

Policy Launch Speech: Andrew Peacock, Opposition Leader (LP)

Lunchtime rally, National Mutual Square, Melbourne, 15 November 1984

“When you look at the history of our country, one thing stands out — Australia was built by the individual efforts of people, not big governments or big unions or big business. They played their part but the real Australian success story is the story of men and women who struggled hard against the odds, who got things going and who provided a better life for their children. Our country was built by people who are sometimes referred to as ‘ordinary Australians’ but are in fact the real heart of our nation.

Today our future rests in the hands of the same sorts of Australians. If they get the chance to go ahead, then Australia can really go ahead. And yet these same Australians aren’t getting the chance. Hard work and saving isn’t rewarded as it should be and Australia is losing as a nation.

In a few years our country will celebrate its 200th birthday, but I am concerned about the kind of Australia we could be living in. That’s what this election on 1 December is all about — not just which political party will govern, but what life will be like for the Australian family in the years ahead.

Our Liberal policies will encourage men and women who want to have a go, who want to achieve a better life for themselves and their families. That’s what I believe in — that’s what the Liberal Party believes in and that’s what Australia is all about.

When did you last hear Labor talk about the small businessperson; about the bloke who runs his own shop; or about the woman trying to cope with the pressures of both having a job and raising a family? When did you last hear Labor talk about the day-today concerns of the ordinary family? Yet it’s these people who are the heart of Australia.

Well, we have a vision. We have a vision for Australia to match the challenge of the world we live in and it starts with the family. Earlier today I set out the Liberal Party’s policies for Australia. We made a commitment to cut income tax for families with children; to help the elderly by repealing Labor’s assets test to abolish the extra superannuation test; to restore genuine choice in health care; to upgrade education facilities and restore genuine parental choice of school; to give small business a fair go; to improve job prospects; to get our industries in the city and country working at full steam so that together we can turn the present patchy recovery into a decade of prosperity.

Labor’s own Finance Minister, Mr Dawkins, said: ‘The present recovery has been due to a number of one-off factors. Well, our economic policies are directed towards taking the luck we have had and building on it.

Labor’s Minister for Industry and Commerce has said: ‘The Government will have very significant budgetary problems in 1985 and 1986, and possibly for the next

decade.' Well now's the time to take the steps that will avoid stagnation and put Australia on a real path to lasting growth.

A short time ago, during the last election campaign, Mr Hawke promised that Parliaments would run their full term under his government. But now we're having the 1986 election in 1984 and like most Australians, I have been asking why?

The truth is that Labor's luck is running out and they have been very reluctant to tell us what is around the corner — I've got a pretty fair idea. With the recovery dependent on a lot of one-off factors, and Labor having boosted Government spending so dramatically this year, Australians are sitting on a time bomb.

Higher taxes — like the capital gains tax, gift duties and death duties — have all been widely promoted by many Government ministers and by Mr Dolan and the ACTU. As Mr Hawke keeps saying, all these taxes will be considered in Labor's 1985 tax package. With the rapidly increasing cost of health care, Australians will have to pay extra for Medicare in 1985. The Government and the ACTU want to renegotiate the Accord to give more power the unions, but only after the election.

Labor's already tampered with many of the thing we value. It's creating division and tension in Australia with its policies on land rights and non-government schools; it's back away from our friends and our allies; and it's yearning for a republic and even a new flag. Well, this tinkering is beneath us as a nation. It denies our heritage and sells our history short.

Now there's really only one central issue in this election — your family. Because the family is the heart of Australia and the rock on which we build our future. Everywhere you look Labor is reducing the families spending power. A good example: taxation. In the Budget, Mr Hawke and Mr Keating claimed they were giving you real tax cuts. The truth is that they gave \$7.60 when they owed you \$22. Every family on an average income is \$14 a week worse off. And compare your tax return with last year — is it more? Less? Did you get one?

Labor took away the home loan interest rebate and the health insurance rebate — two things, incidentally, created by a Liberal Government to ease the financial burden of people paying off their home and providing their kids with good medical care.

In this financial year, one million Australians will move into higher tax brackets. That's a ridiculous situation — the ordinary working Australian paying tax at a higher rate than Australia's largest companies.

And what about the elderly? Well, the elderly have been hit with this confusing and unnecessary test on their assets — the assets test. Well, we abolished the assets test before and we'll do it again.

The cost of Medicare grows and grows but we get less and less for our money. And people saving for their retirement have been doubly hit. First, if you are an average wage earner, paying the tax rate of 47c in the dollar, that's 46c tax and the other one per cent Medicare levy; then if you're also contributing to a superannuation scheme, you will need to pay an extra \$5 a week for 10 years just to pay for Labor's extra tax on superannuation. There's no incentive to work harder, no incentive to save for retirement.

What kind of government is it that puts Australian families last? Look, I know there are additional costs in raising children and families with kids have reduced capacity to

pay tax. Yet under Labor these families have fared worse than anyone else. A Liberal Government will give top priority to family tax relief and here's how: In our first Budget we will introduce income splitting for parents with children. The idea is very simple: we treat each parent as part of a team; they share the work so their income up to a certain limit is divided for tax purposes. The result — less tax.

Single-income families and two-income families where incomes are very uneven will benefit most. There are many families where both parents have to work and there are many single-parent families. We will assist them with the cost of childcare expenses by introducing a tax rebate.

To pay for family tax relief we will need to cut extravagant government spending and there will be some offsetting increases in indirect tax. But we will insure these changes are gradual, predictable and don't disadvantage low-income earners. People on benefits, like pensioners or indexed pensions, will be protected against any price rises by continuing indexation. But our direction for Australia is clear — we are committed to an overall reduction in tax for families.

So to recap: the Liberal Party's new tax deal for families will help families on one income and families on two incomes. You will be able to ease the family burden by splitting your income. If you both choose to work or are a sole parent, family tax relief will help you with child-care rebates. Well, I've told you what our tax policy is, I've told you where we will start from — we're all still waiting to hear from Labor.

Let's look at that group of people who are the most defenceless of all, the elderly. Well, the great majority aren't wealthy, but they're suffering under Labor. Now I've always thought that one of the best things about Australia was the way in which aged people have been entitled to a secure retirement. But now at least half a million elderly Australians are receiving unwelcome forms and letters from the Hawke Government. Labor's assets test requires pensioners to provide detailed information on nearly every aspect of their lives. Labor wants to know how much money you've got in the bank; they want the number of your account and the address of your branch. The same with any building society or credit union account.

They want to know about your car — make, model, year, what its worth. What's your family farm worth; made any gifts to the kids; do you collect stamps; do you own a boat; do you have any spare cash on hand; how much? Labor wants to know. And they don't want to know just once — you'll be required to provide information year in year out again and again.

Now I want everyone to know who we're talking about here. It includes 70, 80 and 90-year-olds. These Australians didn't work all their lives and pay their taxes to be hounded like this. Labor's assets test is un-Australian and I won't have a bar of it.

The assets test isn't worth all this interference, all the confusion and the anxiety. The Government now admits its costing taxpayers \$55 million to get the test started — to pay for the 1500 inspectors, the equipment and the forms. Labor's own health minister, Dr Blewett, has admitted that there is no way the Government will know the savings until it is in full operation but he estimates the sum to be \$45 million a year.

Do you know how much that works out at a week per pensioner? It works out to 35c per pensioner, or the price of half a cup of tea. Now the only way there could be a real saving for Labor is if the assets test is lightened and extended with full gift and death

duties — after the election, of course. And a Labor government would do just that. But we will scrap Labor's assets test and scrap it immediately.

A new Liberal government will continue to index pensions according to movements in the consumer price index. Australians have worked hard all their lives and deserve retirement security. But it's not just the assets test that gives us a very clear idea of where Labor's going. Anyone who is putting money or part of the ages into a superannuation scheme is fair game as well. Now Labor tells us how we can take our super — if you choose to take a lump sum payment, and that's the way most Australians want it, Labor will tax up to 31 per cent of it.

Well, Labor [illegible] the wrong way round [illegible] Australia is about [illegible] people who are trying to provide for themselves, to [illegible] them. We will scrap Labor's extra tax on lump sum superannuation and we will replace it with the previous arrangement — tax on 5% only. Like the Assets test, Labor's superannuation tax has no place in Australian life.

And Medicare — Labor made big promises about it, but what's happened? We've got a compulsory scheme, which is rigid, which is heartless and which is expensive. Well, there have to be some changes to Medicare if it's going to work. We will restore individual choice of doctor, end the Medicare cost spiral and abolish the unfair 35-day rule in hospitals. You will get a choice about Medicare — you can stay in or opt out. You can choose the private health insurance best suited to your needs and the needs of your family. Gap insurance will be restored, and that means you can be fully protected again.

We'll end the freeze on new private nursing home accommodation. It's not part of the Australian way of life to put sick people on the street with nowhere to go. That's why we'll scrap the 35-day rule and restore the 60-day arrangement with, of course, provision for extension. We'll end the senseless confrontation that's been going on in the hospitals and we'll restore proper doctor-patient relations.

I am concerned that if we don't improve the health care system, now, Australia will be stuck with poorly serviced and incredibly expensive health care. This year, the Budget figures showed Australians ended up paying 1.7% of their income for Medicare, not the 1% that Labor promised. We're paying hundreds of millions of dollars more and that figure will grow, just as the queues waiting for medical attention will grow.

Now I want to see Australian families have the best health care in the world, but the Government's socialised medicine is not the way. Liberals will restore quality and value in health care.

Now I think we all know that it's an increasingly competitive world. And that's why in all sectors of the education system our first commitment is to high standards and to excellence. We'll introduce an expanded program for computer education in schools. We'll commence a nationwide 'basic competencies' program to lift levels of reading and writing skills.

We will retain the centres of excellence program in the universities and through a national 'open university' we will make tertiary education more available to people who can't attend. We reject Labor's view that all education should produce much the same sort of child. Labor's Education Minister, Senator Ryan, says that she favours equality of outcomes. Well, we say let's have equality of opportunity. That's why we support the revitalisation of the State school system, and why we'll re-establish the

basic grant to all non-Government schoolchildren with further assistance to needy non-Government schools.

We want the highest standards in all our schools. That's why our commitment to both Government and non-Government schools has been absolutely unequivocal. Compare this with Labor's stop-start approach to the funding of non-Government schools.

And, we'll encourage young Australians who want to continue their education. We'll increase TEAS and narrow the gap between it and the unemployment benefit. Because we place so much importance on education and training as the key to jobs, we'll introduce an innovative new program for those seeking work – especially the young.

The emphasis of our policies will be on training. An education bank will be introduced entitling early school-leavers to further education. They'll be encouraged to return to school and to colleges, and to catch up on the years they missed.

The present Commonwealth Employment Service and the Community Youth Support Scheme will be overhauled and an occupational training service set up to provide much more modern and effective ways of preparing and putting the unemployed in jobs. We'll have a 'workprep' program for young people — it'll be work-related and use intensive counselling and training, personal development and job experience techniques.

It's a pretty tough and challenging world for our young people and one in four hasn't got a job. So we have to be imaginative enough in our planning, and brave enough in our commitment to education, to give Australians a real chance to get jobs. And that's exactly the commitment the Liberal Party has made.

Well, the positive policies I've outlined for families, for the young, and of course the elderly will be matched by an economic policy which will create jobs through economic growth. Now we really have got a chance to turn a recovery into long-term prosperity.

And we can do it by making the right decisions now. That's why our economic policy and our industrial relations policy, and particularly our Budget policy, are designed to give Australians more freedom.

The most important thing that we've got to tackle is the future of our businesses and industry. Small and large businesses employ the large majority of Australian workers, yet they are in the situation where, even though things have improved in the short term, Australia is slipping down the ladder when it comes to keeping our share of the world market. As we go down the ladder of international competitiveness it gets harder and harder to climb back up.

To be blunt, if we can't compete then our jobs and our standards of living are all that much less secure. The Liberal Party has been critical of the Hawke Government's record in industrial relations. They've bought short-term peace with the unions, but the price of Labor's deals with the ACTU on wages, new taxes and more power has been, and most certainly will be, to push up costs to industry.

And that's what makes Australia less competitive in the world market and keeps people out of work — because industry just can't afford to pay them. I believe that if we're serious about Australia's future, then we can't continue down the track of rigid wage fixation. So we propose a much more flexible system of industrial relations

where unions and employers can get together at the company and plant level and reach realistic agreements.

A Liberal Government will replace the Arbitration Commission with a new tribunal to fix minimum wages, but over-award payments and other benefits will be negotiable between employer and employee. It's a policy that makes economic sense.

Business conditions aren't the same everywhere, but under the present industrial relations system, the smallest, newest business is forced into the same labour costs as the biggest company. Well, that's wrong and its keeping people out of jobs, and our businesses out of the world markets.

Australia's spiralling tax burden — now at a record level under Labor — is the product of excessive Government spending and of mounting Government debt. At the moment, more of your tax dollar is going to pay the interest in the Government debt than is being spend on educating your children.

Well, we'll cut the deficit by limiting the growth of the Public Service, by selling off inefficient Government bodies, by cutting bureaucratic red tape, and promoting real economic growth. We'll provide substantial tax incentives to promote research and development in private enterprise.

Australia's record of achievement in science such as the CSIRO is one that we must build on. Now we've got to give more incentives and support to research and development in the private sector because it's vital that Australia keep pace in a high technology world.

Well, what of small business? Small business is of key importance to Liberal economic strategy. We'll reduce the rate of company tax on small business. We'll reduce the amount of paperwork and regulation that's stifling small business. Access to specialised information will be improved through the establishment of a national small business hotline. And under a Liberal Government there will be no capital gains tax to rip-off the rewards that so many business people have worked to hard for.

Primary industry is still our biggest export earner, and we'll keep it that way. Liberal programs will bring families on fame and regional centres back into the mainstream. With all the other difficulties farmers have to face, they also have to contend with a harsh climate — and drought can wipe out farm incomes. That's why we will re-establish an effective income equalisation deposit scheme and tax averaging.

We will expand the drought relief scheme and set up a new national soil conservation program. The Australian fishing industry, which has tremendous growth potential, will be given similar concessions to land-based primary producers. The new Liberal Government will scrap all Commonwealth export inspection charges to help our farmers regain the market share they've lost overseas in the last year. Stabilisation measures will make our agricultural export industries more effective. All country people can breathe easier in the knowledge that under our Government there will be no assets test, no capital gains tax, no death duties to put family farms at risk.

The Liberal Party offers all Australians a clear direction for our nation; a more competitive business scene and real reward for achievement with more freedom and flexibility in our lives. There is so much we can achieve if we act now, with courage, foresight and confidence, to turn recovery into lasting prosperity.

But it doesn't mean we should change everything. And that's my concern about Labor — their plan is to reshape Australia, to change our society and our traditions to fit

their socialist view. Now that's the opposite of the Liberal view of Australia, where each individual, each family, is given freedom and encouragement to live the life they want to live. With Liberals, you choose — with Labor, the Government chooses.

Look at the mess and the tensions that the Labor Government has created through its obsession with uniform land rights for Aborigines. Our Aboriginal affairs policy doesn't include overturning existing titles, resuming farming land or private property. We won't isolate vast areas from exploration and development.

The Commonwealth Government won't take over State responsibilities. A Liberal Government will improve conditions for Aborigines in housing education and health. But we consider that the people of each State, through their State Governments, are the best judges of what's appropriate in the area of land rights and we reject Labor's uniform nationwide land rights policy.

We must preserve the best features of our family life and if we can break the power of organised crime, then we'll go a long way to providing a better environment for our children. The drug runners, the merchants of organised crime, the pedlars of pornography — they all must be exposed. And the Liberal Party has proposed a much stronger National Crime Authority, one which will not be subject to possible political interference. Labor refuses to bit the bullet — we won't.

The Liberal Party has always worked for world peace. Indeed, it was during my own period as Foreign Minister that we sought and obtained Australia's membership of the United Nations Disarmament Committee. Well, we'll continue to support realistic disarmament initiatives.

But let's not forget that Australia's security, now and in the future, is closely connected to the ANZUS alliance. And recent developments have shaken ANZUS — in fact, the action of the New Zealand Labor Government could reduce ANZUS to a hollow shell.

The next Liberal Government will restore the rights of our friends and allies and we'll reaffirm our allegiance with the United States, with or without New Zealand. You know you can't have a credible foreign policy without a credible defence policy, so we'll restore the cuts that Labor has made to our defence programs and ensure that our defence forces have the equipment, the manpower [illegible] right conditions to [illegible] their vital role.

The Liberal Party has set six goals for Australia: to achieve prosperity for all; to give effective support for families; to ensure retirement security; to make Government serve the people; to keep us one nation; to achieve a secure Australia. And our policies will achieve these great goals because we have got the fundamentals right. An economic policy which gives people incentive and gives Australia an advancing place in the world. A tax policy with no time bombs in it. A clear commitment to introduce family tax relief. A commitment to scrapping the assets test and the extra tax on lump sum superannuation. Liberals utterly repudiate these Labor taxes of envy. There will be no capital gains tax and no death duties under our Government.

At the start of this address I outlined the Liberal vision for Australia. The kind of nation we want Australia to be by its 200th birthday. By 1988 I want to see an Australia where we can all look forward with confidence, not just to the next six months but to the next decade.

That future is there for us — to reach it we don't need to ask Government to do more and more for us. We need to give people the opportunity to reach that future for themselves. The way ahead lies in clear-sighted, practical policies which will encourage Australians and their families. If governments do that, then the Australian people will do the rest. On December 1, stand up for your future, stand up for your family.

Source: Compiled from original documents and The Age, 16 November 1984, p. 16.