



PRIME MINISTER

FOR MEDIA

TUESDAY, FEBRUARY 15 1983

1983 POLICY SPEECH

Australians have never had a clearer choice than at this election. Only the Liberal Party can preserve and build a free society, only the Liberal Party can work to fulfil the hopes of all Australians, only the Liberal Party can keep building for our future. The Liberal Party governs for all Australians whether their families have lived here for generations or only a few years. It encourages all Australians to contribute their best to this great nation.

This election gives Australians a choice between the certainty of recovery under this government, and insecurity under the riskiest and most divisive Labor Party in our history. It presents a choice between the wages pause, supported by eight governments and the nation's wage tribunals, and Labor's attempts to destroy that pause.

The nation asked for Labor's co-operation. It got a callous rebuff. This is an election about responsibility, about the security that only responsibility can bring. Australia can't afford the turmoil and insecurity of the Federal Labor Party. It needs the secure program which the Government offers which will build Australia by helping people and widening opportunities.

Since 1975 our policies have done much to rebuild Australia. Because of our policies, Australia was one of the last countries hit by the world recession. Before the world recession hit us, we revitalised confidence in the economy. We brought down inflation. 455,000 new jobs were created. Australia's output rose more than the average of advanced countries. New private investment rose almost 50% in real terms. Development was proceeding on a great scale.

When the world recession finally did hit Australia its effect was greatly worsened by two things. The drought is one of the worst in Australia's history, and it is affecting us all. And in the last year or two Australia has suffered a totally unjustified wages explosion, brought about by ACTU policies laid down when the present leader of the Labor Party was its president. The world recession would have done Australia far less damage if the unions had not pushed their demands for higher wages and shorter hours beyond the endurance of industry.

This election will decide whether Australia goes the Labor way, with rampant union power, soaring inflation and worsening unemployment, or whether Australia puts the recession behind it and gets back on the road of more jobs and rising living standards.

We saw the recession coming and took positive action. Even though we are affected by what happens in the rest of the world, the Government will help Australia to create its own future. We're not waiting for the world.

At a time of difficulty, we have helped Australian families. The family is the rock on which our future will be built. We helped in last year's family budget, cutting personal taxes, improving rebates on home interest payments. Over two years we have increased all family allowances by 50%. Our family Budget put \$18 a week into the hands of typical Australian families. We helped low income families especially, with our innovative family income supplement, and extra help to keep children at school.

~~We will~~ adjust unemployment benefits for single people over 13 in line with other pensions and benefits in May. The Government strongly believes in child care. In the Budget we lifted funding by almost 50%. We will expand that program by providing 150 new child care projects. We helped the older members of our families. The family Budget increased the income limits for pensions, and expanded rental assistance. To give further support to pensioners, we will increase access to the health benefits card, with a substantial further increase in the income limits. No Budget has ever done more to help Australia's families. We are the family party.

The family Budget helps young people. We raised student allowances and boosted our manpower and training programs to \$250 million. These programs will directly assist a quarter of a million Australians, most of them young people. Money from the wage pause is now helping many more young people to find jobs and opportunities. We are determined to do everything possible to help young Australians. We know the future of the best country in the world depends on them.

~~We will~~ establish a special youth project in reforestation and conservation. We will establish further youth projects for people not adequately assisted by present programs. This will include women, Aborigines and people disadvantaged by physical or language difficulties. On top of these programs, we have decided to offer 10,000 additional places over two years in the Defence Services for young men and women partly because more people are applying for Defence positions than there are places. This project will be based on a one year voluntary enlistment in the Armed Services.

In addition to basic training, as many as possible of those who join will receive relevant trade training, which our services have a capacity to provide. Those who join this program will be doing something for themselves and for Australia. It promises a worthwhile experience for thousands of young Australians.

Throughout 1982 we positively assisted home buyers. Through our actions an extra \$1.2 billion is going into housing, and with lower interest rates these policies are having increased impact.

We have done much to assist Australia's industries. There are vastly improved depreciation schedules to encourage industry to buy modern equipment. We took action against dumping and established the "Buy Australia" campaign.

Just before Christmas, in an historic meeting, we brought Commonwealth and State governments together on the wage pause, and I want to thank Doug Anthony and John Howard for getting it in place.

It is a wage pause with a difference: it expresses the Australian ideal of mateship. The wage pause gives people with jobs a chance to help other Australians without jobs. The savings from Commonwealth wages are helping the young unemployed get jobs, and older people who have been retrenched.

The pause lets wage and salary earners help themselves by keeping prices down and protecting their own jobs. Above all, the wage pause will lower inflation and help make our industries more competitive and profitable, and this will mean more jobs.

This Government worked hard to achieve that historic wage pause agreement. Eight governments agreed, the Arbitration Commission agreed, most Australians agreed. But the ACTU and the Federal Labor Party rejected it.

How can they talk of bringing Australians together when they are the only ones out of step. They are determined to destroy the pause, with nothing to put in its place.

They have incited strikes in the oil industry. Strikes in that industry over the last year cost \$600 million in lost revenue and a further \$700 million for additional imports.

The wage pause is enormously important to Australia's recovery. The Labor Party has been totally divisive, totally contemptuous of the unemployed, totally unconcerned about Australia's long term economic security.

In 1983 Australia needs responsible policies, not division. Strong, reliable economic management is the heart of effective government in today's difficult world, but the achievements of this Government go much further. Our concern for fairness led us to stamp out tax avoidance. In the interests of fairness we will continue our drive for tax reform.

Our concern to hunt down organised crime led us to establish the National Crimes Commission.

Our concern about the drought led us to establish comprehensive drought relief arrangements. We will continue the drought interest subsidy for a year beyond the lifting of the drought. We will make sure there is enough finance to help keep people on their farms, to enable crops to be planted. We will introduce a new rural research program to help farmers lower their costs, and a new five year soil conservation and afforestation program.

Our concern for the environment led to our offer to the Tasmanian Government to equalize the cost of power and put off the Franklin Dam. That offer remains open. We now commit \$50 million over five years to a great national park in South West Tasmania, so that it can be enjoyed and preserved for our children.

In taking these measures we are building for the future. We believe the Government can do things to help bring out the very best in Australians.

The Commonwealth Games were a great success, and we all felt great pride in our sportsmen and women. We will help them build on their achievements by adding to the Sports Institute's programs, and set up a centre for the Institute in Perth.

We have established centres of excellence for research in universities. Australia has some of the best medical scientists in the world and we have provided them with generous research funds. Our scientists are on the verge of a breakthrough for an anti-malaria vaccine. Our objective must be to bring this to completion and to achieve the development in Australia. Over the next three years, we will increase funding for our medical scientists by a further 30% in real terms.

We also want the best artistic achievements to be shown in every State. We will set up a National Arts Touring Fund under the Australia Council.

Through these initiatives we are leading Australia. We are building for the future, we are not waiting for the world.

At a time of falling private investment, we are building for the future by establishing a program of great national projects.

Our Bicentennial Road Program will modernise and build up Australia's road network. To reduce transport costs further, we will provide standard gauge rail access to a number of ports in Victoria and Queensland.

We will explore with Victoria and South Australia the scope for an early start on an electricity grid to balance out demand and give greater security of supply in both States.

Our Bicentennial Water Resources Program will mean better use of our scarce water supplies. Every State will benefit and thousands of jobs will be generated. Projects in the Murray/Murrumbidgee Basin will improve the quality and flow of water. We are determining the site for a major new dam on the Upper Murray.

We are exploring the age old dream of turning the coastal rivers of New South Wales and Queensland inland to see if it can be turned into reality for our children.

The Darwin-Alice Springs railway will be completed by 1988. This should greatly assist the steel industry at Whyalla.

There are other Bicentennial projects: programs for the arts; the new Australian telescope, to develop further the skills of our astronomers; the Bicentennial Program itself, in which all Australians will participate. The Bicentenary will make Australians proud of Australia's achievements, and our capacity to live and work together.

We are a nation built by people from every land. We will keep working to improve the quality of Australian multiculturalism and a fair go for all Australians.

We are looking ahead, to 1988 and beyond.

The jobs of the future will depend upon innovation and enterprise. Businesses need encouragement to adopt innovative practices, create new products and markets. We will provide this encouragement in partnership with business.

We will set up an Advanced Technology Corporation to help small and medium firms develop innovative products and services. The corporation will help innovators assess their proposals and organise venture capital. It will help them find product development facilities to put their ideas into practice, and it will help them with market research and information.

To attract investment to new high risk ventures, we will grant 100% tax deductibility for investments in projects approved through the Corporation, to an overall limit of \$100m. in the initial operations.

Small business has a vital role in generating new employment, products and ideas. We will introduce a new preferential tax rate 5 cents below the standard rate for small companies with taxable incomes below \$100,000, and provide \$25m. additional funding through a new division of the Development Bank specifically to assist small business.

As part of our program of encouraging Australia's industrial development, we will make advance payments of 10% Government purchases of Australian manufactured products, and extend the Promotion Scheme. These initiatives will assist business, in partnership with government, to build the foundation for our future economic growth and employment.

Good industrial relations are vital to the future of our country. This Government has shown its willingness to consult and work with the unions, not for them, as Labor does.

This Government intends to govern for all Australians. It will continue to seek co-operation with all parties, including the ACTU, but it will not tolerate attempts by the militant ~~few to impose~~ on the majority.

We have introduced effective reforms to the Conciliation and Arbitration Act within our existing industrial relations powers. But we believe these powers are too limited in certain key areas. We will therefore seek power through a referendum for the Commonwealth to legislate to give the Conciliation and Arbitration Commission power to make sure awards and agreements are not broken, and to enable the Commission, and the Government where necessary, to prevent the community being denied essential services by the abuse of union power - powers which we hope would not have to be used.

As a further measure, our legislation for secret ballots will be extended and made more effective. In the protection of essential services and vital national industries we will legislate to enable secret ballots to be ordered in respect of proposed strike action, and we will require secret ballots for the election of all senior union office bearers, to be conducted at public expense by the Electoral Commissioner.

These powers are not to confront, but to protect all Australians and the democratic rights of all union members. They are needed to increase the confidence and security that will underlie economic recovery.

In looking to the future, nothing is more important than education. All Australian children must be equipped with relevant training and the skills they will need in a complex world.

We reject as totally divisive and wrong Labor's policy to deny the basic right of every Australian child to some Government support for his or her education. We want to tackle the real causes of dissatisfaction with the education system, and get more children to stay at school longer.

Education needs to give all our children better opportunities to do the things they do well. The Schools Commission has pointed in the past to an over-reliance on academic curriculums. That suits academically-inclined students, but there are many other students who also deserve a fair go.

We will provide \$25m., on a dollar for dollar basis with the States, for counselling for younger students and parents, and for reform of curriculums. This will help meet the needs of all children.

We will also ask the Tertiary Education Commission to report on whether there are adequate places and opportunities available in tertiary education. We will invite the States to join us in promoting the use of computers in all Australian schools, with a Commonwealth contribution of \$20m. a year for five years from 1984. We will provide a further \$35m. over the next three years to help increase new places in non-government schools.

In foreign policy, Australia's stature as a middle power has increased the range of our international activities and the weight of our responsibilities.

Our aid program which is concentrated in South East Asia and the South Pacific, contributes to stability in our region. ANZUS and the wider western alliance are central to our foreign policy, and Australia has a significant part to play.

We have a proud record of contributing to peace-keeping in world trouble spots - most recently in Sinai, and we give active support to responsible disarmament measures. We have worked through the Commonwealth, especially in the Commonwealth Meetings and helping bring peace to Zimbabwe.

Australia's voice is heard with respect in the Commonwealth and around the world. Some units of our armed forces are stationed at Butterworth in Malaysia. The Mirages now based there are being phased out, and subject to discussions with the Government of Malaysia, we will replace them with a squadron of our new FA/13 fighter planes.

This illustrates our practical support for the Five Power Defence Arrangements and symbolises our co-operation with countries in our region. Under this Government, Australia has become a vital link in the interlocking security arrangements safeguarding the free world.

One great danger of world recession is that countries will raise trade barriers against each other. In these circumstances, an experienced government with a personal knowledge of other countries can do much to protect Australia's interests. For example, in 1974 Australia was totally excluded from the Japanese meat market. Negotiations on new trade agreements between Japan and the United States are currently proceeding. We will make sure that Australia's interests are protected.

Through all the years the Labor Party has taken a negative approach to the Commonwealth, our alliances, our role in speaking against aggression, and our efforts to liberalise world trade. In that approach there is no security for Australia.

In this election the choice is clear.

Is Australia to work in a common cause for recovery, or will it support those who want to break the wages pause? Australia wants a government which will work with union leaders, not a Labor Government which will work for the unions and increased union power.

This Government will strengthen our alliances - a Labor Government would undermine our defence arrangements. Australia wants a government which will maintain the security and stability of our institutions at a time when we most need them, not a Labor Government which through its recently amended Platform is now committed to challenging those institutions and turning Australia into a republic.

Australia must have a government of prudent managers with stability, and a vision of the future, not the spend, spend, spend philosophy of Labor. No-one wants a return to the chaos and insecurity of the Whitlam years. The first act was enough without waiting for the second.

We must make recovery certain for Australia. This nation is too great to be shackled by Labor's divisiveness and irrelevance. We are building for the future, we are creating Australia. We do not under-estimate the difficulties but we know our policies will make this a better land. And we can take pride that it is the Government team that has put these policies together, in areas of major innovation - John Carrick in the water resources program, Ralph Hunt,

developing the great program for roads; Andrew Peacock, proposing major innovations in industry; Ian Macpherson, conciliator, negotiator but a person who can act from firmness and real conviction, proposing ~~major innovations~~ in industrial relations.

We are building Australia with our policies. We are building Australia with our vision. We are building Australia with the determination of Australians. We are not waiting for the World.

oooooooo

BUDGET COST OF NEW INITIATIVES AND PROPOSALS ANNOUNCED
IN POLICY SPEECH AND DOCUMENTS.

Proposals

1983/84
(\$ million)

Trade and Resources

Export Promotion Program (growing to \$50 M
in 1985/86) 25

Taxation

5 percentage point reduction in company
tax rate for companies with taxable incomes
up to \$100,000 with shading in arrangements 40

Defence

Squadron FA18s at Butterworth (growing to \$29.0M
in 1984/85 and subsequently decline to \$17.0M) 12

Special program for additional places in the
Services 100

National Development and Energy

Feasibility study on an electric power grid 1

Primary Industry

The afforestation and soil conservation program
(rising to \$15.0M in 1987/88) 5

Additional expenditure on Rural Research 7.5

Continuation of Drought Interest Subsidy Scheme
for one year beyond lifting of drought restrictions 7

Increased support for wool promotion 8

Increase in Brucellosis/Tuberculosis
program 14.3

Proposals

1983/84
(\$ million)

Industry and Commerce

Advanced Technology Corporation. Tax deductible capital allowed by corporation up to \$100M in first year (not incurred until 1984/85) and shopfront operations 46.5

Technology initiatives (microelectronic application centres, information technology consultants, technology transfer) 0.2

Match \$ for \$ up to \$100,000 for Australian Tourist Authority 0.1

Social Security

Adjustment in May 1983 to unemployment benefits for single people over 18 102

~~Liberalisation of unemployment benefit income test~~ 17

Approval for child care centres 7.5

Extension of income limits for PHB card-holders 7.5

Seeding grant for Disabled Persons International 0.05

Aviation

Authorisation of design work on new passenger terminal for Canberra Airport 0.5

Proposals

1983/84
(\$ million)

Employment and Industrial Relations (cont.)

Youth projects - including conservation and reforestation projects - in conjunction with State and Local governments 50

Referendum seeking last resort powers in respect of industrial disputes in industries of national importance 1.0

Education

2 per cent increase in recurrent grants to government schools 6.0

Financial support for extension for three years of existing capital funding arrangements for non-government schools 11

Five year Comprehensive Commonwealth State program for the use of computers in schools 20

Special Abstudy mature age allowance for teacher trainees over a period of 5 years with 100 awards per year 0.5

Counselling, especially for younger children, to improve education, and reform of secondary school curriculum 25

Transport and Construction

Continuation of Tasmanian freight equalisation scheme 2

Home Affairs and Environment

Addition of two sports to AIS program and decentralisation of hockey program to WA 1.5

Proposals1983/84
(\$ million)Home Affairs and Environment (cont.)

Environment management program in SW Tasmania
National Park

10

Aboriginal Affairs

Extension of Aboriginal Health Improvement Program

10

Immigration and Ethnic Affairs

Grant-in-aid for Federation of Ethnic Community
Councils

0.05

Health

Increased funding for NH & MRC (rising to \$12M in
1985/86)

4

Veterans' Affairs

Pilot program for attendant care for veterans

0.1

Capital Territory

Canberra Convention Centre

4.5

Communications

Sales tax exemption of decoders for TV closed
captioning for deaf

0.1

Defence Support

Build up stocks in factories

8

Proposals

1983/84

(\$ million)

Science and Technology

National Biotechnology Scheme

4

Provision of earmarked AIRDIS funds for biotechnology projects

2.5

Home Affairs and Environment

Establish a Sports Aid Foundation (to replace existing National Awards Scheme; net cost)

0.25

Donations to Sports Aid Foundation to be tax deductible

1

Establishment of a National Arts Touring Fund

1

Antarctic Transport System

Replace Antarctic transport system to comprise:-

air transport of personnel

Australian-owned research vessel

chartered cargo vessel

4

TOTAL567.65NOTES

1. The above policy measures will cost \$19.0 million in 1982/83

2. The cost of the advance payment for the "Preference to Australia in Industry" is \$70 million made in 1982/83 rather than 1983/84. There will be no on-going cost to the Budget from this measure.

3. The proposals to provide standard gauge rail links to the following ports:-

Acacia Ridge - Fishermans Is

Spencer St - Swanson Dock

Melbourne - Geelong

Mangalore - Tocumwal

will be sought to be financed by way of loans. At the appropriate time the approval of the Loan Council will be sought. The amount of loan approval involved

is expected to be \$35 million per year over three years.

4. The additional \$25 million for the new division of the Commonwealth Development Bank will be by way of loan funds.