THE CONVERSATION

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Paul Keating took the prime ministership with a ‘comprehensive plan to get the country cracking’, but the task was daunting. National Archives of Australia

Cabinet papers 1992-93: the balance of head and heart

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The two years covered in today’s release of cabinet records by the National Archives of Australia are neatly bookended. Paul Keating became prime minister on December 20, 1991; on December 21, 1993, the Native Title Act was passed after the Senate’s longest, most tumultuous debate.

In between, Labor’s project of economic transformation, which began in 1983, hit some harder realities. And a new push on remaking Australia stirred a brooding reaction of its own.

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Looking for a ‘kick-start’

Don Russell, Keating’s principal private secretary, remarked that the top job would only come to his boss when the government was a wreck. Keating began with a “comprehensive plan to get the country cracking”, but the task was daunting.

With personal approval ratings at 25%, a slump in the dollar, and unemployment levels tracking past 10% – levels not matched since the Great Depression – Keating was under pressure. Cabinet, and a vanguard of senior officials, rallied to craft him an aria: the One Nation package of economic stimulus and promises to return the nation to “jobs and prosperity” over four years.

Offering an initial program of A$2.3 billion in new spending, and promises of $8 billion in tax cuts, One Nation marked a shift in Keating’s thinking as treasurer. It began with the concession that:

> *After seven years of growth, Australians are now experiencing hard times … families are worried about the future.*

A focus on infrastructure provision and regionalism might have looked like old-fashioned nation-building. Some dismissed it as pork-barrelling. There was no doubt a desire to mark a sharp contrast with the opposition’s Fightback! manifesto.

Whatever the politics, cabinet discussions revealed that One Nation’s options were sifted with fine attention to what would still serve to advance Labor’s fundamental, continuing, microeconomic goals of increasing competition, boosting labour market productivity, and driving efficiency. That message had not shifted, but the settings had.

Cabinet frequently revisited the commitments of early 1992 as the “kick-start” faltered and the deficit deepened. Even as signs of recovery came, they were uneven. In mid-1992, cabinet was advised that:

> *Australia is likely to be one of the many countries that will be characterised by only moderate growth, relatively high unemployment and low inflation for quite some time to come.*

If industries could not become more competitive, then “living standards will have to fall”.

Into 1993 the government began edging toward a more comprehensive approach to these challenges. This included the optimistically titled 1993 green paper, Restoring Full Employment, preparing the ground for Working Nation in 1994.

In these processes, a wider – now familiar – policy agenda was also locked in place, from the "greater self-regulation" of workplace bargaining to mandatory detention for the "boat people" who sheltered behind community compassion in evading, and eroding, immigration law.

The politics of these issues could be volatile. Labor lost Bob Hawke's seat of Wills in April 1992 to an independent who opposed trading working-class jobs for tariff reduction. Car manufacturers began to make the same point about their own insecurity.

In October, Jeff Kennett led the Liberals to victory in Victoria and set about showing how sharp the knives of "deficit reduction" could be. Political leaders took stock. Labor lost government in Tasmania, in part because of perceptions of capture by environmentalists.

Keating in particular was aware of these trends. Some accorded with the tensions that had driven his challenge to Hawke's leadership, particularly on resource security and development. Cabinet submissions on these issues in 1992-93 promoted a "no-regrets policy", defined as:

> *... actions which involve little or no additional cost, cause minimal disruption to industry or the community, and which also offer benefits other than conservation-related.*

That was a new, harder line.

Equally, there was a need for a more conciliatory position on the impact of deregulation and the ending of protection. Keating began to argue that any further cuts in budget outlays would be "indecent" and "unfair".

Labor's unexpected March 1993 election victory was, as Keating put it, a victory for the "true believers" who had stayed the course of reform (or who had been spooked by the Liberal's GST) and at last deserved the benefits of "a plan ... born of national necessity".

Paul Keating and Labor's win in the 1993 election came as a shock.

Those rewards were slow in coming. Keating's constituency was beginning to transition to the "battlers" John Howard would promise to rescue from the fatigue of reform in 1996.

Raising the thresholds

These years show a government still wrestling with the long-term agenda of economic reform and its consequences. But there was also that rising agenda of redefining the nation: the flag, the republic, the oath of allegiance, the centenary of federation and so on.

As Keating reflected to caucus after the 1993 election, Gough Whitlam had been all heart and no head; the 1980s had been head but little heart. Now was the chance to strike a better balance.

This, no doubt, is where the enduring legacy of Keating's leadership in native title has its importance. It marked a break with a past of Indigenous dispossession for a future centring on a negotiated recognition of rights of land ownership, access, use and compensation.

This stance had several parallels. Among them, and running through many cabinet submissions, was fresh attention to the position of women.

Building on the 1992 Half Way to Equal report, chaired by Michael Lavarch, and the appointment of Anne Summers to Keating's staff, several cabinet papers addressed the specific impact of policy measures on women.

The priority was on increasing women's access to and efficiency in the labour market. But such instrumentalism was leavened by support for provisions in education and training that would enable women to take those opportunities, and particularly to tackle:

> *… the lack of affordable child care as the major barrier to workforce participation.*

Aware that decentralised bargaining might not address all areas of workplace reform, cabinet also agreed to make dismissal on grounds of family responsibility unlawful, and a range of discriminatory acts – including sexual harassment – more enforceable in industrial awards. A determination that such principles should become "mainstream" was evident in these discussions, and is another legacy of these years.

Similarly, in 1992 cabinet endorsed the amendment of the Racial Discrimination Act to include an offence of racial vilification, encompassing acts:

> *… that publicly incite others to hate, have furious contempt for or severely ridicule a person or group of people because of their race, colour, nationality, ethnic or national origin.*

Justice Minister Michael Tate emphasised the educative as much as the enforcement role of this measure in dealing with practices that were deeply shaped by persistent social inequality:

> *By prescribing certain beliefs and acts as antisocial, warranting the imposition of legal sanctions for a breach of community standards in this regard, we would deny emphatically whatever legitimacy may have been afforded so far to racist views because of government inaction and community indifference.*

Again, the familiarity of these issues is striking. So is a sense that – whatever the strains of transformation then – some benchmarks set in those years make a stark contrast with the terms of debate over reform today.

John Howard Gough Whitlam Paul Keating Bob Hawke Gender equality Labor Party Political history Racial discrimination Economic reform Australian republic Cabinet papers 1992-93

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