



## PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH KEL RICHARDS, "OFFSPRING" PROGRAM, ABC, MELBOURNE, 23/3/90.

E & E O - PROOF ONLY

RR: We have people from around Australia who will talk to you but a lot of their questions have had to be pre-recorded because of the difference in time zones, we'll go to some of those first. While people are calling, if I can start with a question. The economic downturn recorded in the negative growth figures released this week. That economic downturn in Australia, does it make families hurt?

PM: Essentially what it means is that Australian families are going to now get the certainty of lower interest rates. What we've had to do Kel was to slow the economy down somewhat because we were sucking in too many imports and I think all your listeners understand that. Fortunately now we've got consumption and production back into kilter which means that with certainty we can say that once we're elected then interest rates will come down and that means a significant help to Australian families.

RR: Are there wash-ups in other areas. I mean while this machinery will bring down interest rates, will it for example cause more bread-winners in Australian families to be unemployed?

PM: No, what we will do....I know the listeners don't like economic jargon, I don't like it if I can avoid it, but the jargon is we'll get a soft landing and that's the assessment generally of the economics profession. That we've had to slow things down but we'll continue to have growth and we'll continue to have employment growth. I think we won't have, we can't expect to maintain the momentum of employment growth in the immediate future, the same degree of growth. I mean what we've had in this period we've been in office Kel, is just fantastic. We've had employment growth at twice the rate of the rest of the world and five times faster the rate of job creation that existed under our predecessors. Now in the immediate future, the rate of employment growth will not be as high I think as before. We'll probably have some fall in the participation rate, that's the number of people wanting to work. There's very interesting statistics Kel, which I've used for the campaign and which I

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think has interested people and I think would interest your listeners very much, and that is, with the great economic growth that we've had under my Government, more people have decided that they want to work, so that the participation rate has increased. If we had the same participation rate now as when we came to office, the unemployment rate would be just over one percent.

KR: Right. A lot of those extra people who've decided they want to work of course are spouses who may not have worked if interest rates weren't quite as high as they are though.

PH: Kel, there are some, I accept that. There are some women in Australia who have made the decision to work because of economic circumstances they feel they need to. But what we've got to understand is that what we've witnessed in Australia, as is happening in the rest of the world, is that many more women are making the decision that as well as getting the satisfaction that they get, and the great satisfaction out of being wives and mothers and the satisfaction of that domestic environment, more and more women are also making the decision that they wish to be as well, members of the workforce. And so what we've had in this period since we've been in office, with this growth of 1.6 million new jobs which is unprecedented, the majority of those have been women, but with many of them wanting to do that as an act of fulfillment. Now our attitude is this, that for those women who want to get their complete fulfillment Kel, from remaining in the home as wife and mother, that's a judgement that we applaud and that we've tried to assist by the massive increases in education payments to see that their children get better educated, the greater provision of childcare places, so that even although they're not working there are places for them to put their children if they want to go out and do other things in a non-working environment. But for those who do want to go and work, to be part of their fulfillment, we've brought in affirmative action, and the women's movement acknowledges this, we've done more than has ever been done before to open up the avenues of employment for women and for the future which is, I believe, most important. The most fundamental thing that we're doing is to reform the education system so that there won't be a prejudice in the education system which has meant historically that girls tend to be streamed into a limited range of opportunities. Under the changes in the education system that we're making, girls going into the education system are going to have open to them the same range of occupations and vocations that are open to boys, and that's the way it should be, both in terms of equity, Kel, and also in terms of economic good sense.

KR: Yes, I've got a thirteen year old daughter who's doing well in Maths and science and I appreciate that.

PH: Well that's beaut isn't it.

KR: Yes, that's important. Listen, I must stop asking questions, but the temptation to ask just one more is too great. In order to recognise the work of the women who do stay at home, would you and your advisers ever consider counting their work, their own paid domestic work, which is very productive but doesn't produce cash as part of our GDP, because it could be an important recognition of what they're doing.

PH: I think that that would be a synthetic confection of recognition. I mean it's the sort of thing that might appeal to some politicians who've done nothing in concrete terms. It's much more important to do as my Government has done, to recognise the significance of the home and to make the decisions, the tough, hard decisions which are of value to the woman. And if I could say so, my judgement is that the best single thing that the Government can have done, and which we'll continue to do, is in the field of education. There is nothing more important to the woman than that she has the knowledge that her child is going to have an equal opportunity to have his or her talents fully developed in the education system. When I came to office, Kel, after seven years of conservative government, I inherited the obscenity, nothing less than that, of a pattern of privilege in education. After seven years the conservatives had lifted the retention rate in the education system by a miserable two percentage points, from thirty four percent to thirty six percent. Now that simply meant that they walked out of office, having virtually not lifted the retention rate at all, and leaving an Australia with one of the worst retention rate figures in education in the whole of the world. Only one in three of our kids stayed on in the education system which meant, I can tell you, that predominantly that was the kids of the well-to-do. Now the kids of the rich and the well-to-do have every right to stay on in education, of course they do, but they have no more right than the kids that come from lower income or middle income homes. Now what I've done with my colleagues is to shift that from one in three to two in three, so I've removed that pattern of privilege in educational opportunity and we've done that deliberately by more than doubling the secondary education allowances to low to middle income families, trebling Austudy places. So that now we have an Australia where that pattern of privilege on the education map has been removed, and kids from all families, if they want to and their parents want them to, are

staying on in school and we're providing infinitely more places in TAFE and in the university system. Now doing those things, doing those things Kei, is much more important than some statistical confection about writing in what truly is important work, nothing I'm saying wants to underwrite in any way or understate the importance of the work that is done in the home, it's vital, the nation stops without it. But to adopt some statistical confection which would be extraordinarily difficult is not doing the things that count for women who are working at home. What they want is action.

RR: Okay, let's go to the calls. In fact the first call is about education which you've been talking about. This was recorded yesterday afternoon. It's Helen from Jamestown in South Australia.

HELEN: I'm a concerned country parent, living two hundred kilometres north of Adelaide. My major concern is the decline of country education opportunities. Five years ago I left secondary teaching to have a family and in that time the range of subjects has declined markedly, with now many of our Year 12 subjects only being offered by correspondence. It's just now good enough. No allowance has been made for the obvious smaller numbers in country schools and all staffing is then absolute set for the cities so that (inaudible) staffing itself is a real issue too and people won't come to the country, why should they, when the same opportunities don't exist here. My son's about to enter primary school and I truly fear that there may not be a viable secondary school here in seven years. I don't want to have to send my children away to Adelaide to school at my cost, but what alternative can you offer?

RR: Country education, your reaction to that.

PM: Let me make these points, which I trust you will see as relevant to your concern. The first thing to say is that the Commonwealth, by definition, doesn't have direct control over primary and secondary education, that is a state matter. What we've tried to do however, in recognising the importance of primary and secondary education is to develop with the states common curricular standards so that we can have a situation that irrespective of the state, and recognising the fact that each year tens of thousands of people move interstate and are prejudiced by the differing standards, to try and move to a situation in this country where we have common standards. Now as far as the difficulty of getting teachers to go to country areas is concerned, no government is going to be able to change the

fundamental facts which drive individuals to make a decision as to whether they want to live and work in the country or in the city. I mean that's a fundamental which is in a sense beyond judgement. But what we can do insofar as education is concerned, and what we have done, is to make sure that the allowances that are paid for people who have to send their kids away from their local area are fair. We have massively increased the secondary education allowance, more than doubled it, in the period we've been in office, more than doubled it, and trebled the Austudy places. So that means that where there is a financial burden or cost in keeping the kids in the education system, then we have directed a massive increase in funds towards that, and in this campaign, as you would know Helen, I've made a decision to bring in an additional payment which will help parents who are keeping their kids on in school, and that is a very significant increase to meet the cost of the child staying on in school. So as far as we can, we've done these things, we've kept up assistance in regard to isolated parents, isolated children's allowances, and the rest finally Helen, has got to be in the overall statistics. What we have now is a revolutionised Australian education position. Nothing can avoid the total condemnation of our predecessors, that in seven years they virtually lifted the retention rate not one wit, whereas I have virtually doubled it in my seven years. And that means we are creating the best building block for the future of this country by making sure that there is an equality of educational opportunity. Helen, let me conclude by saying this, I don't pretend that perhaps more should be looked at for the sort of position you're talking about, and I give you my undertaking that in this next period I'll see that in the discussions that my minister for education has with his or her state counterparts, that this particular situation is looked at to see if there is more than we can realistically do.

KR: Yes, because you don't run the systems, the state runs the systems, you just fund them.

PM: But we want to get as much of our ideas in as we can and I think the point that Helen makes is a reasonable one.

KR: Okay, back to the offpeak open line. This is Matilda from Perth.

MATILDA: I would like to ask Mr Hawke in which financial way would his Government be prepared to support the one income family?

PM: Well let me tell you and it'll take a while because there's a lot of things I can go into but I'll do it as quickly as I can. Let me, first of all, say this Matilda. Let's go to tax first of all, and I hope in this last twenty-four hours that every Australian will have firmly in his and her mind the concept of equity in regard to ordinary families and the well-to-do, the contrast between my position and Andrew Peacock's position. Matilda, just before we went into this election, we negotiated a wage/tax package with the ACTU and under that tax part of the package Matilda, I just want you to understand this, that for the ordinary average family, you can take the average weekly earning figure or twenty eight thousand dollars, a single-income family, they've got twenty-eight thousand dollars. Under the tax package that I negotiated with Mr Keating and the ACTU, that family at that level will get a tax cut of seven dollars fifty a week, seven fifty a week, and I will get thirteen dollars twenty five. In other words, I'll get less than six dollars a week more than that average family. Mr Peacock has a tax proposal for a two-tier tax system. What's the position there? That average family, under the Peacock proposal, would get a cut of \$4.73 a week and he as Prime Minister would get \$104.76 a week. In other words he'd give himself a \$100 a week more as a tax out that he'd give to your average single income family on \$28,000. Now there I hope in this last twenty-four hours, every Australian voter will be saying to himself and herself, what sort of an alternative government and Prime Minister is this. For the sort of family you're talking about Matilda, he'd give himself a hundred dollars a week more than he'd give for the average family in tax cuts. It is a disgrace, an absolute disgrace that we should have that sort of situation be put to the Australian people. Now let me go to the other areas Matilda. Let me go to the question of family allowance and family allowance supplement. This year Matilda, under family allowance supplement, I'm through my Government, paying to the lower income people in this community over two billion dollars in family allowance supplements. So that Matilda we don't get caught up in great national aggregate figures, let me give you an illustration for a single income family, you're talking about that, on \$320 a week, and it's got three kids. That single income family on \$320 a week, is getting from my Government, under the family allowance supplement, \$110 a week tax-free, which is equivalent Matilda to \$170 a week wage increase. Now there you have it. I've talked about tax, I've talked about the family allowance supplement, let me go into the area of health. When I came to office, Matilda, there were two million of my fellow Australians, a great number of those would've been I think from single income families and lower single income families, two million of my fellow

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Australians had no cover. If they got a bill from the doctor, a big bill from the doctor or a big bill from the hospital, they were in strife. I've ended that and so for every one of those families you're talking about now they have no fear of the doctor's bill or the hospital bill. They are covered by Medicare, for which obviously under the Opposition is going to be for the chop, so I look at education, I look at health, I look at tax. Also in tax, let me make this point, not only does Mr Peacock want to give himself a hundred dollars a week more in tax cuts than he wants to give for your average family, but he wants to do something which is outrageous for the sort of people you're talking about Matilda. He wants to scrap the capital gains tax, which will be bringing in billions of dollars in the years ahead, to be spent on families like the ones you're talking about, on their education, on their health, on their roads, on all the things they need and he's going to take those billions of dollars away from you, out of the Commonwealth public revenue and shovel it back into the pockets of the wealthiest less than one percent of the Australian population. So whether you look at tax, education, health, all the things that are important, there's only one choice to be made. If you think it's fair to give the Prime Minister a hundred dollars a week more in tax cuts than the average family, then you vote for Peacock.

KR: Just going back to the family assistance supplement for a moment, that will definitely continue in your next term?

PM: Not only definitely continue, we've made the decisions, they're in place that those allowances are indexed. So we've done what's never been done before. We've not just simply made decisions and allow them the value of those decisions and amounts to be whittled away by inflation. They are indexed.

KR: Michael from Sydney, good morning.

MICHAEL: Good morning to you Prime Minister. Could I ask you a quick question on fairness? Now I applaud what you've done in the last many years to implement your standards of greater fairness, rather than talking about them, and especially I applaud this new policy of stopping dole rorting as you've termed it. But we're all struggling and we're all having a hard time paying taxes and mortgages and so forth. Yet there's a lot of social security rorting going on out there, one of the very unfortunate ones of course being unmarried mothers benefits and such-things. What can we do about making this fair to everyone who pays and doesn't mind paying for genuine cases (inaudible) means.

PM: Michael, let me make these points. I must take up, and vigorously, with you one assumption in your question, that it's not fair to be paying allowances to unmarried mothers. I mean I just repudiate that concept. I mean you have the situation of unmarried mothers arising for a range of reasons and I don't think Australian society is such a compassionless, morally judging community that it's going to say in regard to people in that situation that the community hasn't got some obligation to help. What we've got to do of course, Kel and Michael, is to try and make sure that in regard to our range of social security payments, including payments to single parents, that we get them off the concept of the beneficiary outlook and that's why we're abolishing the dole as such, the unemployment benefit, the dole, is going. Because what we're going to say to people, you have no right to a benefit as such for being unemployed. What you've got a right to expect from the community is that the community will provide a range of training programs to equip you to become part of the workforce and so the statistics Michael are quite amazing in regard to single parents. We've drastically reduced the numbers and proportion of people who are just getting single parent benefits, and what's happening is that they have been trained under relevant programs to put them back into the workforce. I mean Michael, that's the sort of thing that you'd want to see, that's my concept. We inherited a system where unemployment benefits had exploded because in the last year before we came to office there was another quarter of a million people who had been thrown onto the unemployment scrapheap. Now we've drastically reduced, enormously reduced the number of people on unemployment benefits, not only by creating a record number of jobs Michael, but by specifically creating a range of training programs so that what people in this country have got to understand is under Labor it's not a government that's just going to give them a benefit as of right. What they're going to get are payments which are going increasingly to equip them to become part of the workforce. That's not only right from the point of view of the community, it's also right from the point of view of the individual because they want the dignity of being able to support themselves.

RR: Yes, in fact because I do this program I've got the figures in front of me, it's something like eighty-five percent of women on the supporting mothers benefit are either deserted or divorced or separated wives. Ten percent of widows and five percent of the sort of teenage mothers that Michael was getting concerned about. But for those deserted wives, they want the opportunity to retrain and get back into the workforce, which is what you were talking about, but they can get caught in poverty traps

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can't they, whereby they in fact get more support for their family if they don't retrain, if they go on a training program they lose the qualification for that benefit.

PM: But we've moved to very substantially eliminate that problem of poverty traps which has been in fact recognised by the welfare sector.

KR: Let's go to Caroline now, from Byron Bay.

CAROLINE: My questions relate to the funding for the psychiatrically disabled, and the first question is, is it true Mr Hawke that since the introduction of the Disabilities Act of 1986, nothing has been spent on any specific project for the psychiatrically disabled. Is it also true that it was never the intention of Dr Blewett that the mentally ill should receive monies from his department and that (inaudible) mental illness has been as a state health matter and not as a Commonwealth responsibility. And the third question I would ask you Mr Prime Minister, is would your Government, if re-elected, introduce a policy on mental health? You may appreciate that we as parents and carers suffer a great loss through mental illness and the suffering of our loved ones is beyond description. You could certainly alleviate our problems by positive action in government, especially in the area of research, and I'd be very happy to write a letter to you if that was okay, and properly outline our major concerns for the mentally ill.

PM: Thank you very much for your question, could I go to the last part first. This is not just a flip answer, I would appreciate it very much if you would write to me and if you'd write to me care of Parliament House, Canberra, and I will guarantee not only that I will read what you've got to say but I'll see that the relevant minister in my next administration also takes it into account. You're into an area where of course we have the problem which is acknowledged in your number of questions which I'll try and bring together, that as in the area of transport and education, so in the area of health, there are divided responsibilities between the federal government and the states. What we've tried to do Carolyn, in this area, as in others, is where we haven't got the direct constitutional responsibility as we have not, this is an area of state responsibility. We've recognised that there are real problems for people like yourself that you talk about, and what my ministers, and that's particularly Neal Blewett, have a major responsibility. What he's tried to do is, in discussion with the states, to get some sort of uniform approach and uniform concept of the responsibility that the community has to the range of people that

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you're talking about, and we have been engaged in this in a number of ways, not only in the area of actual treatment and discussions with him on that, but also of course, one of the important areas Carolyn is to try and look at the area of employment opportunities, and there's been the concept as you know in the past, of trying basically, if not intentionally, at least that was the result, to try and hide people with disabilities, whether they were mental disabilities or physical disabilities, to try and put them away and almost pretend they didn't exist. Our concept rather Carolyn has been to have an approach which as far as possible is going to give people with disabilities, whether they be physical or mental, the greatest possible opportunity of integrating into the conventional workforce, because we think that's best for the people concerned and it's the best thing that the community should do and so that's the concept that we've used in our discussions with the states in the areas of say where we don't have the primary responsibility. But I conclude as I began Carolyn, by saying I would appreciate it if you would write to me and I give you my personal undertaking that not only will I read the letter but I'll see that it's considered by those with the direct responsibility.

KR: Yes, the policy of deinstitutionalisation, pursued by a lot of the states, has created a lot of pain for the people who are the immediate family and carers of the mentally ill. They feel sometimes lost without support.

PH: Yes, and they are entitled to expect appropriate support.

KR: Graham from Brisbane now.

GRAHAM: Whatever your personal views about abortion may be, there are many Australians who sincerely believe that abortion is deliberate killing of innocent unborn human life. Those who hold such a view believe that this is immoral and unjust, that they should be compelled to help pay for such murder through Medicare. If Labor is re-elected, will you allow an abortion funding abolition bill, such as the one put forward in the last Parliament by Alistair Webster, to be put to a vote? If not, why not?

PH: Well Graham, let me say that you go in your question to something which is obviously a matter of very deep feeling for a lot of people. May I say it's not only a matter of depth of feeling by those who share your view, but what you must understand is an equally deep feeling by others who have an

opposite point of view. I have never tried to hide my position and I restate it. It's probably why I'm the target of abuse by some people. I have a clear view Graham, that this is a question for the woman to determine. Now in saying that Graham, I don't in any sense want to be denigratory of your view, I respect the depth of the feeling that you and others have on this. I've got to say with equal honesty to you that it's my view that it's the right of the woman to make the judgement. If people want to try and have a consideration of the piece of legislation I don't mind first speaking for myself. I propose a piece of legislation being considered. My view in those circumstances, is that it should be a conscience vote on this matter. We'd better postpone the vote for a fairly long time though, to give Mr Blunt the time to make up his mind. He doesn't seem to know where he is on the issue.

KR: Mind you, the community debate over abortion is beyond politicians to settle I would assume.

PM: Yes, and that's why I say, Kel, I think it ought to be a conscience vote, but as I say, we'd better postpone it for a couple of years because Charles Blunt needs a long time to make up his mind. He's occupied both positions apparently, within the space of a week.

KR: Let's go to Greg now, from South Stirling in Western Australia, near Albany.

GREG: I'd like to ask the Prime Minister how many children live in poverty in Australia, and is the number rising or falling? And also, of the one billion trees that they are going to plant, how many have they planted and how are they doing?

PM: Let's go to children first and then we'll go to the trees, and I thank you for your question and I hope there's no cynicism involved. If there is, the facts will knock you over. The number of children in poverty has rapidly diminished. I won't rely on my judgement about the delivery of my promise that there be no financial need for a child to live in poverty by 1990. Rather, let me quote to you the words from three independent bodies who work in the area and who don't parade on the periphery with prejudices. What are these words? Firstly, of Peter Hollingworth from the Brotherhood of St Laurence, he said, in strict income security terms the Prime Minister's promise will have been delivered. Secondly, Julian Disney, who was then the Chairman of the Australian Council of Social Services, he said that it was a truly remarkable achievement, first to have set and then to have achieved the payments for children in low income

families. Third, the Australian Institute of Family Studies who said, in these ways the benchmarks set by the Government have been met, and just look what those benchmarks were and what's involved. We in discussion with the welfare sector, said now how are we going to deliver on this promise, what's the best way of delivering on this promise that there'll be no financial need for a child to live in poverty, and we agreed with them that we should set benchmarks as a percentage of the married pension rate. That was fifteen percent of no pension rate, for a child under thirteen and twenty percent for a child between thirteen and fifteen. Translated into money terms, that is \$24.15 a week for a child under thirteen and \$35.25 a week for a child between thirteen and fifteen. Now let me give you what that means in aggregate terms. It means that this year we're paying over two billion dollars, a year, to children of low-income families to deliver on that promise, which as I say, all the organisations say has been done. It means, to give you the example that I used earlier in this program, that for a low-income family with one income, \$320 a week, with three kids that family is getting \$110 a week tax-free....

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PH: .....poverty because you the disastrous situations of family break-ups, children away from home, and that's why the state governments, local government and the welfare sector has responded positively to my calling them together as I did, to say alright now, we've delivered on that part of the promise but what we've now all got to do together is to make sure that we deliver, all of us, the services at the points of need and that's what's been done.

KR: Trees. Can I just ask a follow-up question to that? Having met the financial target, there are then non-financial or social wage targets to be met and the Brotherhood of St Laurence and ACOSS have put together a package of proposals they call the Promise the Children package. That includes things like, have a CEPAC, have a children's planning advisory council, if it's important enough to do it for the economy it's important enough to do it for children, ratifying the UN Convention on the rights of the child, it's a package of things. Have you seen that package? Have you got a response to it?

PH: We've asked them to meet with us. We've already had a meeting, not only with the Brotherhood of St Laurence but with the Australian Council of Social Service, and we are in constant communication, we've undertaken that when we're re-elected that we'll go on with this dialogue. We've also got to do it with state governments and local governments because so much of the delivery of relevant services are in the hands of the state and local governments as well. So yes, the answer is we're going to continue in dialogue, not only with the Brotherhood but with ACOSS and the other tiers of government, to see that we delivered. You also know that in the campaign policy speech I also committed my incoming government to additional programs to meet the particular problems of the outer-suburban areas and the smaller towns, because part of the problem Kel, is that a lot of people in these outer suburban areas or remote towns don't have the degree of access to services and knowledge about services that others do so I've committed a fair bit more money to dealing with the problem in that way. Now the trees. One billion trees. A very, very snide attempt by some people to say that what Hawke promised was that he was going to plant one billion trees and we were all going to go around and plant the trees.

KR: When they'd all been numbered, as they were, yes.

PH: Yes, what I said at the time was this. That that billion would come in two ways. There would be four hundred million, by a community planting program, and six hundred million by direct seeding and regeneration, where we would conduct programs which are being done now, to accelerate that aspect of it, and that we would bring the community into the four hundred million part of it. Together there'd be a billion (dollars). Now I didn't say that Bob Hawke in Canberra would supervise this. We sat down with Greening Australia, the relevant organisation. Greening Australia has from day one been involved in the concept and in implementation and Greening Australia, the body which the best equipped, the most relevant, has expressed a) it's satisfaction with the concept and b) the way its implementation is going. And may I say, I want to thank the community groups around Australia who have responded to put such enormous enthusiasm to this imaginative and relevant concept.

KR: Look I know you've got a press conference at ten. Could you stay with us for a few more minutes?

PH: About three?

KR: Okay, this is Scott from Newcastle.

SCOTT: Good morning Mr Hawke.

PH: Good morning Scott.

SCOTT: Best of luck tomorrow.

PH: Thanks mate.

SCOTT: I'm a final year degree student at Newcastle University and I'm living on Austudy. My question is, many of my colleagues have the problem where we are working very hard whereas people on unemployment benefits are receiving probably sometimes twenty-five, thirty dollars a week more than we are. I appreciate that you've created more Austudy places etcetera, but with the change in emphasis towards retraining, as opposed to unemployment benefits, do you plan to do anything towards making people who are studying receive at least the same income as people on unemployment benefits? We have the same personal needs, we have the needs to buy text books etcetera. The psychological disadvantage is really, really straining on many people.

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PM: Scott, let me make a point. When we came to office, the gap the wrong way between unemployment benefits and student Allowances was crazy. It was just, in just about every category of age group, it was worth more for a young person to go on unemployment benefits than to study. Now we have changed that around and further in this, there's another part of our decisions, earlier this year, where in regard to another age category we finally closed that gap, because it was untenable that you should have that sort of area of differential. I mean it was simply, in Australia, generally speaking, generally, everywhere in all sorts of categories, it was worth more for a young person to go on the dole than to go into education. So what we've done is to close that gap, massively increase education allowances. But the other part of it Scott, is that what we're doing is now we're virtually abolishing the concept of unemployment benefit. Under my Government, the concept of unemployment benefit will disappear and the requirement will be, if a person isn't in a job, isn't in the education system and isn't already in a training scheme, then that person will have to undergo a training scheme. In their first nine months there'll be a job search allowance and that will be strictly supervised to make sure that they are searching for a job, and then after that they have no right to an unemployment benefit, they only have a right to get an amount of money which will sustain them in one or other of a training scheme.

KR: Quick final question and then we'll release you and you can dash off to your press conference. Hugh Stretton said on this program this week, that one of the reasons why home mortgage interest rates are as high as they are, one of the principle reasons is because of the deregulation of the financial and banking sector. And he argues that if we want our children to have the choice of housing we had, at reasonable interest rates, the banking and financial sector needs to be selectively re-regulated. Do you have any response to that?

PM: Yes, I do. Hugh is, by philosophical disposition, more of a regulator than not and I respect Hugh, he's been a great contributor to thinking in this country. I haven't always agreed with all of his thoughts but I respect Hugh Stretton as a stimulator of thinking in others. On this point I don't agree with Hugh. We had a situation before, where under a regulated system and with just a limited number of banks, what they did was, you didn't have to choke off people by raising interest rates, they'd just stop the supply of money. I guess the test, of between the two systems, is simply this, that in the period of my Government there's been of per annum cents, ten percent per

annum more houses built under my Government than there were under my predecessors where they had a totally regulated system. That doesn't mean however, that you simply think that you end your obligation and commitment to the community in regard to housing by simply deregulating the financial sector. I hope Hugh would take account of the fact that in the area of welfare housing, including just in the last year, we made a very significant decision which increased the amount of money from just over seven hundred million dollars a year to over eight billion, under the Commonwealth State Housing agreement, which is going to make more funds available. And this is a result of decision, not leaving it to the market but here is a specific decision by government in consultation with the states to make much more money available to the states to spend on housing or the relevantly less fortunate section of the community. Of course at the same time, in the earlier stage of our Government, we brought in the first home owner scheme which now over the duration of my Government has meant that some three hundred and forty thousand people and families have been put into homes that otherwise would not have done it. So I think Hugh's got to understand that if you're talking about housing and government policy, that what you do in regard to the banks and the deregulation of the financial sector is but one part of a comprehensive approach to housing.

RR: Bob thanks for being with us this morning.

PH: Thank you very much Kel.

ENDS.