



PRIME MINISTER

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**TRANSCRIPT BY THE PRIME MINISTER
THE HON JOHN HOWARD MP
ADDRESS TO FUNCTION FOR THE ELECTORATE OF BASS
LAUNCESTON, TASMANIA**

E&EO.....

Thank you very much to Mr President, to Warwick and Catherine Smith, to John Watson, to my other State parliamentary colleagues, to my former parliamentary colleague Brian Archer who I'm absolutely delighted to see here tonight with his wife Dorothy. To Brian belongs one of those understated Tasmanian remarks. I can remember being at a barbecue in the garden of his home about four or five years ago and I said: "It's a nice night" and he said "Buddy, this is the purest air in the world." And I then was reminded of all of the other natural attributes and the natural beauty of Tasmania. But it is tremendous to see Brian and Dorothy here tonight.

As I said at lunch today, we are here as part of a pattern of travelling around Australia to visit some of the regional areas to remind the Australian people that we are not a government that sees the centre of the universe as being Canberra, Sydney or Melbourne but rather a government that is determined by its every deed to govern for all sections of the Australian community. I am especially conscious that I'm in the politically historic city of Launceston. Bass is part of the political legend of Australia and particularly the Liberal Party. It takes its place along side those two other great by-election results of the last generation, the other being the Canberra by-election of 1995 which recorded a swing almost as great as Bass and then I think the equally famous by-election in Lindsay of 1996 when having taken a Labor seat in the Western suburbs of Sydney from a Labor minister with a swing of over 11 per cent - we added 5 per cent to that in the by-election. So, Bass has a very special place in the affections of all Liberals and we all remember that great victory that was won by the Liberal Party in 1975 which presaged Malcolm Fraser's defeat of Gough Whitlam in December of that same year.

But let us fast forward to 1997. We're here at a very important moment in the time of our first term in government. We are now just a little over 18 months and we have done the

repair work, we have grappled with the tremendous fiscal legacy of a \$10.5 billion deficit which was the inheritance of Messrs Keating and Beazley and in our first three years in government we will have turned that into a surplus of \$1.6 billion.

We are in the middle of the most extensive privatisation programme that any government has undertaken anywhere in Australia. The sale of one-third of Telstra will enable hundreds of thousands of Australians to own shares in one of our great national enterprises. And so far from it representing the Australian people selling an asset it represents an opportunity for the Australian people to personally invest in one of our great commercial undertakings. And I'm not surprised that it's been over-subscribed and I'm not surprised that it's gathered such enormous support from people all around our country. And of course it doesn't stop there. Out of the proceeds of that sale we are able to fund the largest-ever capital investment in Australia's environmental future, the \$1.25 billion Natural Heritage Trust. And no state in Australia is better served out of that Natural Heritage Trust than the state of Tasmania. And just before I came here I had discussions with Tony Rundle, your Premier about the disposition of some of the resources out of that Natural Heritage Trust and I'm delighted to say that as is the custom in my dealings with the Tasmanian Government it was a question of us working as partners, not as competitors, but as partners in achieving good outcomes for the people of Tasmania and good outcomes for the Australian nation.

I am delighted at the decision announced yesterday for the additional catamaran to travel the Bass Strait to Melbourne. And this will mean something like 35 to 40 000 tourists can come to this beautiful part of Australia. And it is a result of the initiative of the Tasmanian government. It has also been made possible, in large measure, by the rebate that was introduced by us as a result of an election commitment made before the election of March 1996. And that was a well-targeted, soundly based, entirely justified rebate. It recognises the disability imposed by the separation of the island of Tasmania from the rest of Australian. And it is only right and proper, it's not a hand-out, it's a recognition of a practical reality and it's the sort of practical measure that Federal governments should be willing to embrace in order to assist the people of Tasmania and to assist the State of Tasmania.

As I look back over the last 18 months, I not only record the many achievements of the government and the way in which we have honoured the commitments we made to the Australian people, be it in the area of the family tax initiative, be it in the area of assisting small business or be it in the area of changing Australia's workplace relations culture. But I also believe that we have been as a government willing not only to address the difficult situations that we inherited but also as a government to lay out a plan and a road map for the future economic development of this country.

And as we turn our gaze from the past 18 months but look forward, there are many things that lie in front of us and there are many challenges as a nation as we go into the 21st century. And our commitment to taxation reform which is the largest area of unfinished economic reform business on the Australian landscape at the present time. Our

commitment to taxation reform is evidence of the determination of this government to tackle the big issues that are relevant to the future of all Australians.

We cannot afford to go into the 21st century with the existing taxation system. We cannot afford to go into the 21st century with a taxation system which is so inequitable and which evidences so many creaking joints and disconnected parts. And it's incumbent on us as the national government of Australia to take the lead, as we are willing to do in giving to this nation and all parts of this nation a modern reformed taxation system. And a taxation system that will match the needs of the Australian nation as we move into the 21st century.

But of all of the areas of reform that we have undertaken, the one that I would like to say something about tonight is the area of industrial relations. Many of you will know that in the time that I spent in opposition, and I have to say it was too long and I never want to go back there again and I've no intention of going back there again. In the time that I spent in opposition there was probably an issue, no issue I thought more about than the issue of industrial of relations reform and the need to give to this country an industrial relations system that gave workers and their employers the choice of making direct bargains with each other. Not an industrial relations system that shut out trade unions because we have no enduring argument with the trade union movement of Australia. We only have an enduring argument that those who say that the union way is the only way. Our proposition is that Australian workers ought to have choice. Our proposition is that people should be free to join a union or not to join a union. Our proposition is that an employer should be able to make an agreement directly with his employees or make the agreement with the union. And our proposition is that there should be complete and unfettered freedom of choice in those area.

And that is what our workplace relations reforms have delivered. And if you wanted evidence of how effective our workplace relations reforms have been, you need look no further than the current dispute between the CFMEU and the Rio Tinto company in the Hunter Valley of New South Wales. That exercise, that proper attempt by the Rio Tinto company to reclaim the management prerogatives which are taken for granted in other sections of Australian industry would never have been possible had it not been for the Workplace Relations Act which passed through the Federal Parliament last year. Because what that dispute in the Hunter Valley is all about is Rio Tinto exercise its right to manage its own business, to run its mines and to operate its business in accordance with ordinary management practices.

One of the things at issue in the Rio Tinto dispute is the right of management to determine such issues as seniority. Can anybody really imagine in other sections of Australian industry that seniority would be something that would govern the promotion of people? Could anybody imagine that in other sections of Australian industry that trade unions would have the right to determine issues of promotion and issues of preferment according to seniority? Yet they are the sort of management prerogatives that were previously denied to companies in the mining industry and which because of the changes that we have

made to the law of this country it is now possible for countries like Rio Tinto to exercise. So when you hear Jennie George, when you hear John Maitland, when you see them marching through the streets of Sydney chanting about their rights, they're not really complaining about something that justifies a complaint they are objecting to the undoubted right of a company to manage its own affairs and they are wanting to retain prerogatives which in no other section of Australian industry would it be reasonable for a trade union to maintain.

And you should also remember that had it not been for the Workplace Relations Act passed by my government last year it would not have been possible for the company to exercise the normal undeniable right of managers to manage the business that their employer owns.

You should also remember that we are not talking here about low-paid, down-trodden employees. We are talking about people who quite rightly, because of the dangerous character of the work they undertake, we are talking about people who are paid very impressive wages indeed.

We are talking about people who have been offered wage increases of \$150 - \$170 a week because the company believes that as a result of the changes in work practices made possible by the Workplace Relations Act, by my Government, that that company can afford. Isn't that really what good industrial relations in this country ought to be about? It ought to be about a company getting rid of stupid work practices and as a result of the higher productivity due to the bad work practices going, that company is then able to pay its employees better wages.

Now isn't that an industrial relations outcome that every hard-working employee and every decent employer in Australia is biased to? Isn't the most valuable asset that any employer in Australia has a satisfied, well paid, conscientious worker who sees his or her future tied up in the future profitability of the company? It's that kind of culture that previous industrial relations laws in this country have prevented emerging. It's that kind of culture which the changes in the workplace relations laws in Australia, brought about by my Government's legislation, have made possible.

So when you hear Jennie George and her ilk talking about this being a struggle between the worker and a fight to preserve the role of the trade union movement, forget about her being a spokesperson for the legitimate interests of the employees of Australia. See her for what she is, somebody who is trying to defend the indefensible, somebody who is trying to preserve a set of arrangements which are holding back productivity, denying higher wages to her own members, and as somebody who is selfishly pursuing the interests of the trade union movement to the detriment of the people that that movement is meant to represent.

It is little wonder to me that despite a decade until March of last year in which the legal privileges of the trade union movement increased at the expense of the interests of the ordinary worker, it is little wonder to me that, despite that tricky situation, that the

membership of the trade union movement in Australia was in steady decline over that ten year period.

So I think it's very important as we look at the industrial relations scene in Australia, it's important to recognise the fundamental changes and the far-reaching changes that have been made possible by the industrial relations reforms enacted in the Workplace Relations Act.

So not surprisingly, the State President spoke of Warwick Smith's role in my Government and I want to say something about Warwick's contribution as a Member of Parliament and something about his contribution over the last 18 months as a member of my Ministry. I can say, Warwick, that I was absolutely delighted when you regained the seat of Bass at the last election. I know that Tasmania is an hour ahead of the rest of Australia. Now on most occasions I'm very happy to see Tasmania an hour ahead. I've got to say that in 1993 I wasn't happy to see Tasmania an hour ahead because we got your results in Sydney ahead of any other result and we were pretty unhappy about it.

But that was all fixed in great style in March of last year and Warwick has done a first-class job as my Minister for Sports, Territories and other related matters including Local Government over the last 18 months. And now I have given him the more, shall I say onerous, the more senior portfolio of Family Services. And here he will be particularly responsible for areas such as aged care and childcare services.

I want to say in relation to the aged care reforms that my Government has undertaken, I defend every last element of those reforms. Those reforms are designed to inject into the aged care sector much needed capital. Those reforms are modelled on reforms that were undertaken by the former Labor Government in the area of hospitals. How hypocritical can you be when as a member of a Government you implement changes requiring accommodation bonds in relation to hospital care but when you go into opposition and the new Government adopts the same approach in relation to people who go into nursing homes, you turn around and say it is cruel and it is wicked? It is the end of the world.

There is nothing unreasonable about asking people who can afford to do so to make a contribution, or for their families to make a contribution towards the care of people in either hospitals or aged homes. It is very easy to run a fear campaign on this issue and I condemn utterly those members of the Labor Party who have run a fear campaign because there is nothing unjust, there is nothing to fear from these changes.

They make proper allowance for the people who can't afford to make a contribution to their care. They make the quite fair proposition that it is only reasonable that people who can afford to do so, or their families, make a contribution towards the care of people in either hostels or nursing homes and I simply ask you the rhetorical question, what is the fairness in the proposition whereby the generality of the taxpayer is asked to make a contribution to the care of an elderly member of the family when that person herself or himself or the family can make that contribution.

And that is the principle, the principle of fairness, the principle of equity on which our proposition is based. And if we listen to what the Labor Party is arguing in this area, you would end up in a situation in a few years' time where the capital needs of nursing homes would be such that many of them would be in an unsatisfactory, dilapidated condition and it's only through getting more money into the system from the people who can afford to make a reasonable contribution, and bearing in mind that the unexpended portion of any accommodation bond, when the person leaves the nursing home, is either refunded to the person, or in other circumstances, forms part of that person's estate.

The idea that, if you were asked to make a, put up an accommodation bond of 10 or 20 or \$30 000, that all of that disappears is absolutely wrong. There's a draw down of a maximum of \$2600 a year. I mention these things, ladies and gentlemen, because there has been a quite tenacious and a quite unscrupulous fear campaign conducted by our opponents. It's so easy, isn't it, to try and provoke fear and to cause unease amongst the more elderly people of our community but it's also very dishonourable and quite despicable and I say again, the changes that we have enacted in this area, and Warwick will be overseeing their implementation, these changes are fair, defensible and equitable and they're based upon the proposition that if people can afford to make a contribution to their care and to their treatment, it's only reasonable that they be asked to do so otherwise the burden falls on the generality of taxpayers in the Australian community.

So Warwick, you are going to have a lot of work but I am absolutely certain that just as you have handled the portfolio that you have had over the last 18 months with very great distinction, I believe that you will be able to handle this portfolio with equal distinction.

The last thing I want to say to all of you is that the last 18 months have been an enormous experience for all of the members of the Government. It's been an enormous experience for the Liberal Party and the Coalition. We won a magnificent victory in March of last year and since then, at no stage have we ever taken the Australian people for granted. I have always lived by the political credo that you are in office as a gift of the Australian people and you are not there because of some sort of divine process of political selection. You are there for so long as you are a successful government. You are there for so long as you have governed to serve the interest of all of the Australian people.

One of the things of which I was immensely proud on the night of the second of March last year and I remain immensely proud is that my party and my Government is owned by nobody and is owned by no section of the Australian people. We owe a debt, we owe an obligation to only one group and that is the totality of the Australian population.

We are not owned by the business community, we are not owned by the trade union movement, we are not owned by other sections of Australian society. On occasions, we argue with all sections of Australian society. On occasions we are in agreement with all sections in Australian society. At the end of the day we make conscientious decisions because of our assessment of the merits of a particular decision and that is the credo by

which we have lived and will continue to live for so long as we are in Government. And I believe that the Australian people recognise and respect that.

They don't want a Government that only looks after one section of the Australian population. They want a government that is willing when times are difficult to take difficult decisions and they want a Prime Minister who is willing to do the same thing. Even though it may involve some short-term pain or short-term criticism, in the long run if the right decision is taken in the seat of difficulty, that would be recognised by the Australian community.

So to all of you, my friends, can I most importantly thank you for your loyalty and support of the Liberal Party cause here in Bass over so many years. Can I thank you for the contribution that you made to Warwick Smith's re-election in March of last year. Can I thank you for the contribution that you continue to make to Tony Rundle's Government, represented here tonight by the Deputy Premier John Beswick. Can I say how much I value the close working relationship I have with Tony and the members of his Government, I believe as I said earlier, in partnership with the Commonwealth Government and the State Government.

That is the only way in which to go, and finally can I say how absolutely delighted I am to be back here in Launceston, should I say it, the second time in six weeks, and this is the first occasion in which a Federal Cabinet has ever met in the city of Launceston. I am very proud of our commitment to travelling around the regional areas of Australia and reminding all of the Australian people that that slogan of ours of the last election, For All Of Us, was no empty piece of rhetoric. It was a genuine commitment to govern for all Australians.

Thank you.

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