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PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
DOORSTOP, RICHMOND, TASMANIA
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J: Prime Minister, does Mrs Kelly enjoy your unqualified support

PM: I thought you were going to ask me about the things that really matter, like the success we had yesterday. The Commonwealth and the States together and one of the most, I think, far reaching decisions that probably this country has seen. That is, to open up these great huge Government business enterprises like water and electricity to the same competitive influences as the rest of the economy. And I am very pleased that yesterday was a demonstration of the fact that so much cooperation has been in evidence at the commonwealth heads of government meetings, because there is a view before each one, you know, there is going to be the general line that tends to be run in the media: "well there won't be any agreement here", but invariably there is. And we have now got a national rail corporation, a national training authority, Hilmer endorsed, so it was a very productive days work and can I say that the Commonwealth Government was very happy at the outcome. It will mean a lot for consumers. I think that over time, as you can see with telephones, putting a competitor into Telecom has reduced telephone tariffs. This is going to be just the same over time in these other big bulk trading commodities like electricity and water, which are not just important to consumers, but of course, absolutely critical to business as we go on to become a more competitive country.

J: Are you talking about private power companies, private water companies eventually emerging?

PM: Well, what we will see is a separation of power generation from distribution. So, you will have power stations tendering to provide their power. But instead of being locked up away from the Trade Practices Act and simply immune under state legislation they will be open to the same competitive influences as the rest of the private economy.

- J: So, cheaper power, cheaper water?
- PM: It will end up cheaper power, cheaper power for consumers, cheaper power for business, which is I think especially critical given that we are sitting on a coal seam all the way down the East Coast of Australia. We have a great natural advantage in electricity, and of course, in water and the other products. So, it was a very far reaching decision. Now, we have got to put flesh on the bones of the decision, we have got to work it up to the next COAG Meeting, work up the Commonwealth legislation jointly with the States, and State legislation.
- J:Jeff Kennett, though, is still saying that IR is the rock on which all this could fall.
- PM: Well that's a bit of ideology on the part of the Liberal Party. And what we say to them is this - In fact, they dropped their agenda item yesterday anyway - the Government has now laid the foundations for a most flexible labour market. Any enterprising business can enter into a new industrial relations agreement...or anyone covered by a federal award can vary the award without recourse to a union. Now, all that really means is that it is up now to the employers to take these things up and run with them. But they will always take them up when these product markets are changing. I mean, if there is competition - say with Telecom - it meant that the Telecom management and workforce had to make the place more efficient. So, the labour market reform generally follows, or the labour market changes, generally follow the changes in the product markets. But you can't get the changes unless you do things like yesterday.
- J: So you can guarantee to business then, that the IR changes aren't going to mean two categories of citizens: the unions and the rest?
- PM: No, no. Because one of the rocks upon which this democracy of ours is built is the right of free association. But be that as it may, an employer under these changes can still make a new agreement with the employees without reference to a union. Now, really what the Liberals want are to cut peoples wages. And with profits as high as they are in the economy now, in the stock market and in business, the notion of going around and cutting people on \$350.00 a week back is something this Government won't wear. So, when you hear Liberal Premiers talking about IR changes it is simply code for cutting back ordinary people on low income wages. Now, if profits were broken and the place had no prospects of growing these issues sort themselves out in a low growth economy. But profits are high, as high as any period in our history, and the stock market is back to where it was before the stock market crash of 1987. So, to go around now saying, "well look, we can only have change providing we can cut these little people back on \$350 bucks a week", is not the change we need. It is

mean spirited, it is unnecessary. What we need are the big changes and it was the big changes we went after yesterday, and got.

J: One of the problems is that there is so much political noise around as a result of Mrs Kelly and the sport grants, the sort of good news you are giving us today is getting lost.

PM: Well I think it is up to you guys to put the right priority on things. Where is the weight? I mean, what happened yesterday will stick to the country for the next ten, twenty, thirty, forty years. These other little matters disappear within weeks. They are just one of the political dust storms that come through.

J: Mrs Kelly and her problems seem to be sticking to the Government.

PM: Well it is a matter of the weight. I mean, even the Liberal Party don't say there is anything other than their lack of appreciation, let's put it that way, for Mrs Kelly's choices. That's what it boils down to. Well, tough for them.

J: Do you think the jury is still out until this committee report comes down?

PM: Well we will see. We have got a committee and we have set it up, so there we are, we will wait and see what it says.

J: .. Kelly's future hinge on a positive response from that?

PM: Well we will just wait and see what it says.

J: Do you think Mrs Kelly ... the prospect of resigning during the week?

PM: Well we will wait and see what it says. And I will see her Monday.

J: Mr Keating, is the Government concerned about federal court action which could delay the start of Pay TV?

PM: No, I mean, that is one out of the blue. I must say that is not one I have caught up with. I am quite sure in the hub-bub over Pay television, that is, in the jockeying, commercial jockeying of both the people who have got licences and the people who have got product, will see obviously quite a lot of huffing and puffing in courts, but this is natural whenever you are going to see something which is virtually going to change the choices of Australian television viewers, there is always going to be competition for a thing like that.

J: Is there any indication of Telecom being involved in that legal action?

- PM: I have got no idea. Telecom runs itself as a private business and it has got to look after itself.
- J: Prime Minister, do you believe that Tasmanians have received the best value from the \$312 million in Gordon below Franklin Dam compensation?
- PM: Well I don't think I am in a position to make a judgement about that. That is up to the State Government, they have got to be accountable to the Tasmanian electorate, for the expenditure of very valuable dollars from the Commonwealth. These are things which will come once, they won't come again, and no doubt the opposition here will make clear what it thinks are the valuable decisions and what are not.
- J: A senior Tasmanian economist has said that it is a wonder that the Federal Government doesn't try and retrieve the funds. Is that an option?
- PM: I have never seen that remark at all. But can I just say about Tasmania generally. I think it is worth reporting that Tasmania has picked up the competitive breezes in Australia. This morning I was at a fish canning plant which is exporting. Not so many months ago I was in Ulverstone at a potato factory, which is exporting, Pacific Dunlop's Potato Plant, and so the agriculture industries of Tasmania, particularly small industries with small growers, are picking up product and exporting it around the world. So, in a sense Tasmania is becoming a bit of a model for the rest of the country in seeing the opportunities of the new competitiveness of Australia and the innovation which can come from sensible management and good relations between product suppliers and the workforce. And again, here in Richmond, I mean the restoration of an important colonial town, one which adds a lot of tourist lustre to this part of Tasmania, and one which is, of course, helping keep the economy of Tasmania moving. So, tourism, niche markets, food markets, but building on Australia's huge competitiveness and exports of the kind we saw this morning is the way for Australia, and I think in some of these industries Tasmania is actually leading the way.
- J: .. have you heard anything about the Hobart Aquatic Centre ..?

PM: No, I haven't.

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