

From: s 22
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Subject: EMBARGOED UNTIL 7PM AEST TONIGHT - John Curtin Oration [SEC=OFFICIAL]
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OFFICIAL

Hi all,

The Treasurer is delivering this year's Curtin Oration to the John Curtin Research Centre this evening. A copy of his speech is below – **embargoed until 7pm tonight** when he stands up to deliver it.

These are the three key elements of the speech:

1. The Treasurer sketches out in more detail his vision for Australia's fourth economy – how we can use the forces of energy, technology, demography, industry and geography to make Australians the beneficiaries of change. He situates this fourth economy in a broader historical pattern of how Australia's economy has transformed since federation.
 2. The Treasurer acknowledges the next election will be difficult and he emphasises what's at stake, including achieving this fourth economy and building a more cohesive, less divided society.
 3. He also outlines why he thinks Peter Dutton is seeking to divide Australia by choice, why that's dangerous to our society and why it should disqualify him.
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**PATTERNS OF PROGRESS
THE 2024 CURTIN ORATION
TREASURER THE HON JIM CHALMERS
MELBOURNE 26 AUGUST 2024**

Thanks, Nick, for the invitation and Fletcher for the introduction

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To the John Curtin Research Centre, its sponsors and supporters –

And to all of you for gathering here again on the lands of the Wurundjeri people –

Whose elders, customs, and country we begin by respectfully acknowledging tonight.

This Oration has become such a welcome opportunity for us to sketch out our thinking in a way that cherishes the memory of a deeply revered Australian.

Curtin is a heroic historical figure.

But it's his humility and it's his humanity that resonates most, eight decades since his passing:

His selflessness and moments of self-doubt;

The long nights wandering the grounds of the Lodge, lost in worry about the war;

His battle with the grog;

And his warm and generous, sometimes humorous friendship with Ben Chifley.

Curtin, for example, always worried about how little Chifley ate.

When Elsie was at the Lodge, he would ask her to invite Chifley for dinner, thinking that Chifley was more likely to accept her invitation than his.

But Chifley seemed content enough to be nourished by his work, bottomless cups of tea and the occasional sandwich.

At his wits' end, Curtin even went so far as to issue an unofficial National Security Regulation which read:

J.B. Chifley shall, while Commonwealth Defence powers prevail, eat one plate of soup, one helping of meat and vegetables and dessert nightly at the Hotel Kurrajong.

This little anecdote tells us a lot about the warmth between them.

Curtin's was a "fearless, vigorous government", in Chifley's words.

Fearless as bombs were raining down on Darwin and vigorous in the face of opposition to the Keynesian economic policies they were pioneering.

Take the Full Employment White Paper of 1945.

Labor ministers thought it too conservative.

Treasury officials too bold.

Department heads too broad.

One Labor member said he could "well understand why it was to be called a white paper, for it was certainly not a red one".

But it was significant and sensible.

Rigorous and responsible.

Its ideas were already being mobilised in the Department of Post-War Reconstruction – established by Curtin three years before the war ended.

In his Budget speech that year, Chifley defined the task of reconstruction as creating a full employment economy that addressed “the general problem of social and national security in the difficult post-war world”.

It's remarkable that with the war still going, their focus was on living standards after it ended.

From Curtin and Chifley we learn three lessons still relevant to us today.

First, to focus on the main game.

Second, to govern from the mainstream.

And third, to lead with foresight.

Theirs was a government of progress, pragmatism and purpose.

But also patriotism.

Curtin and Chifley understood – better than anyone – that national security was their first responsibility.

But they never imagined it was the sum total of their duty.

They understood that patriotism is about making your country better, as well as keeping it safe.

They understood that victory in war had to mean security in peace.

It had to deliver a society worthy of the sacrifice of the Australians who had fought and fallen in its name.

Because the patriotic duty of Government is to preserve the safety of its citizens, and to serve the values they cherish.

The White Paper of 1945 began three decades of full employment, underpinning rising living standards.

The Government's work before, during and after Bretton Woods helped design the institutions that have guided the global economy ever since.

Australia was a substantial beneficiary of the new economic order and for that we have Curtin and Chifley to thank.

Just as we benefited enormously from what's called the Great Moderation, the two decades of relative calm between the end of the Cold War and the start of the Global Financial Crisis.

But I want to talk to you tonight about what's happened since then, and how we can learn from Curtin and Chifley's example.

Three economic shocks in 15 years have seen the Great Moderation give way to the Great Fragmentation.

The first was a financial shock and a GFC, expertly navigated by Kevin Rudd and Wayne Swan.

A wasted decade passed until the second, a health shock in the form of a pandemic.

The third, on its heels, a global inflation shock.

In the world's biggest economies prices rose by around 25 percent since the pandemic began.

When I addressed you in March 2022, eighty nervous days out from the election, cost of living pressures were already galloping here as well.

On our opponents' watch, we saw the highest quarterly inflation this century.

Annual inflation at election time already had a six in front of it.

Wages had been stagnant for the best part of a decade.

That meant real wages were going very substantially backwards when we came to office.

Business investment had been very weak.

Productivity growth was very flat.

The Budget was weighed down with waste and rorts.

This meant huge deficits and a trillion dollars in Liberal debt, most of it racked up before the pandemic.

This was the price Australians were paying for a wasted decade of missed opportunities and messed-up priorities.

We've made substantial progress since 2022.

Inflation is half its peak.

Underlying inflation is falling.

Real wages are growing again in annual terms.

The gender pay gap is the smallest it's ever been, participation is at record highs.

Almost a million new jobs have been created on our watch, also a new record – mostly full time and mostly for women.

We've turned two huge Liberal deficits into two substantial Labor surpluses and made future deficits much smaller too.

Back in black, back-to-back, for the first time in almost two decades.

Almost \$80 billion in savings, banking upwards revisions to revenue.

That's already saved us tens of billions of dollars in interest on the debt we inherited.

We have made very substantial progress in the budget and the economy, but we know people are still doing it tough.

We've made good headway on inflation but it's stickier than we'd like.

We are confident about the economic judgements we've made but not complacent about the soft landing we're lining up.

It's been a bumpy ride on global markets in recent weeks.

The crosswinds are tricky.

Two-thirds of OECD countries have seen growth go backwards at least once in the past year.

Some have seen recessions already, others are still at risk.

China's economy is weak by recent standards, meaning that

demand and prices for our commodities are not as strong.

A much softer labour market in the US and the expectation of cuts over there is pushing up our dollar in comparison.

Growth in our economy is flat, discretionary spending has disappeared, household saving rates have fallen.

Retail is slow, and unemployment has gone from the mid 3s to 4.2 per cent in a year.

We are fighting inflation and getting the budget in better nick, but without smashing an economy which is already very weak.

It's clearer now than ever: we were right to reject the scorched earth austerity urged on us by our opponents at Budget time.

Instead we are rolling out cost of living help which is meaningful and substantial but in the most responsible way.

The judgement I'm proudest of as Treasurer was the change we made to the tax cuts so that every taxpayer now gets one.

A line-ball political call but an economic no-brainer.

We're also helping every household with their energy bills.

Making medicines and early childhood education cheaper.

Helping with rent and getting wages moving again –

Across the board but especially for women and workers on awards, and in the care economy.

Our focus on the here and now, hasn't come at the expense of the future.

Again, this was the genius of Curtin and Chifley's example.

It's also where an interesting pattern begins to emerge.

Let me explain.

Paul Keating once spoke of Australia's first three economies.

The first was colonial, based upon land settlement, British capital and a gold rush which expanded our population and created new sources of growth.

The second, industrial, originating in Federation and shaping our nation in two distinct phases.

Initially, through strong export incomes derived from high commodity prices, as we supplied the British imperial machine.

Then, in the post-war period, where good export prices, tariffs and a fixed exchange rate fostered new industries –

And centralised wage fixing distributed that new national income more fairly.

That economy lasted for almost a century, but the falling output and rising inflation of the 1970s made clear that a new Australian growth model was required.

That's why Bob Hawke and Paul Keating went about creating our third economy.

They opened-up without selling-out.

Dismantling the tariff wall, floating the dollar, while fairly distributing the benefits too – through universal Medicare and superannuation.

Here in the sweeping transformation of our economy we see patterns of progress.

The 1940s, four decades from federation.

When Curtin and Chifley were planning for post-war reconstruction, agriculture made up over 20 per cent of our national product.

By the 1980s, when Hawke and Keating came to power, it was less than 10.

By then, manufacturing accounted for around 15 per cent of output.

But forty years later, in the 2020s, it produces 5 per cent or so of our income, still a key part of our economy and our plan but

the size of our services sector has grown, including an expanded role for finance.

Very different economies over time but a discernible pattern, a bigger story.

Every four decades there's a defining one and it determines the three that follow.

The 1940s; 1980s; 2020s.

In 2024, we are the same distance from Hawke and Keating as they were from Curtin and Chifley.

Now we are creating a new fourth economy for Australia.

Not by rejecting the first three but by building on them.

The contours of this fourth economy are obvious.

By 2030, AI could contribute up to \$4.4 trillion to the global economy – more than the current output of the United Kingdom.

By 2050, with people living much longer and healthier lives, our care economy could grow by over 50 per cent as a proportion of GDP.

In the same year, 90 per cent of electricity globally could be generated by renewables – the biggest transformation we've undertaken since the industrial revolution.

And our region is expected to account for over half of the world's total output.

These expectations align with the five big shifts I identified in our Intergenerational Report:

From hydrocarbons to renewables;

From IT to AI;

From younger to older;

The rapid growth in services that accompanies this;

And from globalisation to fragmentation.

Our task is to harness these forces of energy, technology, demography, industry and geography to our advantage.

Our central opportunity lies in the revolutionary transition now underway in global climate, energy and capital markets.

This will transform our industrial base and put living standards on a higher trajectory.

With a big emphasis on human capital, investment flows, technology and the care economy.

Our guiding light in all of this is to help ensure our people, businesses and communities are beneficiaries not victims of churn and change.

Our focus is primarily economic but there are social and political elements too.

The violence we've seen around the world has become the most extreme consequence of economic dislocation.

It's part of a bigger and longer story of fragmentation.

A politics of emphasising – and exploiting – differences between 'us', versus 'them'.

Not a clash of policy alternatives.

As much as the violence outside and the anxiety within seem to transcend the dollars and cents, it is transforming economies and markets too.

Our primary focus is on dealing with immediate challenges in our economy and easing the cost of living.

That won't be enough though.

Australia is fortunate with our history and heritage, the politics we've chosen relatively free of political violence, and the more mobile society we've built together.

But we can't take this for granted.

That's why leadership matters.

Leadership can help ensure a proper place for real people and communities as our economy evolves in major ways.

Leadership can help us become an [island of decency and opportunity](#) in a sea of uncertainty and division.

But leadership which is destructive, and divisive, is not really leadership at all.

And that's what we are seeing from Peter Dutton.

He is the most divisive leader of a major political party in Australia's modern history – and not by accident, by choice.

At a time when most sane people see political divisiveness around the world and want to reject it, he wants to embrace it.

It is the only plank in his political platform.

He divides deliberately, almost pathologically.

This is worse than disappointing, it is dangerous.

His divisiveness should be disqualifying.

Our job as leaders is to heal divisions in our society.

Dutton wants to pick at them and prey on them for political

advantage.

And we saw last week, his dog whistle only plays one note.

Every question in Question Time last week was about the Middle East, and not one about middle Australia.

He wants to start a culture war because he has no idea how to finish the fight against inflation.

He picks fights and stokes division on national security because he's got no idea about economics.

He couldn't care less about the pressures people are under.

If anything, Dutton wants higher inflation, higher interest rates, higher unemployment, lower wages and less help.

We are now well into the third year of a three year parliamentary term and he's still ticked precisely none of the necessary boxes.

Just like the NSW branch of the Liberal Party he's submitted none of the necessary paperwork.

No costed or credible economic policies.

No alternatives on cost of living or inflation.

No effort to explain what the \$315 billion in cuts they say are necessary will mean for Medicare, pensions or the economy.

The next election will be about the progress we've made and the future we are planning for.

It won't be a spendathon but it will be a choice.

Between our responsible economic management and the deliberate divisiveness of our opponents.

Between a Labor Government dedicating every day to strengthening Medicare, creating jobs, boosting wages, building more homes, investing in a Future Made in Australia and helping more children into early education, TAFE and university.

Or a return to the drift, decay and divisiveness of the last wasted decade.

So, there's a lot at stake.

Our social cohesion, our fourth economy.

We don't take any outcome for granted.

Never have, never will.

Running in Fremantle in 1940, the primary vote swung strongly

against Curtin and his seat was at risk.

It was a nervous wait while the votes were tallied.

Until he got some welcome news from his daughter Elsie via telegram –

“Batting on a sticky wicket, but you will get the runs”.

We are batting on a sticky wicket too, all these years later.

But like Curtin and like Chifley –

We are focused on the main game.

We are governing from the middle and the mainstream.

We are leading with compassion, foresight and vision.

Looking to heal divisions not make them worse.

Expanding opportunity not limiting it.

Learning from the patterns of history and progress –

And building a new generation of opportunity in a new fourth economy for Australia and its people.

ENDS

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Press Secretary | Office of the Hon Jim Chalmers MP | Treasurer

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From: s 22
To: [Crawford, Claudia](#); s 22
Subject: FW: 2024 Curtin oration [SEC=OFFICIAL]
Date: Sunday, 25 August 2024 2:26:00 PM

FYI below.
Will drop in a couple policy mentions

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The remainder of the email trail is outside the scope of the request and has been deleted

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