

Policy Launch Speech: Malcolm Fraser, Prime Minister (LP)

Moorabbin Town Hall, 30 September 1980

“ Five years ago we committed Australia to a new sense of direction and national purpose — we have fulfilled that commitment. Five years ago we pledged ourselves to recharge the nation’s capacity — we have fulfilled that pledge.

And never let us forget that five years ago the confidence and optimism of Australia had been shattered — today, a new spirit, a new enthusiasm, a new dynamism, is at work in Australia.

In an often troubled and dangerous world, here we are at the gateway of a new decade much better placed than many overseas countries. A new confidence is alive in Australia’s men and women. Our financial position is the envy of many industrialised countries. Business expectations are high; the optimism of overseas investors has been restored; manufacturing exports are growing strongly.

Last year rural exports were the highest for the decade. Last year our balance of trade was the best result for the decade. This year we achieved the best employment growth for ten years. And under the Fraser-Anthony government, Australia has won a respected place in world affairs. And while achieving all this, we have enhanced the dignity and self-esteem of those in need.

Australia is the best place in the world to bring up a family, and we are going to keep it that way. But what has taken us five years to build can easily be destroyed. Do we want our dreams of the future to be turned into another Labor nightmare? Can we trust our hard-won victories to the Labor Party?

Tonight I want to talk to you about the challenges and opportunities that lie before us. First, we must maintain responsibility in economic affairs because without that all else fails. Second, we must harness the nation’s resources in a coordinated and responsible programme of national development. Third, we must see that from the prosperity we generate, we provide accurately for those in need. Fourth, as individuals and as a nation, we must encourage ability and cultivate excellence. And finally, in a world where there is conflict, division and illusion, we must guide Australia safely through the difficulties and the dangers.

The first challenge facing Government in the 1980s is the pursuit of responsible economic management. Responsible economic management may sometimes sound far away from our everyday lives. But responsible economic management has brought our inflation rate to much less than it was in 1975; much less than the inflation rate of Britain, below that of the United States, and below the average of advanced industrialised countries.

But there is more to be done. Continued economic responsibility demands restraint in Government expenditure. And last year, we achieved the largest-ever recorded reduction in the Budget deficit — \$1.5 billion. And now, this financial year, the domestic deficit will be wiped out altogether.

We earlier committed ourselves to reform the tax scales. We have fulfilled that commitment absolutely.

Under the Hayden Labor scales, from \$7000 you paid 35c in the dollar; from \$10,000 you paid 45c in the dollar; and from \$15,000 you paid 55c in the dollar. Under our scales, you are on the standard rate of 32c in the dollar, right up until \$17, 230. And on 1 July this year taxes were cut by more than \$600 million — of particular benefit to single-income families.

Under our present policy of half tax indexation there will be a further tax cut of around \$500 million from 1 July next year. Of course, we would have preferred to go further, but any tax cut purchased at the cost of higher inflation would be no tax cut at all. And we will continue to fight inflation. No wonder British investors recently said that their confidence in the Australian economy was ‘conditional on the continuation of a Liberal Government’ — and we plan to keep it that way.

And so I come to the second challenge: the need for a broad-based and responsible programme of national development. In my policy speech in 1977 I said Australia could look forward to \$600 million of development. Some amazement was expressed at this — even disbelief, because the Labor Party has stopped development dead in its tracks.

Yet in the two years after that more than \$600 million was invested in mining and manufacturing, and now prospective investment is \$29,000 million. This development promises to be as important to Australia and individual Australians as anything in the past 35 years.

Already, new aluminium smelters and mines are being established in Australia along with the associated new towns, railways, roads and port facilities. The benefits of this will be felt nationwide. We are not just talking about development for development’s sake — we are talking about development because of what it means to people. And it means jobs, prosperity and security for Australian working men and women.

To achieve all this we have had to trim our sails once or twice, for the world is a harsher place than anyone expected five years ago. But responsible management means placing Australia first, not once or twice, but always.

Placing Australia first is the responsibility of management, Labor and trade unions just as much as it is of Government. Responsibility to Australia means achieving greater rank-and-file influence within unions; and giving rank-and-file trade unionists, confronted with the demand to join a strike, the option of a secret ballot.

But above all, it means rejection of 35-hour weeks; rejection of unrealistic wage claims; and rejection of extremist union leaders. And that rejection is the duty of us all.

Let me give you another measure of what is happening in Australia. The increase in electricity generation through the 1980s will be almost equal to that which occurred over the last 30 years. We are going to do in ten years what previous generations took 30 years to accomplish. Modern new industries are coming on-stream with modern plant and equipment involving the most advanced technology. These new developments will give Australia in the 1980s a much stronger international base. New markets are opening up for Australian industries.

None of this has happened by accident. We have introduced firm anti-inflationary policies, policies which encourage and support new Australian initiatives, policies which reflect a responsible and reasonable attitude to overseas investment, and policies which protect the Australian environment. What is happening is the result of our policies.

And our oil parity pricing is an important part of the overall plan. We want Australia to be as energy self-sufficient as possible in future years. We do not want Australia to be a beggar for fuel on the international market. We want to attract investment in alternatives to oil — and we are succeeding.

The giant Rundle Shale oil project in Queensland is likely to be the largest ever undertaken in Australia, and one of the largest in the world. This would not have occurred without parity pricing.

We are not just concerned for next year, or the year after. We are building Australia for the next decade and beyond; to do otherwise would be a betrayal of you and your children. Against the dangers and the difficulties of the current war in Iran and Iraq, does anyone dare tell us that we should alter our policies?

It is fair enough to ask where the oil revenues are going. Every cent is being returned to Australians. For example, this year more than \$600 million in tax cuts, more than \$500 million on defence, and over \$460 million to further reduce the Budget deficit. The growth and confidence in Australian industry is broad-based — industries generally are looking to the future, encourage by incentive for investment, for innovation, for research and for export. These policies will continue.

The tax laws will be altered again to make it easier for small business to build up their reserves.

We will provide additional incentives for the tourist industry. Among these, many of our airports are being remodelled and rebuilt; we have built on our programmes for Tasmania; and with New Zealand approval, the Hobart to Christchurch air link will soon begin. And we have decided to proceed with the Alice Springs-Darwin railway.

Five years ago, it was an unhappy business travelling around the Australian countryside. Many farmers were bankrupt; prices have collapsed. Farmers did not know whether to encourage their sons to stay on the land, or to desert their farms.

Now, all that has changed. Our rural industries are doing much better. Our fight against inflation; our policies in support of rural industries; our effective trade overseas — these have played a major role in rural recovery. We understand rural industries — we assist them through troubled years and variable prices. And new initiatives will be taken in the coming parliament.

I know that as I speak tonight, there is severe drought in many parts of Australia. We will continue to cooperate with the States to see if there is more we can do to assist.

Would anyone exchange our programs of assistance of the threat of Labor's death duties? Would anyone exchange our current industrial and rural strength for the certainty of Labor's wealth tax? Would anyone trade their present position for the policies of the Whitlam years and the introduction of a capital gains tax?

As a result of rural recovery, last year — for the first time in 30 years — farm employment grew. Indeed, in the 12 months to August this year, total employment in Australia grew by over 200,000. What is the Labor Party doing? They are promising

to provide half that number of jobs, but they are going to charge you \$100 million to do it. Our dedication to strengthening the economy is the only way to create more jobs.

I know it is difficult for some people who leave school — some move smoothly into a job, others have difficulty. Because of this, we have established a range of manpower and training programs to improve the skills, the versatility and the mobility of those looking for work. These programmes will benefit this year more than 236,000 Australians. And last year, the number of apprentices in training was an all-time record of 136,000.

We will do more by extending counselling services and introducing a new allowance providing much greater encouragement to the young unemployed to take advantage of new and expanded training opportunities.

I am not going to say much about the Labor Party tonight — mostly, they speak for themselves. Their essential policy is a massive program of additional spending. In only six areas they promise to spend \$2500 million of taxpayers' money. These programmes have been costed by Government departments and by the Department of Finance. The figure of \$2500 million is a figure that would have to go into any Labor budget. If this amount were paid out of taxes, it would represent an average of over \$8 a week — more than \$400 a year — for every Australian taxpayer.

Are Labor's policies worth that to you? Would you allow any of Labor's three leaders to spend your money in this way? And they have the nerve to suggest they could lower taxes!

But there are more than 250 other programmes to which the Labor Party is committed and which have not been costed. Well, I say to Bill Hayden and the Labor Party, stand up and be costed. Stand up and tell us that these promises would be funded through higher taxation or by printing money. Stand up and tell us that these measures will fuel inflation, promote unemployment, and kill off economic growth. Labor in the 1980s is merely the Whitlam years recycled.

There is not a word in what Labor say or do that will encourage investment, promote growth, increase productivity, or contain the unions. And they try to kid people that they are raising the standards.

The Fraser-Anthony Government is the only option for the 1980s. It is only Liberal-National Country Party Government that can provide sustainable economic growth. Only economic growth enables us to meet our third challenge — the provision of assistance to those in need.

It is our belief that the strength of Australia depends upon the strength of Australian families. That is why we are spending almost \$100 million a year on family allowances. That is why we have increased the tax rebate for single-income families.

Our programme of family support will continue: we will establish crisis accommodation for families in distress; we will initiate a new building programme for homeless persons to help, in particular, homeless youth. And, with the States and voluntary organisations, we will establish a national children's foundation to tackle the problems of child abuse.

In 1977 we introduced a new and improved homes savings grant scheme. Now, we are going to lift the home value limits up to a maximum of \$70,000. And for an eligible family with children, the maximum grant will be increase to \$3000.

Our progress as a nation can be no faster than our progress in education. We will continue our extensive support for education with increased emphasis on vocations and technical training. We will provide increased capital and recurrent funds to non-Government schools, and we will provide further assistance to isolated children.

A measure of our compassion as a society is the extent to which we provide for dignity in old age, and for the realisation of the potential of handicapped people. The Government meets these objectives in many ways. For example, over the next three years we will fund more than 800 projects for the aged, the disabled and our senior citizens.

Our commitment to migrants will continue. Post-arrival services for our new citizens have been greatly expanded, ethnic television is being introduced, and we will provide support for ethnic community schools with an open admissions policy.

Our policies for Aboriginal people are designed to assist them to achieve a greater management and determination of their own affairs. We have established the Aboriginal Development Commission whose responsibility will be widened to include the disbursement of Commonwealth funds for Aboriginal housing. And we will work with the States to improve the environmental health of Aborigines.

One of the great issues confronting modern society is the drug problem. We are working actively with the States to combat the damage and danger of drugs, especially in relation to young people.

These and many other initiatives represent a proud record of compassion and concern. They demonstrate our determination to see that all Australians receive the opportunity to share in the nation's increasing resources.

An important and often-ignored challenge facing us all is the pursuit of excellence. For a continuing feature of our national development is the rich, artistic, and cultural talent which complements our national character. The world of film, science, literature, theatre, opera, dance and sport had produced great Australians. Australia's record at home and abroad is a catalogue of excellence — that excellence will be fostered.

We have provided greatly increased funds for medical research and, with the Government of Victoria; we will rebuild the Walter and Eliza Hall Institute. We have increased funds for marine research in Townsville. We will fully fund the rebuilding, in Sydney, of the National Institute of Dramatic Art and the Australian Film and Television School.

Australian filmmakers and actors are winning international acclaim. We will provide special and additional incentives to induce further investment in the film industry. And we will make funds available for the support of Research Centres of Excellence in Australia's universities.

We have established a National Sports Institute in Canberra, and we will develop international standard sports facilities in the States and the Territories. The Government will continue to support Australians of ability — to allow them, with their imagination and their capacity, to advance Australia.

But finally, over-riding all these considerations is the challenge to safeguard our national security. We must lead Australia safely through a world of increasing tension and difficulty — an increasingly dangerous world, a world of Afghanistan, Kampuchea, Iran and Iraq. That is why we must contribute to the strength of the Western alliance; we must cooperate and consult with our region; we must seize the opportunities provided by membership of the Commonwealth; and we must strengthen our links with other middle-sized powers, all of whom have an important role to play. That is what we are expanding our defence forces. That is why we are building up our reserves.

But the defence of Australia is more than men and destroyers, patrol boats and tactical fighters. The defence of Australia is the courage to speak up for Australia. We are only 14 million people on a large continent. That is why we need to cooperate with our friends and allies. We are revitalising the five-power defence treaty with Singapore, Malaysia, New Zealand and Britain. We have contributed to the settlement of racial problems in Zimbabwe; to the establishment, now on a permanent basis, of a new regional grouping of the Commonwealth; to a new sense of concern and participation in the Pacific region; to a new phase of cooperation with ASEAN.

And there is a close cooperation with the United States today that there has been for a long time. With the world as it is, we need that cooperation.

The past five years have seen a progressive strengthening of Australia's place in the world. Is this the time to be lukewarm to the cause of freedom? Is this the time to be uncritical of socialism or communism? This is the time for responsibility, not apology. This is the time for commitment, not compromise.

Undeniably the challenges we face together are great — but our potential as a nation is greater. We are entitled to be confident of our capacity to march through the decade ahead at a better pace than almost any nation. We are entitled to be optimistic about our future.

A future in which Liberal government will seek power and authority, not for its own ends, but for the service of all Australian people, their freedom and their dignity. This is the future I seek for all Australians — let us work together to achieve it. Above all, let us be proud of the country, where it stands in the world.

We owe this much to the Australian men and women who have given their talents and their dedication, their courage and their hard work, even their lives for almost 200 years to bring us the Australia we now enjoy.

Let us be enthusiastic about the tasks ahead; let us communicate this enthusiasm to one another. Let us unite in full-blooded commitment to a progressive, free and independent Australia.”

Source: Compiled from *The Age*, 1 October 1980, p. 18 and original documents.