

## **Kim Beazley's valedictory speech**

Mr BEAZLEY (Brand) (11.25 am)—I rise in this chamber for the 1,932nd and last time to speak on the Tax Laws Amendment (2007 Measures No. 6) Bill 2007, thanking our shadow minister for allowing me the 30 minute slot on it. I trust, Mr Speaker, that you are going to be liberal with standing orders on this bill today, because I am going to offend mightily over the course of the next 30 minutes. On the way in Simon Crean regaled me with a story about his dad. When he was asked how he felt when he made his last speech in the chamber, he said that he felt nowhere near as good as when he made his first. I can say amen to that! He got that absolutely right.

I want to start today at the opposite end to which most people do valedictories, and that is with my family. I want to thank my wife, Suzie, who is the love of my life and without whom I would not have been in politics for the last 17 years. She has been the support for me and she has been everything to me. I know I could not have gone on without her. For me and for many others it has been a very difficult time in politics. I owe her everything.

I want to thank my daughters, Jessica, Hannah and Rachel for their tolerance over the years and their support to me. I also want to thank Phil and Andrew, the husbands of my two eldest daughters. I am particularly grateful that Phil and Jessica have provided me with two wonderful grandchildren, Tom and Jacob. I also want to thank my mum and dad. Dad is not in the best of health now but he was always a source of inspiration to me in going into politics.

Families do it hard in politics. I will retell one story about my tough youngest daughter. A couple of years ago she picked up the regular front page headline I got from the Australian, which was 'Beazley indecent'. I rang Suzie and I said, 'This is a special, Suz. Keep her home. Don't send her to school with this one. This is too much of a temptation for the rest of the kids to give her a going over.' She said 'okay' and she had a consultation with Rachel. Rachel said, 'Oh no, they'll think they are idiots. Don't worry.' So off she went to school.

When she came back at the end of the day, Suz asked her how she got on. She said, 'Oh, it was all right. The kids all agreed with me that it was the view of idiots.' Suz asked her how she went with the teachers. She said, 'I did not go anywhere near the teachers, mum. At my school they are big on counselling. I didn't want to be counselled.' Having said that, our families really do it hard. We do not give them enough credit. The truth is that if we are all honest in this place—whether we are on the Liberal or Labor side of politics or on the National Party or whether we are Independents, for that matter—the hard secret of our lives is that our families come second.

There is another secret too and that is that our Australian family is broader than our own. We live in a set of circumstances where our families have to share us with a broader family. We come to love the children of other people's families and we also come to have concerns about their elderly parents.

One of the great things about politics is that it extracts you from your natural selfishness; you cannot help it. Even the most selfish human being going into politics will, over time, gradually understand the enormous responsibilities that are laid on his or her shoulders to be the fathers and mothers of the whole nation. When you are in office it is a wonderful thing to be able to implement that. It is a thing to conjure with, a terrific way to spend your life, even if it is, for somebody like my father, only for a very short period of time. For him, it was three years in a 32-year career in politics but, for me, it was quite a long time—13 years in a 27-year career.

I want to thank my staff too. I cannot actually name them all. The list here contains about two-thirds of their names. They will be at a function for me later this evening. It would be invidious of me to even attempt to start mentioning all of them by name, but there are three here—Karen, Denise and Helen—who have been with me for a very, very long period of time in my life as a minister, as the Leader of the Opposition and as a backbencher, and they deserve a special mention. I would also like to mention Michael Costello. Though we regularly do not see eye to eye on many things, nevertheless he gave up an enormously lucrative job. He is a great public servant to come to work for me. He has, of course, gone back to public service with the ACT. But he has made an extraordinary contribution to national life, as have many of my staff. Some of them are now senior people in the Department of Defence and some of them have been senior people in the Department of Defence. One is the Ambassador to China, and one has been the head of our trade missions in Japan and Korea.

I have had some of the most able public servants of the Commonwealth working for me, and I have had some men and women who are really part of the great engine room of politics—the humble people who really serve and drive our political life. They push the paper and the ideas up to us and they make sure that we are there to do the things we ought to do in the national interests. We owe them everything, and the country owes them an awful lot. In the end, they do not do it for us as individuals; usually, almost invariably, they do it because they have deep ideological political commitments. I am sure that is the case on the Liberal side of politics, and I know that it is in the case on ours. That is why we have to treasure our staff: they are more than just our staff; they are the people who give our parties life and make our parties worthwhile.

While I am on the subject of the party, I thank the Australian Labor Party. It was a strange beast when I joined it, I have to tell you. I see Bob McMullan over there. Having Bob in the House is a pity, because I would love to get into a few lies about what the Labor Party was like when I joined it, but he is a corrective on

those things. He knows where my bodies are buried and I know where his are buried. That means we hold each other in terrorem. I am terrified enough to exit this place knowing that he could reply to anything I had to say, so I will leave that to one side. But I am giving a valedictory for Joe Berenson on Sunday night and he will not be here. He will know what that means.

Our political parties are the things that sustain us. I went through some of the most titanic struggles in the Labor Party in the 1960s when we changed our character. There was a fundamental issue in the Labor Party, which was this: are we a party whose basic ideology is committed to the socialisation of the means of production, distribution and exchange or are we a party where our fundamental ideology is equality of opportunity? That was a massive debate in the Labor Party in the 1960s. It underpinned everything else and was manifest in lots of other areas: debates over state aid to private schools, debates over how to extract ourselves from the Vietnam War and debates over the priorities we would assign issues such as poverty versus things like the control ownership of various aspects of Australian industry. Those debates were all euphemisms around that central theme and so were the debates around the structure of our party.

I can remember my first conversation with Bob Hawke—he cannot remember this but I can. I was, by accident, a delegate to the national executive of the Labor Party. I was 22 years old at the time and the intervention in Victoria had been completed and it had just started on New South Wales. The numbers had switched and I had switched the numbers back. I got a call from Bob and he said, 'Ah, young fella, if you don't want your political career brutalised, you'll watch to see what Ray Gietzelt does and you'll vote with Ray every time he puts his hand up.' I voted against Ray every time he put his hand up! That was the only meeting of the national executive of the Labor party that I attended for a very long period of time.

It was also the executive meeting which received an invitation from Chou En-lai to visit China. It was interesting to see the issue conjured between Rex Patterson, who was our spokesman on matters related to wheat at the time, and Gough Whitlam. Gough was not anxious to go. He was genuinely of two minds, because he had seen how these issues were manipulated politically and was aware of how, at the last minute, the 1969 election had been snatched away. He was worried that perhaps we might push the barrow out just a little too far if he went to China at that point in time. But he was convinced. Mick Young was absolutely adamant that this should be done. Billy McMahon thought he had Gough trapped when Gough came out of China, and he made his very ill-advised statements on exactly the same day as it was released that Henry Kissinger was in China also and that President Nixon was about to visit. That set of factors probably destroyed the Liberal Party in 1972 more than any other.

I had not intended talking about that. It was to be about the party and how important the party is to us. The thing I will miss most, having lost the leadership of the party and in leaving it, is the opportunity to get around the place. I do like branch meetings. I do like those occasions when you get in behind candidates, when you sit there and hear one conspiracy theory after another to deflect this or that and when you get one great suggestion after another about what will be decisive that will win the election, and then, when you go back, not having won the election, to be informed by the person, 'If you'd taken some notice of me, comrade, we would have been in office.' I love that remonstrance of the average party member; it is terrific. It is also something that I know my current leader will never experience, because I am sure he will go around the party after the next election to utter adulation. He will not experience the vicissitudes and horrors of what your party members do to you when they think you have failed them.

I also want to thank the trade union movement. I originally started off in politics, getting a place on the state executive of the Labor Party, by digging graves. That entitled me to a card membership of the Municipal Workers Union, and I then represented them on the state executive of the Labor Party. On this basis, I am classified by the Liberal Party these days as a trade unionist. I am not sure the average trade unionist would necessarily accept that this was a sufficient indication of a qualification on my part to indicate a long-term commitment to the industrial movement but, nevertheless, so be it. Many others on our front bench have experienced that from time to time too.

We were a party that was an outgrowth of the trade union movement, a determination on its part that they would participate effectively in democratic politics. It is no accident that the union movement is now being abused up hill and down dale by employers in the advertising you see on your television every night and that it is being abused up hill and down dale by our political opponents in this place. Understand this: when you wish to assault democracy, first you attack the unions; when you wish to restore democracy, first you start with the unions. It is no accident that the opposition in Zimbabwe now is led by the unions. It is no accident that they are the heart and soul of what gives force and power to the democratic movement in Zimbabwe.

I recollect when I first came into this place that the walls in Eastern Europe were cracking. The Soviet empire was falling apart. What was the first indication that the Soviet empire was falling apart? Solidarity. I had a lot of Polish electors in my then constituency of Swan, and they were fascinated by what was happening with solidarity. We held rallies, sent petitions to the Soviet Embassy and the like, but what was absolutely clear was that it was a challenge that the Soviet Union could not handle. A challenge of free unions was something that a dictatorial Communist Party could not handle. That was the key to establishing democracy throughout Eastern Europe. If you undermine unions, if you undermine democracy in the workplace, then you will undermine democracy in the nation overall. First destroy the unions; then you destroy democracy.

The unions have done something else for this country. When I was a minister in the best years of my political life, they were tough times and I will talk a bit more about them later. The Prime Minister in this place quite frequently talks about the real wage growth since this government has been in office—and it is true. The statistics he gives out here are true, but they are not the story. The story is this: when manufacturing industry in this country collapsed in the early 1980s after years of sclerotic protection, when it could not be sustained even with that sclerotic protection, the union movement in this country took a deliberate decision to lift the profit share. There are union leaders in this House who were active proponents of that decision, and it cost them personally dearly when they took that decision. They lifted the profit share of the employers in order to be able to see a regeneration of the Australian economy. They got a return, of course, and that was what was called the social wage. It included things like Medicare, what we did with education and the like. It also included things on tax.

I notice there has been a little bit of discussion on tax lately. When we came into office, the top tax rate was 60c in the dollar and we cut it to 47c in the dollar, and the bottom tax rate was 30c in the dollar and we cut it to 20c in the dollar. Despite the fact that GST has been introduced, which usually foreshadows substantial changes in the tax rates, there has been no equivalent cut in the marginal rate by this government since it has been in office. Those were very substantial tax cuts indeed by that government of the day as part of the social wage associated with a deal that was done with the union movement to ensure that Australian industry recovered.

And it is annoying now to see those ads and to see the way in which the employing class in this country has dealt with the union movement in the aftermath of this government's election to office—to see that that decision on its part, taken to support a return to profitability, has been so comprehensively betrayed when the union movement itself has been prepared to only contemplate wage rises collectively on the basis of productivity changes. That was what it was invited to do by employers and others back in the 1980s and that is where the union movement still is, despite the fact that there have been extraordinary changes in the situation regarding the remuneration of those who own and organise capital and those who work as operatives.

I have the American figures. In 1972 the average CEO earned 30 times that of the average operative. In 1997 it had risen to 116 times that earned by the average operative, and last year it was 300 times that earned by the average operative. The same sorts of statistics would apply here as well. When you see those ads and you understand the meaning behind them of what happens to somebody these days on an AWA and then you watch failing executives walk away with multimillion dollar payouts, fair dinkum, Mr Speaker, there are things that are still not right in this country and part of the process of putting them right is the trade union movement.

I have been very fortunate to have led the Labor Party, but I have to say that the times of my leadership of the Labor Party have not been the Labor Party's best years. The Labor Party's best years in my lifetime were, of course, at the time of the Hawke and Keating governments. I have been trained to do two things in my life. One has been to be a politician. The people around me here and those who came before me trained me to be politicians. We train each other. People in the gallery train us to be politicians and the people in our branches train us to be politicians. The Liberal Party train us to be politicians and we train them. It is a mutual school, a university of hard knocks between all those people who are engaged in the political process. We are all trained, and it is a through-life training process that we engage in here. That is one of the things I have been trained for.

The other thing I have been trained to be is a historian. One of the things that historians do is to impose false order on chaos. History, of course, is written backwards and it is lived forwards. In order to impose false order on chaos, you need dates. If—and I only say if because there is no doubt at all that this next election could go either way—this next election produces a change of government, it will be a boon to historians because it will provide exactly the sort of comparative years that they love to have: 11 years of Howard-Costello, 13 years of Hawke-Keating. It is what they love. That is an incentive for the Liberal Party to try and win this election, because if that is the comparison it will be bad news for the Liberal Party. One governed in adversity; the other governed in serendipity.

When Labor came into office, we had 11 per cent unemployment and we had 11 per cent inflation. I have already talked about what was happening in the manufacturing industry. The 90-day bill rate had risen to the highest it ever has: 22 per cent. We hear interest rate nonsense from the Liberal Party from time to time but we remember the bill rate. The 90-day bill rate was at the time the highest it had ever been, and the budget deficit was five per cent of GDP. This was in a period where we had gone into negative growth. That was what Hawke and Keating inherited; it is what they had to deal with.

When Keating was talking about a banana republic, he was not talking about a couple of years worth of Hawke's administration. He was talking about what Australia had managed to become over the course of the last three decades. That is what Keating was talking about. He was talking about it because our current account deficit was six per cent of GDP. It is still six per cent of GDP, but something has changed and that is called the terms of trade. The terms of trade have changed.

I heard Mr Costello, the Treasurer, last week talking about us getting a tick from the IMF. Let me tell you a thing or two about the IMF. If Mr Costello had had Paul Keating's terms of trade—that is, the prices that people are prepared to pay for

our principal exports, in this case our energy and minerals; the prices then were not the responsibility of Mr Keating, as the prices now are not that of Mr Costello—our current account deficit, at this moment, would be 13 per cent of GDP. We would know the IMF all right: the IMF would be running the Australian Treasury, not Mr Costello, if our current account deficit were 13 per cent of GDP.

It is why the Labor Party over here rants and raves about the subject of productivity and the question of trying to generate performance in value-added industries and value-added services, on the simple grounds that we do not trust that, for years to come, we will still get out of our mineral exports and our energy exports what we need in order to survive as a nation. If we do not get that, then of course we will go down hill very rapidly indeed. That is why we obsess about skills; that is why we obsess about spending on investments. That is why Hawke and Keating did. We are no different, really. We are of a different era and there are slightly different issues, but the themes are the same, as are the views that we hold. That is how you govern in adversity. But if you have serendipity, and if Saul Eslake is right—I do not know if he is or if he is not—between 2002 and 2011 what this mineral boom has meant to the bottom line of the Australian budget is \$400 billion.

I used to be a finance minister of this country. If I had thought that I would have \$400 billion coming into the bottom line over a decade, wouldn't that have made life useful! I would not have had to beat up so vigorously on my colleague here, Carmen Lawrence, as I used to in those days, or on any of the others, to whom I apologise. I apologise to my colleagues for my behaviour in that period of time. Fortunately, it was done in private and nobody knows what a bad person I was—and she has forgiven me. If you had had that money, life would have been so easy. We used to argue at the ERC about the odd hundred thousand dollars. This Prime Minister walks out and yet another hundred million dollars is blown here and \$2 billion on Liberal advertising is blown there. They do what they like, but it is done with \$400 billion of money earned by West Australian and Queensland miners. That goes into the bottom line of the budget here, which allows them to take extraordinary decisions.

I was on the Expenditure Review Committee for part of the time that we were in office and I was a finance minister too, but the portfolio I loved was the defence portfolio because that was the reason that I came into politics. I was influenced into politics by the Vietnam War. We had to be able to do things better than that. We had to be able to stand up for ourselves, to think through our commitments and to get the right balance in our relationship with the United States to ensure that we had the say over the way in which things were done in the western interest in our region and that errors were not committed in a way that posed long-term threats to Australian security. So I went into politics basically to become defence minister, which is another reason why I say my wife has been critical in keeping me here for the last 17 years, because I finished that in about 1990. You might well ask, 'What the hell have you been doing here for the last 17

years?' Indeed, sometimes I ask myself that; I certainly know that a lot of my colleagues do! The point then was to have the opportunity to make changes. I thank my colleagues at the time and I thank those I associated with in the defence forces. The people who join our armed services are wonderful people. They are people of great honour, people of great ingenuity and great courage. It is a privilege to be their leader, which is what you are when you are the defence minister of this country.

There are things that I am proud of. When I came into office as defence minister, 70 per cent of our equipment budget was spent overseas and 30 per cent was spent domestically. When I left, those proportions had been reversed. In the Gulf War, we did nothing for the United States in Iraq—no SAS, no ships, nothing. What is done by the joint facility at Pine Gap, on behalf of the United States, was worth more to them in that conflict than what has been done in any other conflict by our troops on the ground, as critical or as useful as those contributions are from time to time. It is an essential facility.

There is no equivalent facility of the United States anywhere else on earth that has the level of Australian participation that we have. It is a product of the negotiation that we put in place at the time, as we were determined that Labor Party policy—that we would have full knowledge and consent of what happened there—would be properly upheld. So that was important to us, and those changes were significant. Getting the direction right and the right equipment associated with the right strategies is essential.

I do not have terribly many complaints in politics, just one: the blackguarding of the submarine, which is the most complex industrial artefact this nation has ever produced. We cannot crew it enough now because of the blackguarding it has got, yet it, along with the SAS, is the only part of our force structure the US actually needs. It fills a hole in the US force structure that would not be filled if we did not have them, so it is absolutely critical. I know the sailors in those submarines—because they are my constituents—feel terrible about the way that they have been blackguarded, even though they have the best conventional submarine in the world and they know that it regularly in exercises sinks American carriers.

There were some problems with the submarine as you would expect—teething problems. This is a question of patriotism. When I became Defence minister I understood this and I learned it soon, and it was a temptation to belt the Liberal Party to blazes with it. The radar of our Hornet could not identify most of the aircraft in this region as hostile—in other words, our front-line fighter could not shoot down people who would be the enemies in this region. Wasn't that a wonderful opportunity for the Labor Party to finally lay to rest the ghost of Liberal Party claims to be the people who are best at managing the affairs of the defence of this nation? I shut up; I said nothing.

I went to the United States and, for five years, it was up hill, down dale and one knock-down drag-out after another with Cap Weinberger, Dick Cheney and Paul Wolfowitz. I tried to get the codes of that blasted radar out of them. In the end, we spied on them and we extracted the codes ourselves—and we got another radar that can actually identify them, otherwise I would not be talking about it now. We got a radar that was capable of doing the shoot-down and the rest of what we wanted. I see there is an agreement signed by the defence minister—mate, I will believe it when I see it! I will believe it when I see it from that particular agreement that you have signed with them. That is not to say that I do not love the Americans and think that they are our most important ally, but they are a bunch of people you have got to have a fight with every now and then to get what you need out of them.

I have had a terrific time here. I have been so grateful for my colleagues. The last people I ought to thank here are my caucus colleagues but, before I do, I will thank the Public Service, although I have done that by implication in many of the things I have had to say. They are a much put upon and much traduced group but they have served this country well. Finally, my caucus colleagues—they are my family. I spent more time with them when I was a minister and the leader than I did with my own family. They have got all the eccentricities of a family: they are lovely people to be with; they are kind; they are compassionate; they love each other enormously; they treat each other unbelievably well; they engage in no smears; and they are the best of colleagues and the best of friends—as Gough Whitlam said of his colleagues when he campaigned back in 1972.

For 27 years, this House for me has been the battlefield, parade ground and mess hall of national politics. I am proud to have served with some of the great foot soldiers of our political lives, including my dear friend Mick Young. A good many have marched out of this building and some out of this world and into the annals of history. Others have taken their place and many more will take their place soon.

A new parliament will gather here with a new mandate. I hope those who have been sitting on this side these last few years will have conquered new territory. For me this tour of duty is almost done. It is time to hang up these boots, but I am not yet ready to hand in my uniform. My passion to serve this nation burns stronger than before whatever opportunities might arise. I love this country and I believe in its future. I will look for new fields of endeavour and new battles to join in the years to come. There is so much ground for our nation to cover, some territory to win back and so much to do if Australia is to become the nation it can be.