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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
INTERVIEW WITH FRAN KELLY - AM PROGRAMME**

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FRAN KELLY:

Prime Minister, there have been claims that you haven't even read the proposal of the Aboriginal negotiating team let alone considered it. What's causing the despondency within the Aboriginal team.

PRIME MINISTER:

Well that claim is wrong. Of course I've read it. I have spent the equivalent of probably two or three full days, or more, with the leaders of the Aboriginal community in Australia. I'm seeing them again. And I'd frankly be prepared to spend a week with them to...if I thought through the process of further sitting down I could find a fair and acceptable solution. The plan that I've put forward represents a fair attempt by me and by my Government to do justice to the Aborigines because it doesn't involve blanket extinguishment of title, but also to deliver to the farmers of Australia something to which they are clearly entitled and that is security and predicability and something which they had every reason to believe would not even be questioned as a result of the 1993 *Native Title Act* and as a result of the assurances given by Paul Keating, by some leaders of the National Farmers Federation three or four years ago and acknowledged by some of the very Aboriginal leaders with whom I am currently negotiating. Now, no person could have tried harder, no person will go on trying harder than I to get a fair solution to this. And I have a responsibility to all Australians, not just to the Aborigines, not just to the farmers, but I have a responsibility to all Australians. And I want to reject emphatically and absolutely the suggestion that I have ignored the views of the Aborigines. If I was indifferent to the Aborigines' views from day one I would have said that what we will do with the Wik decision is to overturn it absolutely and go back to the situation that people believed obtained after the 1993 *Native Title Act*.

The very fact that I have been willing to sit down and talk around these compromise issues to seek an arrangement which is fair to the Aborigines but also delivers that security, I think that is evidence of my and the bona fides of my Government.

FRAN KELLY:

But the Aboriginal negotiators say that your 10 point plan is not fair. The National Party has also dismissed that plan. Are you sticking by plan as it currently stands?

PRIME MINISTER:

Well I certainly am. And Fran, I think we all know in these things that sometimes things that are said publicly are expressed a little differently in private. I understand the pressures on some of the Aboriginal leaders. I also understand the feeling of despondency in rural Australia because the farmers of this country have had very tough times. They feel they were misled by the former government. They were given a highly impractical decision by the High Court of Australia. Now, I say that quite deliberately. The Wik decision was highly impractical, and I'm disappointed in the decision - I said that on day one - and it was a decision that went against the expectations even of some of the more vigorous Aboriginal leaders. And some of them have acknowledged to me that the decision was a surprise to them. Now, I understand that. I'm not seeking to exploit that. But I want to make the point that we are dealing with a situation where Wik overturned everybody's belief. And to the extent that out of all of this an arrangement might be reached whereby some of the Wik elements were preserved, then that obviously is something more than what many of the Aboriginal leaders of this country expected to have before the Wik decision was handed down.

FRAN KELLY:

But Prime Minister, just briefly because we'll move on to something else, but many people are describing your 10 point plan as extinguishment by stealth. I mean, why are you so confident that this plan would pass muster with the courts?

PRIME MINISTER:

Well, anything ought to pass muster with the courts if it's the clearly expressed will of the Parliament. And we're dealing here with the right of the people through their Parliament to make the law of this country. The High Court interprets the law. The Parliament makes the law. And it's perfectly proper and in accordance with time immemorial practice for Parliament to change a law as currently interpreted by the High Court. But what is good about my plan is that it's fair. It doesn't disrespect native title, but it does deliver security and predictability and it makes the *Native Title Act* more workable and that's what I promised I would do in the 1996 election campaign. It is a fair plan and I hope that even in the face of a very difficult set of circumstances - I can't conceive of a more difficult balancing act - I hope that it can win the support not only of Aboriginal leaders but of others in the community whose support is needed.

FRAN KELLY:

On another issue, cross-media laws are set to change. Would you countenance changes to the law that could allow one media proprietor to own, for example, the Fairfax newspaper empire as well as own and control a major national television company?

PRIME MINISTER:

Well, we're looking at that situation at the present time. My views about the cross-media prohibitions are well known. I, in fact, expressed opposition to the cross-media prohibitions at a time when, for example, Mr Kerry Packer was publicly very closely associated with Bob Hawke when he was Labor Prime Minister of Australia going back to 1987. I mean I have a long history on the record. I've seen those rules as being a knee-jerk, vitriolic response by the Labor Party to the then Fairfax empire, which incidentally was bigger than a combination of a television station and the existing Fairfax newspapers. Because in 1987 the Fairfax empire, as I recollect it, included not only the Seven Television Network and the newspapers, but it also from my recollection included the Macquarie Radio Network. In fact, it was the largest media constellation that this country had seen. Now, Paul Keating set about destroying it or breaking it up because he had some bias against them. I mean, that's the origin of the cross-media rules.

FRAN KELLY:

Is it a bad thing to break it up though, given that people, a lot of people, think diversity is the issue here?

PRIME MINISTER:

Well all of that...I mean, that's 10 years ago. But I think it's very important, when people are talking about motive and people are recollecting what happened and who did what to whom sort of thing, that the existing law, the cross-media thing, was inspired in by malice against the then Fairfax empire and also the old *Herald* and *Weekly Times*. Look, there are a lot of things to be taken into account. Your diversity argument is one of them. Another argument is the fact that in the modern age of convergence the idea of having cross-media prohibitions is ridiculous. The belief that there is some national benefit in having a very powerful fully Australian-based media company. If you are to have a presence in the region and a presence around the world, if you are to have a company that can sort of be in a sense a flag waver of Australia then you need a very very strong domestic base. The challenge of the internet to classified advertising, that's a relevant consideration, all of these things have to be taken into account and we said we'd review the laws. We don't have any commitments but I'm going to see and I know my colleagues will see that we take a decision that is in the overall national interest.

FRAN KELLY:

Well given, just finally on this, given what you said then about a strong national presence, Australian presence, would you also.. will you not then consider relaxing the foreign ownership limits in tandem with changes to cross media rules?

PRIME MINISTER:

Well that's a proposition that's been put to us by a couple of...

FRAN KELLY:

I'm sure.

PRIME MINISTER:

... the existing media proprietors. You know, I've had the odd telephone call, and I understand where they are coming from and they are entitled to put their point of view. There's a lot of sensitivity in this country about the existing level of foreign ownership. It's about 80% in newspapers and there's obviously some foreign presence already in two of the television... what do I feel? I think what I feel ought first be communicated to my colleagues. I mean, the matter is under consideration, that's obvious. I don't make any secret about the fact that people like Mr Packer and co. come and put a point of view is entitled to, it's in a sense better that this thing be done in a more upfront way out in the open. He's got a point of view. He's not a person who's reluctant to put it. Mr Murdoch's not shy either. Others have put their views. The ABC's put its view, the journalists put their view, they've all got to be taken into account. You've got to bear in mind that Australia is 18 million people. We are living in a global communications atmosphere and some of the old nostrums in this area are no longer valid.

FRAN KELLY:

Mr Howard we are running out of time, but a couple of quick questions, the budget process is almost wound up. There's been reports of a very heated exchange between you and the Treasurer Peter Costello last week because you overruled some of the cuts he intended to make, some of the savings. Is it true you stepped in to limit some of the cuts?

PRIME MINISTER:

Look I'm not going to talk about the process but I will say this, is that of course in any Budget you get disagreements and different points of view. We have disagreements and different points of view in every Cabinet meeting we have, every Cabinet meeting. It'd be a strange Cabinet of docile men and women if we didn't have some vigorous debates and disagreements but the budget outcome is one to which both Peter Costello and I will be very fully committed and in which we will very happily and with pride share ownership.

FRAN KELLY:

And your relationship with Peter Costello?

PRIME MINISTER:

Excellent.

FRAN KELLY:

Just one final question. An impressively low inflation rate yesterday, but still depressingly high unemployment. Would another interest rate cut do what's needed now to stimulate the economy and boost jobs growth?

PRIME MINISTER:

Well, I'm not going to speculate about further interest rate cuts, I don't think it helps but it is a brilliantly low inflation rate. We would be a very negligent 18 million people if we don't take advantage of this remarkable conjunction of economic good fortune. We have historically low inflation, historically low housing interest rates. We have by world standards quite strong economic growth, very strong business investment. We are living cheek by jowl with the fastest growing region in the world. We have been delivered may I say a very sensible living wage case decision by the industrial relations commission. It gives something to the battlers but it's not inflationary and I congratulate the commission for having delivered such sensible pro-Australian decision. Now with all of those things taken together the one depressing indicator does remain unemployment, I acknowledge that, it is always the last to move, but we do have so many circumstances in the palms of our hands to build a stronger and better economic future including increasing employment growth as we move towards the turn of the century. We would be a very negligent group of people if we don't fully take advantage of those extremely fortuitous circumstances.

FRAN KELLY:

It's in your hands isn't it?

PRIME MINISTER:

It's in my hands but it is also collectively in the hands of the Australian people. We can give the leadership, provide the guide, I mean, we have kept inflation down, we have presided over falls in interest rates, we have very strong levels of business investment, we will deliver tight budgets, not cruel budgets but tight budgets and that's our obligation and we live in a very fast growing region and my Government is building very close links with the major players in that region. Next week the Prime Minister of our greatest trading partner, with whom I have a very good relationship - Mr Hashimoto is coming to Australia. I've recently been to China, we have rebuilt relations with Malaysia, we continue the strong partnership with Indonesia which to their credit the former Government also continued. So we have a lot of things going for us at the moment and my message I guess to the Australian people is that we'll be