

John Howard's address to 2018 AMMA Centenary Gala Dinner

Melbourne, 1 August 2018

Thank you very much Richard (AMMA President Richard Owen). You've invited me to reflect on some of the proposals around about industrial relations. Gee, I thought this was going to be a quiet night, but when I arrived I knew that Peter Reith and I had not been forgotten.

Richard and (AMMA Chief Executive) Steve Knott, all the other members of the AMMA board, to ministers in the Turnbull Government who are here tonight, the Attorney General and Kelly O'Dwyer and Matt Canavan, Tim Wilson.

Can I acknowledge also my former ministerial colleague Eric Abetz, and many other people representing the Victorian Parliament and many long-standing friends of mine who I worked with in the years that we were in government, particularly, but not only, on issues of industrial relations.

Can I start my remarks by saluting the enormous contribution that your vast collection of industries and companies has made to the wealth and prosperity, and therefore the stability of our country.

I think it's always a good idea to acknowledge what's given us the wealth, because there a lot of people whose starting assumption is that somebody else will generate the wealth so they can dispose of it.

As Margaret Thatcher famously said, "The problem with the socialist is that they eventually run out of other people's money." It's not a bad reminder, and I reflected as I was coming here tonight on two pivotal events in the economic history of our country.

One quite recently, the global financial crisis, and one back in the 1950s. In the 1950s ironically enough or coincidentally enough, in 1957 there were two very important international agreements. One of them was the Treaty of Rome which was signed by the original six members of the then European Common Market.

The other was the Australia-Japan Commerce Agreement of 1957, signed only 12 years after the end of World War II, and due in my opinion to the great vision and courage of Sir John McEwen or Black Jack McEwen, the then Trade Minister and strongly supported by his Prime Minister, Robert Menzies.

The significance of that was that as Britain ultimately joined the European Union, and we won't get into the Brexit argument, although let me make it perfectly clear, if I'd have been British I'd have voted to leave the European Union also, but because of course, I didn't have a vote, but I can't resist expressing an opinion on something like that.

Significantly that agreement between Australia and Japan laid the foundation for a trading relationship between our two countries, that when we made those massive mineral discoveries in the 1960s we were in a position to take advantage of them, and an innovative and well organised, and efficient mining industry was able to replace the disappearing markets as a result of the emergence of the European Union.

Then of course, we fast forward to the global financial crisis, and it is unarguably the case that Australia dodged the bullet of the global financial crisis because of our resource trade with North Asia.

Now of course, there was great demand from China and other countries, but we had an industry that was able to meet that demand, an industry that was prosperous, reliable, safe and consistent.

We should always acknowledge that had it not been for the strength of the Australian mining and resource industry this country would have suffered a lot more grievously than it did as a result of the global financial crisis.

So tonight we collectively celebrate the contribution that your industry has made to our country. We are reminded of many of the towering figures of the industry over the years, and I think of somebody like Sir Arvi Parbo, who epitomised the great migration to Australia after World War II.

A man born in Estonia. Worked in the mines of Germany. Came to Australia without speaking much English. He became a giant in the mining industry, ran Western Mining as Chairman and ended up Chairman of The Big Australian (BHP).

He had epitomized them, he's not the only one. He's one that I had a lot to do with, he epitomized that generation that did so much to build the modern Australia. He was an outstanding example of the sort of entrepreneurs that the mining industry of Australia produced.

Now, your president was kind enough to talk about the industrial relations policies of the government that I had the privilege of leading for almost 12 years. I am really touched that I'm sitting next to Peter Reith, who was my Minister for Industrial Relations, Australia's Minister for Industrial Relations. I think we call it Workplace Relations, but you know what I mean.

I think we all understand what the area is that he was during some of the very turbulent and momentous periods. None, of course, was more turbulent or momentous than the reforms that were undertaken to the Australian waterfront in 1998. Not only do you celebrate 100 years of AMMA's formation, but it is now 20 years since those momentous events.

Reforming the Australian waterfront was, let's face it, the great untouchable of Australian industrial relations. There were plenty of inquiries under governments of both political persuasion, but unless the major reform that was needed to lift the productivity, which was at third world level of productivity and movements on the waterfront, unless that was confronted, the appallingly low productivity, we were never going to realise much of the potential that this country had.

There's a famous story, I think it was told by the late Charlie Fitzgibbon, who was the Federal Secretary of the Waterside Workers' Federation, the predecessor to the MUA. I think he told it at the economic summit after Bob Hawke was elected in 1983. He said there was a lady in Charleville who was visited by the local police saying, "You better get ready, there's going to be a cyclone that's coming." She said, "Oh don't worry dear, the wharfies won't land it."

Now, so ingrained was that attitude that the National Secretary of the Waterside Workers' Federation, who was really quite a good bloke, many people would testify to that, would say that with a grin on his face and everybody would laugh uproariously, but it was no joke, if you were a farmer and your exports were rotting on the wharves, and it was no joke if you were an importer waiting for some goods from overseas.

What was needed in 1998 were two things. We needed a government that had the courage to actually bring about the reform. We also had an employer that was willing to put his hand in the flame. Fortunately, we found in Chris Corrigan, an employer who was willing to put his hand in the flame. I pay enormous tribute to him and to Patrick's.

I also pay tribute to the National Farmers' Federation, which is an industry association that was also very strongly committed to the sort of reform that was needed. But the courage that was displayed by Peter Reith as the Minister, facing some of the most violent demonstrations that I saw in the time that we were in government, and the threats that were made to him and the members of his family by elements hostile to our changes should be recorded on a night such as this.

Now, I don't pretend that everything on the waterfront is perfect at the present time, and I don't pretend there aren't still stoppages, but the fundamental lift in productivity that was achieved as a result of that dispute, lifting the container movement from something like 17 and a half an hour to 27 and a half an hour, which was world's best practice or even better, is a tribute to the reforms that were carried out in partnership between a courageous employer and a government that had listened year after year to employers complaining about the need for reform, that we finally found the combination of a courageous employer to put his hand in the flame and also, of course, a minister and a government that was committed to that long-term reform.

My friends, tonight is not an occasion for a long dissertation on the intricacies of workplace relations changes, although it is tempting to engage in it, let me simply say to you this, that if you look back over the last 30 years, this country has seen some major economic reforms and changes. I have never been reluctant to acknowledge the contribution made in government, particularly by the Hawke Government, to some very important economic reforms.

The floating of the Australian dollar and the progressive elimination of tariffs are two that stand out, both of those reforms incidentally were strongly supported by the Coalition then in opposition. We've also seen, of course, the major taxation reforms of some 20 years ago, and there's a lot more that could now be done in the area of taxation, but tonight doesn't allow enough time for that either.

Of course, the privatization of government enterprises, long needed because governments are very bad at running businesses. Governments have a very important role, they have the ultimate responsibility for an orderly society and the prosperity of the nation, but when it comes to commercial decisions, governments are very ill-equipped to make them, no matter what their political complexion may be.

But there is one area where having made a lot of progress we've gone backwards and that is the area of industrial relations. As your president acknowledged, when my government was defeated in 2007 we had a very low level of strike behavior. We had an unemployment rate of 3.9% and we'd had a steady growth in real wages.

Now, I don't claim responsibility for all of those things, but I do accept responsibility for my government having created an economic climate, in part because of our commitment to industrial relations reform that brought about that prosperity.

Since then, we have seen a steady re-regulation of the Australian labour market, and you people in this room would be very familiar with it, it's almost as if the collective political community in this country is now scared to talk about industrial relations reform.

We are living in different economic circumstances now than obtained when my government was in office. There wouldn't be anybody in this room I'm sure who's lived through lower interest rates than we have at the present time.

Levels of unemployment in Australia now are much lower than people thought would be the case when the global financial crisis hit. We have achieved something of a trade-off between subdued real wage rises against higher unemployment.

In many respects that is to be welcomed, although the reality is that if wage rises remain subdued or non-existent, you do produce what can only be called a very grumpy and discontented, irritable middle-class, who see the value of their wages remaining subdued and although their job security may be higher, that is in a sense taken for granted.

But there will be a time when this country will have to return to the industrial relations agenda. There will be a time when much of the re-regulation we've seen over the last few years will begin to grate.

There will be a time that we will have to resist the attempts of many in the community to impose still further regulation, and to strangle the activities of so many of our entrepreneurs.

So the message I would like to leave with you tonight, apart from the tribute that I pay to your remarkable industry, and to the people who've made it, the message I'd like to leave tonight is that reforming our workplace system is always unfinished business, and unfortunately there's a lot more to be done now because of the re-regulation that has been undertaken by a number of governments, particularly the Rudd Government and the Gillard Government. I certainly salute the restoration of the ABCC by the coalition government, but many of the other changes brought in by the Labor Government have not been addressed.

Fundamentally, this country needs a freer, more open industrial relations system. The wealth producers and the wealth generators need that environment to realise their full potential. You have achieved an enormous amount, and I salute you for that, but the need for economic reform is rather like being engaged in a never-ending foot race, you never get to the finishing line, but you know that if you stop running your competitors are going to surge past you, and although the Australian resource industry is highly competitive on the world scene, we need to work hard to preserve that competitiveness.

Just as a competitive company tax rate is necessary for the international survival of Australian companies, and the international success of Australian companies, so it is the case that a competitive, open industrial relations system is also necessary for the international prosperity of our nation.

My friends, thank you for your contribution to Australia. I thank so many in this room for the contribution you made when my government was in office, the cooperation and advice that you tendered. There were great things done there, and great things with the right policies can be done again in the future. Thank you.

