I was interested to see an article reprinted in the Melbourne Age from The Guardian some

weeks ago where it was pointed out that how children at play run "home" during a game of hide and seek, how the desire to have a base or home remains strong throughout our lives but that technology and travel threatens the stability. Movement and travel is seen to broaden the mind and reskilling for new careers is quite properly seen as necessary in times of insecurity. The loss of security challenges traditional notions of home and people feel the need to react to alienation.

Part of the job of a Prime Minister in these contemporary times is, whilst enthusiastically embracing change and globalisation, he or she must also embrace what is secure - what people see as 'home' I suppose. I want to provide Australians with this security as we embrace, as we must and will, a new and vastly different future.

Part of that security is an inheritance. Our greatest desire as parents is to see our children reach their maximum potential. The desire to leave one's children a greater inheritance than we were left by our own parents is a relentless and motivating force for parents. So should it be for nation states. An Australian Prime Minister's responsibility should include leaving his successor a greater social and economic inheritance than was left him and just as parents do, ask himself or herself how they could look their children in the eye and offer them anything less.