

Policy Launch Speech: Bill Snedden, Opposition Leader (LP)

North Rocks, Sydney 30 April 1974

“Tonight we commence the journey that will return Australia to its true course: a future of achievement, prosperity and security for all Australians. The Labor experiment has been tried and it has failed. Through broken promises and sheer incompetence, the Labor Party has forfeited the chance you gave it to build Australia. Now, it is for the Liberal Party and Country Party to take up the responsibility of government.

The decision you make will determine our lives far beyond the next Parliament. We are shaping our way for the rest of this century. The choice is clear and sharp: will we allow Labor's inflationary socialism to eat the heart out of Australia's social and political structure? Or, do we decide for an all out attack on inflation?

There can be no greater difference between the policies. There is only one Government which will take the action now that Australia so urgently needs. That is a Liberal and Country Party Government. We will cast aside the past 16 months of government error and broken promises. We will climb out of the mire of crippling price rises, savagely rising taxation and unbearable interest rates.

Inflation is Labor's greatest failure. It is at its highest rate for 20 years and going up! No amount of wishful talking will convince the shopper or shopkeeper that the highest inflation rate in the March quarter for more than 20 years which has been just published is a success.

Taxes are the highest in our history and going up! Interest rates are the highest we have ever known are they going up? Labor is desperately avoiding more rises in interest rates before election day. Today, we are in the middle of a severe credit squeeze. It is putting housing even further beyond reach for thousands of Australians and will threaten employment. The threat is stagflation of the kind that bedevils the United Kingdom. That is the economic mess Labor has created. The mess we have to correct.

In 1972 Labor made a promise which they never intended to keep — the promise not to increase taxes. They deceived us by using high inflation to achieve exactly what they promised not to do. Labor is using inflation to push every taxpayer into higher and higher tax brackets. This year, Labor will take almost \$1,500 million extra from us in tax increases, An increase of over one third! That averages out at over \$200 for every taxpayer. If tax rates are not cut heavily, then the burden on the average taxpayer by the end of the year will be \$500 more than when Labor came to power \$ 10 per week!

We will cut taxes. Look at the effect on the average wage earner, Last year his wages went up by 15 per cent — prices went up about the same and his tax went up over 30 per cent. Because of prices and tax he is worse off now than when Labor came into power. That is the fact you must deal with, that is why we must beat inflation. And to defeat inflation, Australians must defeat Labor.

While the struggles have gone on in the Labor cabinet about who will get the most to spend, Australians have been waiting in vain for a policy to control inflation. Labor has no plan.

The Labor Government pretends we can live with high inflation. It is not true ask the worried housewife trying to cope with soaring prices and shortages in the supermarket. It is not true ask the young couple condemned to be tenants by the rise in land and home prices. It is not true ask the head of the household straining the budget to meet extra repayments on his home loan as interest rates go up and up. It is not true ask the retired people living on superannuation or savings as their standard of living tumbles into permanent hardship. It is not true ask the small businessman trying to plan ahead or to keep his production going in the face of shortages. It is not true ask the Public Servant watching inflation eat away at budget allocations for schools or hospitals or roads.

No one can live with this inflation except the smart operators, the speculators and the Labor Party. The Liberal and Country Party Government has a clear and carefully developed plan. We already have the full support of four States. In reducing the rate of growth of government spending there will be hard decisions to take. We will face them as we know and you know the national interest demands. We will not follow Labor's spendthrift policies or engage in a bidding match.

This is what we will do: Ministers will examine all spending programs. Every possible and responsible saving will be identified. Some capital projects can be deferred while giving first priority to programs with social welfare implications.

I will call an immediate meeting with the Premiers to discuss the removal of duplication and waste and co ordinate the means to restrain the rate of growth in total government spending. We will call a national conference of unions, employer groups and State Governments to establish a framework for voluntary restraint of price and wage increases. We will reduce the rate of growth of Government spending in the Budget in August. We will cut your tax by \$600 million. This cut is a part of our total economic action plan. It will increase take home pay without pushing up costs and prices.

We will take measures to relieve shortages and increase productivity. We believe this program will be successful. But let me be clear about this. If it became necessary, we would take the further step of a short term prices and incomes freeze in conjunction with State Governments. You will have from us the leadership you demand. Inflation is an evil in the deepest sense. It is a recipe for selfishness and stagnation. We must all cooperate to defeat it.

I have published a complete program of policies which will bind the Liberal Party and the Country Party in coalition Government. They provide the most comprehensive explanation of election policy ever presented to the Australian electorate. They are the policies founded on a deep concern for the individual. I now turn to some important areas of Government spending which will have priority over other areas. Health, social welfare, education and urban improvement.

We will ensure that the actual spending will be more next year than this year. But we will slacken the rate of growth of this spending simply because the economy cannot sustain such a rate of growth without severe further inflationary pressures. The Labor

Party has tried to force on us a compulsory and centralised health plan. We will retain the voluntary health insurance system which now covers the great majority of Australians. In addition, we will extend significantly the coverage to the remaining, eight per cent now uncovered. These include very many needy people whose health care the Labor Party has not served. We will lift their burden without compulsion.

The greatest impact of the policy we have published will be to improve the system of subsidising health insurance for those on low incomes. Pensioners will receive a new deal in medical services. They will be entitled to subsidised health insurance in the same way as other income earners. All pensioners at present covered by the Pensioner Medical Service will have their insurance paid by the Government, as well as that most normally paid by the patient. They will not be confined to public hospital outpatient clinics for X rays or other services.

There will be better provisions for the aged and ill in nursing homes and in their own homes. Ours is a comprehensive, human policy based on the needs of individual people in individual communities.

Our social welfare proposals recognise that inflation is now the principal cause of injustice in Australia. This is another compelling reason for our determination to attack inflation that is, to relieve the hardship of the aged, the poor, the infirm, the people on superannuation and other fixed incomes. All pensions and benefits will be automatically adjusted every half year to changes in living standards. The first increase not less than the Consumer Price Index rise will be introduced immediately the Parliament sits. The basis for the automatic adjustment will be determined after the final Henderson Report, expected in November. The means test will be abolished by 1975 for men and women over 65. There will be major new initiatives as economic circumstances permit.

Inflation is also the greatest enemy of Australia's education improvement because the real value of spending is withered away by the rise in building and material costs. We will maintain the financial commitments of the Karmel Report. During the three year parliamentary term, we will coordinate pre school education and child care.

We will provide loans and grants to help expand this sector of education in co operation with parents, community groups and State and local governments. We will consolidate and improve existing policies for tertiary education. Fees will not be reintroduced. Technical and further education will be expanded.

The Liberal and Country Parties believe that political power should be decentralised and that decisions which affect local communities and the way in which they live should be taken closer to them. Our policies for the cities and regional growth are a striking example. State and local governments are the best authorities to make decisions on land release, regional planning and new regional facilities. We will not confront and compete with 'them like the Labor Party. Here again, inflation has been at work. Labor's fine words have not been matched by real improvements in the cities and suburbs.

We will continue current program already approved which help to increase the supply of service land. We will achieve a greater release of serviced land to end the artificial shortage that drives land prices up. We will continue the development of regional and

sub metropolitan centres. We will give new support and emphasis to decentralisation programs for regional and coastal towns as economic circumstances improve.

Australia faces, in the words of the Housing Industry Association, "a crisis in housing not paralleled since the immediate post war period." Approvals and commencements have fallen drastically, interest rates are at an all time high and housing and land costs have soared. Shortages of serviced land, of materials and labour, have reached alarming proportions. The deposit gap has become a gulf. The Government has failed completely in housing. Labor's scheme for tax deductions on mortgage interest will not compensate for the rise in interest rates they have produced. Yet they said they were going to reduce interest rates. It does nothing for young people wanting to buy their own home. Labor has forgotten them.

Our aim is to restructure repayments on home loans so that they are less in the early years of the loan the time when repayments loom largest in the family's budget. We will also establish a Housing Guidance Bureau to inform and expertly advise home seekers on the best way to find and finance the home they want.

Labor will abolish the homes savings grants. We will retain and extend it to encourage savings and reduce the deposit gap. During the life of the next Parliament, we will remove age limits completely. Single men or women buying their first home will be entitled to half the benefit. The limit of value of the home will be realistically raised from the present limit of \$22,500.

Beyond these areas of action, any government of responsibility will be limited by the economic damage the Labor Party has done to Australia. We are determined to give tax relief. Under Labor, rampant inflation has pushed low and middle income earners into ever higher tax brackets. Tax relief is also needed to help break the vicious spiral of wages and prices produced as wage earners strive to maintain their living standards in the face of the double squeeze of prices and taxes.

Against this background, it will be necessary for a Liberal/Country Party Government to play its part in providing for tax relief if the unions and employers are to be asked to moderate their wage and price claims. Otherwise Australia faces a future of continuing and accelerating inflation even after excess demand is removed. Rising taxation encourages avoidance and is affecting incentives. Tax cuts will promote productivity and increase the supply of goods and services in the economy.

We will give personal income tax relief of \$600 million in our 1974/75 Budget. Even with reduced inflation, there will still be a substantial increase in government revenue of well over \$1,500 million dollars after this tax relief. There will be increased actual expenditures also, but, the effect of all our actions will be to transform last year's highly inflationary budget deficit into a domestic surplus in the next budget. That will leave only limited financial scope for further action.

Local government is closest to the people. It provides services at the local level which directly affect the quality of everyday lives. We are convinced of the urgent need to provide local government with a greater share of general revenue to meet demands which can no longer be financed by council rates alone.

Therefore, we propose an initial three year program of Federal assistance for local government to cost \$100 million. These funds will be distributed by the State Governments. They will provide a guaranteed addition to revenue for every Shire and Municipality in Australia. They will be allocated through grants commissions to be established by the States to assess the different rating capacities and equities between Councils. The principle applied will be one of need.

The effects of inflation strike hardest at the pensioner. We will immediately increase the supplementary assistance to single and married pensioner couples who pay rent from \$4 to \$6 weekly. We will also provide a supplementary child endowment of \$5 weekly for handicapped children unable to be accommodated in approved homes.

The maternity allowance will be doubled to \$60 for the first child. The orphans allowance will be doubled. These measures are only the first steps in a comprehensive and human social welfare policy which will be progressively introduced as the economy improves. Another urgent measure concerns Commonwealth estate duty.

As Treasurer in 1972, I doubled exemptions from estate duty to \$40,000 where the estate passes to close relatives. But since then, due to Labor's high inflation, many estates have been increasing in value by 20 per cent a year and often more.

In the 1974 Budget we will double exemptions where the estate passes to close relatives. Where the estate passes wholly to others, the exemptions will be raised by 50 per cent. We believe it is important to encourage people to save for their future and Australia's development. We will therefore retain the tax deduction for life insurance and superannuation contributions. Those are our proposals for action to repair the economy and to set Australia on a new and productive road ahead. This action at home must be backed by sound defence and foreign policies.

The Labor Party has run down our defences. There has been a serious decline in the strength and morale of our armed services. Our major allies have been publicly abused and insulted. Labor's policy of non co operation, narrow nationalism and arrogant vanity has weakened our alliances. The Liberal and Country Party Government will ensure that the effectiveness and independence of our foreign policies is not impaired by the absence of credible defence policies and adequate defence forces. We will restore the ANZUS alliance. We will encourage a continuing American presence in Asia, the Pacific and the Indian Oceans. We will consult with our partners in the Five Power agreement as to the best form of Australian contribution.

We will maintain and build our special relationships with New Zealand, with Japan, with our friends in South East Asia, with Papua New Guinea and with the Pacific countries. We will be outward looking and open to new ideas. We will continue to help the people of other nations.

In Government we will provide full and satisfying employment. We will restore the authority of the Arbitration Commission to its proper role.

Our community cannot continue to be subject to perpetual strikes, which deprive people of goods and services and wage earners of income merely to satisfy the power instincts of trade union leaders. In present economic conditions it would be madness to adopt a 35

hour week. We will resist it in every way. We will accept investment from other countries for the benefits we can obtain.

The control over its type and direction lies with us. We will set guidelines to achieve Australian management and ensure that Australians have maximum control and ownership of our natural resources and industries. Australia will not continue to be the only significant nation to reduce exploration for oil and gas at a time of energy crisis.

We will give the States a guaranteed share of income tax revenues so they can carry out their responsibilities fully and properly. We will bring in a new era of co operative Federalism. We will limit the growth of the Public Service not to exceed the growth of the workforce. It will not be used as a pacesetter for wage hikes over the whole economy. We will end Labor's war on the countryman.

The wellbeing of the rural sector greatly influences the success of the rest of the economy. It must be strong. We will restore the superphosphate bounty to encourage productivity and restraint of food prices. We are strongly committed to the active advancement of the rights of women so that their role and contribution is acknowledged and their opportunities are equal. We will take direct action in the Public Service and Department of Labour to eliminate discrimination.

The whole community will benefit from this initiative. We will lift Aboriginal policy out of disaster. We will maintain and extend the repatriation system, acknowledging the particular nature of war caused injury. All these policies and the many others comprise our blueprint for action. During this election campaign they will be fully explained. The crisis which caused this election had been building for many months, as Labor applied socialist policies to the economy, society and foreign relations, for which they had no authority from the Australian people.

But the flashpoint was a deal done in secret by Mr. Whitlam to obtain Labor control of the Senate by offering a diplomatic job to his own Party's greatest political enemy the Whitlam Gair affair! Not only was he found out - he was caught out caught out in an attempt to cover up after the scheme was exposed. No longer could there be any confidence whatever that the critical problems of today could be handled responsibly or honestly. Our duty was clear. The people must decide.

This may be your last chance to think again about your future, about Australia's future. If Labor is allowed to continue, they will rig the electoral laws to entrench themselves in Government by any means possible.

The Liberal and Country Parties offer you an Australia built on deep respect for the individual. On his, and her, dignity and freedom. The right to succeed, to accept responsibility, to work harder if they wish and to be rewarded for it. The individual's success is the community's success. We want a big, tolerant, outward looking Australia. We offer you fresh action, new initiatives, ideas and ideals.

We offer you genuine concern for the individual in need. The choice which is now before you is between two very different ways of life. Labor has failed Australia. You cannot afford them any longer. On May 18 give your support for a Liberal and Country Party Government. We will succeed. Think again for Australia.”

Source: Compiled from original documents.