



# PRIME MINISTER

7 October 1997

**TRANSCRIPT BY THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
FEDERAL CABINET LUNCHEON HOSTED BY  
THE HON WARWICK SMITH MP  
LAUNCESTON, TASMANIA**

E&OE .....

To Warwick for that very warm welcome. To Tony Rundle to Jocelyn Newman, a true citizen in every sense of the word of Launceston. To Tim Fischer and my other parliamentary colleagues both State and Federal. And also a very special welcome to the ABC Rural Woman of the Year, Jane Bennett who comes from Deloraine and is a magnificent example of the increasingly recognised contribution of women to the rural life of Australia.

Women have always through the decades played a fundamental and important role in the life of rural Australia. I think in the last few years what is really welcome is the fact that their role has become more and more widely respected and more and more widely acknowledged. And it's a real tribute to this part of Australia that Jane should have been named as the ABC Rural Woman of the year.

Now as Warwick said this is the first time in living memory that a Federal Cabinet has met in Launceston. And it's part of a programme that we decided upon when we were elected to take the Cabinet around Australia, to tell the Australian people by our presence and by our decision-making processes in different parts of Australia that the centre of the universe didn't sort of revolve around Sydney, Melbourne and Canberra. And it is very important because it is a way of us meeting you, it's a way of bring the government to all of the people of Australia and not just some of the people of Australia.

And I am particularly pleased to have had the opportunity a few moments ago of signing the environmental partnership agreement with your Premier, Tony Rundle. And this gives expression to the contribution out of the Natural Heritage Trust of \$125 million to the State of Tasmania.

Tasmania has done better out of the Natural Heritage Trust than any of the Australian States. And I'm delighted and proud to have signed that agreement with Tony. And as I walked in and I heard a few voices talking about the environment I allowed my imagination to sort of drift a little and what they were really saying was: "We want Warwick". Well you've got him. And can I say on that subject that you've got him in even larger measure now because as a result of the changes that I've made to the Ministerial arrangement, Warwick is now the Minister for Family Services. Now we all know what a strong supporter of the institution of the family he is. And he brings to this important new responsibility an understanding of some of the challenges facing families in the Australian community.

And it's a real tribute to Warwick and it's a real tribute to the city of Launceston that you have in Jocelyn Newman one of the most senior members of my government and the Minister for Social Security and you now have in Warwick Smith the Minister for Family Services. It must be the air, it must be the food, it must be something or other but you certainly breed them, in a political sense, extremely well. And I'm very proud and you ought to be proud of having both of them as such very senior and very important representatives.

Now ladies and gentlemen, we were elected a bare 18 months ago and it seems much longer because so much has been achieved. And when I think back at those 18 months and I think of some of problems that we inherited, I also think of some of the opportunities that we were given. The great legacy of Mr Keating and Mr Beazley was to leave us with a budget deficit of \$10.5 billion. And I'm very proud to say that as a result of our work and most particularly the work of Peter Costello and John Fahey as the Treasurer and Finance Minister within three short years we would have turned that \$10.5 billion deficit into a surplus of \$1.6 billion. And in the process presided over the lowest inflation rate Australia has had since 1972. We've had five reductions in interest rates.

We're in the middle of the most ambitious and successful privatisation programme that any Federal Government Australia has ever undertaken. And the sale of one-third of Telstra is funding the Natural Heritage Trust. And the Natural Heritage Trust will fund in turn the greatest-ever capital investment in the environmental renewal of Australia. And one of the things that I will be immensely proud to say to the Australian people at the next election is that my Government has done more for the environment of Australia than any post World War II government of Australia. And that is something that people may not have thought it possible for a Coalition government to have said a few years ago. And instead of making a lot of noise about the environment we've committed ourselves to practical measures and the Natural Heritage Trust focuses on such things as soil degradation, land care, salinity and all of the ongoing challenges and the ongoing threats to Australia's rare and very precious natural environment. And it is a very important part of the achievements of my government during the time that we have been in office.

And something else of which I'm particularly proud and I know it's very important to the economy and to the citizens of Launceston and of Northern Tasmania is the importance that we have attached to small business. I've always regarded small business as being heart and soul and really the life of the economic future of Australia.

And it's through small business that we will see employment growth. It's through small business that we see men and women taking risks and investing and employing people. And in the time that we've been in government we have delivered on every promise we made to small business and we've gone much further. We cut their provisional tax. We introduced a \$600 million package of measures a few months ago. We promised before the election capital gains tax relief for small business but what we have delivered is more generous than what we promised. You often hear of government's short changing on their promises, we have over delivered on our small business promises and we're very proud of it.

And as from the first of July this year any person in small business in Australia can sell their business and they can invest \$5 million of the proceeds of the sale of that business, up to \$5 million in the purchase of any other kind of business without incurring any kind of capital gains tax liability. And on top of that Peter Reith announced only last week a series of measures designed to strike a fair balance between big business and small business. I have never seen big and small, as being enemies. I have always seen them as partners because many small businesses depend upon the support of big business for their very existence. What we have done with this package is to strike a balance in areas like tenancy arrangements, unconscionable practices and so forth.

We don't take the view that all large corporations are punitive and difficult and bullying in their treatment of small entrepreneurs. Equally, we recognise that sometimes the field is tilted against the small bloke and he or she needs a little bit of help and a little bit of assistance and that is exactly the balance that we have struck and that package has been widely acclaimed throughout the small business community. Along with all the other measures that we have taken to assist small business, I also know that when we face the people in 18 months' time that we will have more than delivered on the promises that we made to the small business community of Australia.

Having done so much over that last 18 month period, we are very much turning our gaze to the next century. We have committed ourselves to undertaking the greatest - single, unreformed area of the Australian economy and that is Australia's taxation system. We have a taxation system that is no longer appropriate to the 21st century that we are about to enter. We have a taxation system that is in disrepair and we have had the courage to commit ourselves to a reform of that taxation system. The aim of that reform is to modernise the system, the aim of that reform is to create a system that generates jobs, attracts investment and above all, is dedicated to the principle of fairness and equity.

We've had the courage to say to the Australian people we need a new tax system and we will have the courage to present the details of that tax system to the Australian people before the next election. Our opponents are chained to the past. They don't believe we need a new taxation system and I think as you go around the Australian community, whether you talk to the family man or woman, if you talk to anybody in business, if you talk particularly to exporters, if you talk to any section of the Australian community they will tell you how important it is to have taxation reform and that is a very important element not only of the next 18 months politically, but far more importantly than that, it's a very important element of the vision that we have for

Australia as we move into the 21st Century because we need a modern, renovated taxation system for modern and very different circumstances and very different times.

Now Warwick, ladies and gentlemen, was kind enough to remind you of my long-standing commitment to the interests of the Tasmania people. Tasmania does have problems that other states don't have. It does suffer isolation. It does suffer communications challenges given its geography but of course it has immense beauty and immense appeal and it is a lovely place for other Australians to visit and I am so delighted to have learned of Tony Rundle's announcement about the additional catamaran that is going to travel to Melbourne. I understand this will generate something like 35 - 40 000 additional visitors to Tasmania during the peak holiday season, and of course if I may very gently and ever so quietly and modestly say, I think that Howard Government subsidy may have had a little bit to do with the growing popularity of visiting Tasmanians.

This is an example of the partnership that exists between my Government and Tony Rundle's Government. We believe in co-operation with the states. We believe that the national interest is best served by Federal and State Governments working together. We can't always agree on everything but we agree on most things and this is an example of a desire on the part of the Federal Government to co-operate and co-operate very effectively and to a great end.

I am also delighted, ladies and gentlemen, to be able to announce today that my Minister for Employment, Education, Training and Youth Affairs has agreed to a new allocation of \$3 million from the education capital development pool to allow the University of Tasmania's participation in the Inveresk project to be progressed.

In addition, the University will also be eligible to apply for further funding within the rationalisation and restructuring programme announced in the 1996 budget. Allocations within this programme will be announced later this year. The guidelines have been released and the University of Tasmania has already lodged an application and an assessment is continuing.

The Inveresk project is a fine example of how different sectors of education, in co-operation with all levels of Government, could develop community infrastructure vital to meet the needs of regional areas. In addition, \$7.5 million of Commonwealth funding for the Inveresk project is being made available under the regional development programme which was announced in the Tasmania Package in 1996 and these funds are administered through the National Office of Local Government and the Inveresk Railyards Management Authority.

Ladies and gentlemen, we have a very strong commitment as a national Government towards the needs and the interests of regional Australia. Ours is not a Canberra-centric, Sydney-centric or Melbourne-centric Government. It is a Government that was elected by all of the Australian people for the benefits of all of the Australian people and the presence of the Federal Cabinet here in Launceston, the announcement that I have made, the very strong representation in my Ministry from regional Australia, all of those things are tangible demonstrations of our desire to listen and respond to the needs and the interests of all of the Australian people.

What we have done for the Tasmanian people is no more than what they are entitled to. Tasmania does suffer some disadvantages that other states don't have. The support that we give in relation to the subsidy is not a hand out, it is a recognition of the disability that Tasmania suffers and on that grounds, it is something that I believe can always be justified. Most importantly of course we respect and we honour the spirit and the commitment of the Tasmanian people. You are struggling with some difficulties that others don't have but you have a marvellous state, you have a marvellous spirit in your people and you have a marvellously positive and optimistic view about the future.

I believe with some justification the decisions that we've recently taken in the textiles, clothing and footwear industry will have been warmly welcomed here in northern Tasmania and they will have recognised some of the particular concerns of people in industries in Launceston.

Ladies and gentlemen, can I again say how pleased I am to have brought my Ministerial colleagues here for our Cabinet meeting. It's a demonstration of our interest in not only your state but also in the city of Launceston. But above all, it is a demonstration of our desire to retain contact with the Australian people wherever they may live. It's a good experience for us. It's a way of keeping in touch and it's a practice that we intend to continue.

Finally, can I say how extremely well that you are represented by Warwick as your Federal Member. He's a very hard-working, energetic local Member and I know that he gives very great distinction and very great honour as your Federal representative in Canberra.

Ladies and gentlemen, thank you very much for coming.

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