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**Title:**  
Premier's speech to SA Labor Party Conference

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PREMIER'S SPEECH TO S.A. LABOR PARTY CONFERENCE, SUNDAY JUNE 4th.

1978 is the Chinese "year of the horse". But, in South Australia, 1978 will be remembered as the year of the knocker.

Scarcely a day has passed without some new portent of doom being invented, latched onto - and assiduously propagated.

Early this year we witnessed the most sustained and vicious campaign by the forces of reaction to vilify the Government for its alleged wrongdoings in relation to the dismissal of the former Police Commissioner. The level of the attack became frenzied - and at times hysterical - as our opponents refused to let facts spoil their story.

They thought they had us on the run. But as the facts became patent - though removed from the front pages - the knockers moved elsewhere.

Now, the Liberal opposition and irresponsible elements in the media have become preoccupied with the State's economy. So murky is their picture that again the truth is being hidden.

Of course, the South Australian economy is facing problems. But so is every other economy in Australia, and in most of the developed countries of the world.

South Australia's problems are no worse than, say, those of Victoria and we are certainly in better shape than Queensland.

But not according to our critics. They will have us believe that while the sun shines elsewhere, it is all doom and gloom in South Australia.

With rhetoric unadorned by evidence, we are supposed to have priced and taxed ourselves out of every conceivable market. The result, we are told, is a headlong rush to leave South Australia while this State is viewed elsewhere as a leper colony for investors.

Our workers compensation legislation is being cited as the chief underminer of South Australian industry. We are being told that premiums in this State are the highest in Australia, and are crippling industry.

OVER PAGE

That simply isn't true. The latest figures from the Commonwealth Statistician show that on a premium per worker basis South Australia is 21% below the national average. Calculated on a claims per worker basis we are again running at least 17% below the Australian rate.

In both cases we have the third lowest figures in this country - lower than our principal industrial competitors, Victoria and New South Wales.

If anything, then, the way workers compensation has developed in this State should be an incentive to industry and not the bogey invented by the Liberals who are constantly knocking South Australian industry.

But another spectre that wont lie down is the claim that Adelaide housebuilding costs are the highest of any mainland capital in the country. Only last week the self proclaimed champion of South Australian journalism, Stewart Cockburn, claimed that building costs in Adelaide had become so high that shortly we would be living in grass huts.

He should remember the old adage: people in grass huts shouldn't stow thrones.

But, like most of Mr. Cockburn's outpourings these days, his article last week was pure nonsense. Building costs in Adelaide are in fact the lowest of any mainland capital.

The latest issue of the Commonwealth Bank's Guide to Housing, dated March 1978, indicates that the midpoint of the range of costs per square metre for building double brick houses in Adelaide is around \$217.

By contrast the Sydney midpoint for double brick houses is around \$272 per square metre, Melbourne is \$250, as is Brisbane. In Canberra the cost is \$240, and Perth (which last year was lower than Adelaide) finishes off the list with \$225.

Very much the same is true of the brick veneer construction costs.

The opposition tried to fight the last election on the claim that South Australia had the highest State taxes and charges in this country. But even Dr. Tonkin now admits that his claim wasn't true.

Once again we are below the national average for taxes, yet we provide the highest level of Government services of any State.

So now, we are being told the people are packing up their bags and leaving this State because they are afraid of the Government.

Yet when we examine the figures, we again find a different story. Our population increase for the latest available 12 months was exactly the same as that for the country as a whole (1.2%), and above that for New South Wales, Victoria and Tasmania.

Moreover, we gained a more than proportionate share (10.8%) of the net gain through migration. So much for the story that people are getting knocked down in the rush to leave this State.

However, it is true that we have a disproportionately lower birth rate in South Australia - with 8% of the national total. Presumably the columnists will now say that South Australians are so frightened of the Government that they have become as impotent as our Liberal Opposition.

And, finally, there is the question of unemployment. Our present rate of 6.2% is too high. There can be no question about that. And it is not made any more palatable by the fact that we have been predicting exactly this sort of consequence of Malcolm Fraser's policies for this State, and the country as a whole, for the past two years.

Each time we made our forecasts, which have all been proven correct, we were dismissed as prophets of doom.

At the time of my last budget Dr. Tonkin decried our predictions for national unemployment as "the product of twisted and bitter thinking". Unfortunately that thinking was exactly right.

South Australian unemployment is still below the national average. Who would have forecast that four years ago when the recession began? And who would have believed we could have kept down our local rate throughout that period? But it was done.

OVER PAGE.

Now that inexorably, the national recession is catching up with South Australia those four years of grace should be the cause of congratulations for a job well done. But people's minds work in funny ways. As Des Corcoran said while I was away it seems strange that now the national recession is catching up with us we are being criticised for neglect.

What of the future?

There is no doubt that we will have a tough road to travel, particularly if the Federal Government continues with its demonstrably perverse policies of trying to boost employment by sacking people. Nobody else in the world carries on in this way.

A Government with any concern at all for what is happening to the lives of hundreds and thousands of people must make job creation its number one priority.

But instead of action we find that people's fears and prejudices are being played upon for cynical political reasons. As I told a group of young unemployed South Australians the spectre of the dole bludger - someone supposedly getting something for nothing - has been raised in an attempt to isolate the genuinely disadvantaged from the rest of the community.

They used to call it divide and rule.

The Federal Government - and its political allies in the States - have tried to encourage the feeling of "I'm alright Jack....you sort your own problems out".

The fact is that we have a tremendous number of people seeking employment - in this State and throughout Australia. A vast majority are desperately trying to get jobs, but without success.

The real tragedy is that young people have been the worst hit. One of the cruel dilemmas facing young Australians looking for work is that they cannot get work because they have no experience, and they have no experience because they cannot get work.

Recent figures show that the rate of unemployment for persons aged 15 - 19 was 15.8%. The figure for young women in this age group was a staggering 16.8%. Indeed, last year, young unemployed, unmarried women spent on average 25 weeks without work.

That's an appalling situation and a shameful indictment of Federal Government

policies. *No one else in the world wants to copy us*

Yesterday's Advertiser carried a story that the Prime Minister wants the United States to change the way it runs its economy. No wonder President Carter nor any of his administration's senior figures, are interested in seeing him.

It was perfectly clear from the talks I had in Washington last month with President Carter's chief economy statesman, Robert Strauss, that the Americans wouldn't have a bar of the sort of nonsense being spouted from Canberra.

But I don't want to go over yet again the sort of mild stimulus that the Australian economy needs. We'll leave that until the Premiers' Conference later this month. Suffice it to say that a stagnant national economy is scarcely the ideal back drop for securing the readjustment of our economy.

But adjust we must. About 25% of our labour force of around 580,000 people work in the manufacturing sector, and a good many of these are producing goods that are sheltered from competition by very high tariff barriers.

It would be silly to reduce protection now that we face the worst post-war slump on record. But we must look to the decades ahead when protection will diminish.

We must reorient our manufacturing sector and we must strengthen non-manufacturing areas. We do not face this problem alone. If anything, Victoria has more severe problems than ourselves. It has almost 30% of its labour force in manufacturing many of them working in the same problem areas. And New South Wales has about 26% of its workers in manufacturing.

We have to ween away our manufacturers from concentrating on a local market sheltered behind tariff barriers. Instead, we must encourage them to take a greater interest in international markets.

We must use our highly skilled workforce and our vast array of machine shops to provide those things that can compete on world markets.

It must be done. It can be done. It is being done.

While I was in San Francisco Sola International, a South Australian firm, opened their new Californian factory. They now have plants all over the world manufacturing lenses based on top quality South Australian technology.

Simpson Pope is another example of an aggressive local company that is not afraid to compete in the world market. All I need to say here is that they have become efficient enough to sell dryers to Japan.

The result of South Australian technology bobs up all over the world. Hills in Britian, John Shearer's and Cyclone in North Africa to mention a few more.

But, unfortunately, there are also many firms who are too timid to get out and sell in the world. And there are some who are only after a quick quid.

Just as local customs differ from place to place, business practices are not the same everywhere. It takes an effort to learn local ways, to set up business and to open up markets.

Nobody likes fly-by-nighters. Malcolm Fraser's Government doesn't nor does mine. So we shouldn't be surprised that governments overseas want to see some substantial evidence of long-term interest before they will co-operate.

Very few businessmen expect a new product to make a profit straight away. There's an old saying that you have to spend a bob to make a bob. That is standard business practice at home.

But it is amazing how many local businessmen have complained to me that they can't make a profit straight away overseas. They are not prepared to treat the establishment of a foreign market as an investment comparable to launching a new product here. We cannot afford this schizophrenia.

For those willing to try, to follow the path blazed by the pioneering firms I have mentioned, there are excellent opportunities. And the Government is prepared to help them all the way. We can provide assistance through the Department of Economic Development's world-wide network of trade agents and contacts, and through the Government's relationships with a wide range of governments and international companies.

But we shouldn't neglect non-manufacturing industries. After all 75 per cent of jobs in this State are found elsewhere than <sup>in</sup> manufacturing. And there are some very good opportunities here. Our tourism, for example, is not as big an industry as it should be. There is no reason why South Australia should not have rapid growth in this area.

We are not helped, however, by people knocking Australia overseas. I have to include even our Prime Minister in this category. I had to spend a fair bit of my time in the United States refuting claims that Australia had more strikes and higher labour costs than did the U.S. Neither is so, particularly in relation to South Australia which last year lost less than a fifth of the Australian average time through disputes and an even smaller proportion of the American average.

But many U.S. businessmen were puzzled when I told them the facts. "Your Prime Minister told us you had lots of strikes and your labour was more expensive than ours," they said. What a way to promote economic development in Australia!

I have every confidence in our ability to weather the current economic storm. To do so we will have to change our ways a little. But that's something we have been doing for nearly 150 years. There is no reason why we cannot successfully adapt again. And that includes the Government. Over the next few months I will be announcing a range of new initiatives and developments.

Have faith in South Australia and in yourself. There's plenty of life in South Australia whatever the knockers have to say.