



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P. J. KEATING, MP
INTERVIEW WITH FRAN KELLY, ABC RADIO "PM" PROGRAM,
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FK: Prime Minister, the last minute save of Aboriginal health funds last night, why did you undercut the normal budget process like that?

PM: Because I think that that is one of the things that Prime Ministers do - make sure the system works properly - and I think that we hadn't maximised our opportunities in this area, and a further consideration of it has meant there will be a massive improvement in the funding of Aboriginal health in this country.

FK: It has been reported today that Graham Richardson rang you and lobbied hard for you to intervene. Did he persuade you to persuade ERC?

PM: That is totally without foundation. That is just a bit of Press Gallery corridor nonsense. Largely, what has been allocated last night is what would have been allocated, I think, had Graham Richardson remained the Minister. And the important thing is that we are going to see a huge increase in the program funding to around nearly \$500 million dollars over the period.

FK: But that is a long way short of the \$800 million

PM: But Graham's submission was never ever for \$800 million.

FK: Where did that figure come from?

PM: Well again, it was floating around. What has come out is what would have come out, but I have got to say, though, let me just say a couple things here about Dr Hewson in this matter. He did a press doorstep

this morning saying that I have lied to Senator Richardson, that I am lying. He has this very unpleasant habit of calling people liars. It seems to be his principal political tactic these days. Now, this is a fellow who said in the Times on Sunday 1987, "I live in fear of some Ministries, Aboriginal Affairs and Veterans Affairs, are wastes of my talents." Now, this is an area of policy which he said was a waste of his talents, he said that I had raised expectations in the Redfern speech about Aboriginal policy, but never delivered on them. We delivered Mabo in full, more than the Aboriginal community would have expected at the time. And as the Bills passed the Parliament Dr Hewson said it was a day of shame. This is a man without judgement and without integrity. Now, can I just say that as far as the Government is concerned that the things which we think can sensibly be done, these programs have got to be delivered on the ground. So, this is a big boost, but the important thing is it will be a boost which is also delivered effectively and efficiently.

FK: It is a boost to funds, but people are still saying today that you have let them down. Expectations were raised, the figure, whether it was right or not, around was \$800 million dollars. No one ever stepped in to say that that was not right.

PM: But look, numbers around Press Gallery discussions and corridor conversation that has no Cabinet authorisation, for which a submission has never been lodged, has no status whatsoever. I mean, what has happened here is what would have happened in terms of the Government's general intentions about this area. And I must say Carmen Lawrence did a first class job in arguing the case in full Cabinet and the ERC yesterday.

FK: How much of your decision to step in and get the funds boosted was a desire on your part to protect Carmen Lawrence from what would have been a very public defeat in virtually the first action.

PM: Carmen doesn't need any protection whatsoever. I noticed some people jumped all over it. Some of the lower life's of the West Australian got all over it. But apart from that she doesn't need any help from me. She did well and effectively with a difficult brief. I mean, I made her the Minister for Human Services and Health, this is an agenda which was being developed by a former Minister and she has run with it with panache and alacrity.

FK: What exactly did you promise Graham Richardson? He said at his final press conference that you had given your word that his package on Aboriginal health was safe. What was the promise?

PM: That the broad outlines of the medical program and environmental health program would be funded in the budget.

FK: So the criticism today from people like AMA President, Brendan Nelson.

PM: Well I thought he was complimentary.

FK: He said, as I understand, he said it was a cruel hoax on Aboriginal people, this letting down their expectations.

PM: These are all the people who wanted to damn Mabo. I mean, Dr Hewson stood in the Parliament and voted it down shamefully without a reason, and then, as it passed, calling it a day of shame. Remember he was recently up crying crocodile tears over Vietnam Veterans, today it is over Aboriginals. This is a fellow who said, 'I live in fear of some Ministries, Aboriginal Affairs and Veterans Affairs are a waste of my talents'. He says, when things are going well for the Government, he says the Government is running scared. I notice today in the Bulletin David McNicoll saying and he says "... With things going well for the Government, it seemed almost incredible that the Hapless Hewson emerged from his "retreat" and announced on television that the Keating Government was "running scared". Has Hewson no minders? Or doesn't he take any notice of advice?" ..." Well, I can only say dead right.

FK: Well, things are going well for the Government at the moment on the economy. There was a beautiful set of numbers again for you today with an inflation rate of 1.4 per cent for the year, with things going so well will you be able to fund the White Paper spending from growth without tax increases in the Budget?-----

PM: I'm not here to run through the White Paper numbers, but the Government's record of fiscal consolidation is second to none in the OECD - over a decade. I mean, it's not what we say, it's what we do that matters. Can I just say about the inflation rate though, it is a tremendous outcome; .4 per cent for the quarter and 1.4 per cent for the year and, I think what it does clearly show is that the bond market has lost credibility as a guide to inflationary expectations. With everyone playing the game; business, the workforce producing a CPI as low as .4, the only people not playing the game are the financial markets.

FK: Why the decision not to go ahead with the jobs levy?

PM: You will have to wait and see what's in the package. I said on election night, that this Government was governing for all Australians; that we wouldn't leave the unemployed behind; that we'd put an arm up and pull them up. When I said, that Dr Hewson said if he does that he will pull the rest of us down. I am not going to be deflected by John Hewson's callousness and we set in train the Green Paper processes and we have now considered it to produce a White Paper. That White

Paper will maintain the momentum of the economic changes which Australia has and in doing it sweep along all those areas of the economy that need support and that will be including outside of physical resources in the area of those who are long-term unemployed. That, I think, is a proper social and economic objective of a Labor Government, indeed any government, and the doing of it is something which will make this a country more economically efficient and more equitable.

- FK: What about the Medicare levy? Carmen Lawrence indicated before last week that a small rise in the Medicare levy was probably a good idea to fund some health measures, yet now we hear no rise in the Medicare levy. Why not?
- PM: Again Fran, you will have to wait and see what's in the Budget, but can I just say this about these measures - governments can resort to revenue measures of this kind. We have modestly increased the levy since 1983, but the public, I think, have always got to take the view that what comes in return is a quantum improvement or at least a qualitative improvement in the circumstance of their health and welfare. Therefore, occasions for increasing the levy have to be occasions where there are changes of that variety.
- FK: And there's not those kinds of changes right now? There's certainly plenty of changes being called for.
- PM: I think I'll have to say to you, you'll have to wait and see what's in the Budget.
- FK: The Opposition are saying today it is clear the Budget will include hundreds of millions dollars worth of increased taxes - are they right?
- PM: I'm not confirming their nonsense. Here they are flat out holding themselves together. They are now having crisis meetings twice a week to try and keep themselves together and as Mr McNicoll described him "the Hapless Mr Hewson" is flat out staying afloat. So, I think he should wait and see what's in the Budget and then he can have all the time he likes to make judgements about it.
- FK: Just finally Prime Minister on South Africa. Black Africans are voting for the first time today. Australia has played a fairly significant role in getting to this point. How do you feel watching black Africans casting their votes?
- PM: I think it is very moving to see television coverage of voters lining up for South Africa's first non-racial elections. There was a nice picture on the front page of Nelson Mandela's niece going through the novel experience of voting. Things seem to be going peacefully and not withstanding the problems of the recent bombings and this must be a

tribute to the political leadership of the country and most particularly Mr Mandela. We are contributing as you know to the Commonwealth Electoral Office Task Force in monitoring the activities of the national peace keeping force and we have got, as you know, two former Prime Minister's who will represent Australia at the inauguration. So, you are right, we have a lot in this, we have had a very firm policy on apartheid and South Africa for a long period of time and it is very pleasing to see the course of democracy that that country is taking.

FK: Prime Minister, thank you.

PM: Thank you, Fran.

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