

PRIME MINISTER: TALK-BACK, RADIO STATION 2KA, PENRITH, NSW

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Question:

It's my pleasure to welcome to the studio the Prime Minister of Australia, Mr. Malcolm Fraser. Mr. Fraser, we would like to thank you for particularly making yourself accessible to the people of the Western suburbs and the Blue Mountains in an open-line situation.

Prime Minister:

I'm very happy to be here, thank you.

Question:

We probably both agree, actually, that these same people know which issues are crucial to them and so I am not going to talk with you about politics. We will be taking a first caller in just a couple of minutes. I wonder if you would mind satisfying a great curiosity for us -- it's something that many people wonder about and probably when little boys are born there would be very few of them that got through to the age of 6 months when Mum or Dad or somebody in the family didn't say "one day he will be the Prime Minister of Australia" and although they may say it in jest at the time, it's obvious that to be Prime Minister does epitomise success. What of the experience, the personal experience, of being Prime Minister would you be prepared to share with us?

Prime Minister:

I think the important thing about the job, or the most rewarding in any sort of personal sense, is when things go right and policies are effective and that results in a better life for a large number of Australians. Obviously, there are difficulties - difficulties with any job - there are exciting times and there are times when it is just plain hard work. The part that I regret most I think about this particular job is the fact that you have to make very positive efforts to try and shut yourself away with your family occasionally. It's very hard to get any sort of family privacy of a kind which most families in Australia have and believe is their right. If we went off for a holiday somewhere together there would probably be some cameras following and wanting to take pictures of the Fraser family at play.

Question:

Before you became Prime Minister, when you were thinking perhaps in terms - as many politicians no doubt do - did you find the concept somewhat awesome?

Prime Minister:

I think the concept is slightly awesome. But you don't really think 'that's where I want to get, that's what I want to do as a politician'. I didn't. The only objective I had, in a sense,

Prime Minister: (continued)

was to do whatever job I had at the time as well as I could and whether that was representing my own electorate, which is the important first duty of any politician - to respond to the needs and requirements, the concerns of his own people. To this day I still have a very large electoral correspondence. When you are a Minister - alright, you've got a job so you just do that particular job as well as you can. I think if people are trying to plan, say 'look, I'm going to be in a certain position, I've got to get somewhere else' then you never are content with what you are in fact doing.

Question:

Does the pressure of being in such a pivot of public expectation, public attention and things like this, does it change your outlook on life. The pressures, the public image, the things that people expect you to measure up to -- does it bring immense pressure on you as a person?

Prime Minister:

The thing that brings pressure is just the plain amount of work because there is a great deal and a lot has to be delegated to other people, to other Ministers. But there are always requirements on a Prime Minister and you never know when some sort of emergency might arise which nobody hears anything about but it is just one of those things that a Prime Minister has to deal with. That can land you in with several hours additional work where you have to give attention to it with other other Ministers. on top of what was already a reasonably full day. That sort of thing is always happening. You have to learn to pace yourself, know what you can do, know what you can't, in terms of physical endurance and I think that's important because I have seen people in the Parliament just do too much. You go on doing too much for too long and you end up by not being able to do anything at all. That's not much help to you, your family, your Parliament or your constituents.

Question:

Probably not a speciality of politicians. Probably 20 or 30 years ago it was much more easy for the public to differentiate between the philosophies and the principles of the major parties. These days it is not uncommon at all to overhear people in conversation saying 'well, it doesn't really matter to me very much who is in power because there isn't much difference between the two'. It is often said in fact that the Liberal-Country Coalition has become more left and the Labor Party has gone more towards the middle themselves. Could you tell us in fairly simple, concise terms what the Liberal Party is all about?

Prime Minister:

Yes. People have often said that Parties move in one direction, Parties move in another. I think the essential differences between the two Parties are really just the same as they ever were. The Liberal Party is all about trying to create circumstances in society where men and women can go about their own lives in their own way and work out their own future; can plan for that future with confidence; make their plans for their children; and where individuality, I think, is encouraged to the maximum. The things that Government has to do -- certainly we want to and do in terms of welfare and programmes for disadvantaged people but we don't try and prescribe remedies for great groups of people. That's something that they themselves ought to seek and find for themselves.

Question:

Do you assume that basically, when you say people as individuals, do you assume that they all have equal opportunity to take advantage of whatever environment they are in, whatever is offered to them by the Government at the time?

Prime Minister:

Well it depends what the programme might be. We've got many programmes which are in a sense designed for specific groups of people and which other people can't qualify for. Aborigines are eligible for a whole host of programmes which help with education, which aren't available to white people. In some parts of Australia that creates a problem. So there is not, in a sense, equal opportunity there. An Aboriginal stockman, a white stockman, on the same property in Western Queensland, being paid the same wage, but the Aborigine gets a very hefty subsidy if his kids are going to school. The white stockman doesn't. So these things can work in many different ways.

Question:

Could we possibly get back to basic principles for a second then. You've described what you feel to be the basic principles of the Liberal Party. How would you compare that with what the Labor Party is about?

Prime Minister:

I think the Labor Party is much more inclined to prescribe solutions, because I think they have much more a view that they from Canberra can determine what is best for people. We basically reject that view. We believe that people ought to make their own minds up, make their own decisions and whether it is -- let me an example-- support for local Government. We just say here is the support, you decide how you want to spend it. The Labor Party is much more inclined to say "here is the support and this is the way you must spend it". I think that has a different philosophy. To the maximum extent Governments need to trust people to look after their own affairs and make their own decisions and if necessary, their own mistakes.

Question:

I think perhaps, in any case, you accidentally mentioned the magic word and that was "local Government" and probably on that note, it is time to take our first call.

CALLER:

I'm very glad I don't have your degree of stress or your lack of privacy. I don't envy you those problems.

Prime Minister:

Oh well, it's voluntary, it's not compulsory.

CALLER:

I would like to compliment you on your efforts to keep inflation down. Our business is more secure and it is keeping more people in work because of it. But I don't feel the same way about the Federal Government's efforts in health care. We have a national health bill, if I remember correctly, of something like \$7 billion a year.

Prime Minister:

Health and welfare together would be something of that order. Don't tie me to the exact figures, but health and welfare, together...

CALLER:

A colossal...

Prime Minister:

...is a colossal sum, it really is.

CALLER:

I know how concerned the Government has been and we have a deficit of \$3000 million, \$3 billion.

Prime Minister:

About that, yes.

CALLER:

There seems to be a clear line of thought that if something can be done with the nation's health costs we may improve the nation's total financial situation very considerably. When we look at the health situation, heart disease and cancer are virtually at epidemic proportions. Half the population of the St. Mary's area are chronically ill, according to a Government survey - with bad backs, nervous trouble, heart disease and high blood pressure and much of the medical research now that's coming out is pointing to lifestyle as being involved with health. Over and over again we find that diet, and particularly lifestyle, are being connected with health problems. Right now, you are only 18 kilometres from Hopewood Health Centre, Wallacia, where

CALLER: (continued)

there is 18 years experience, which is more than any other place in the country, of a lifestyle approach to health. The methods here have in fact been observed scientifically, or the same methods elsewhere have been observed, and yet in Australia there has been no interest whatsoever at Government level that I am aware of, taken of this type of approach to health which is so readily available to be looked at. What I would like to ask, when is the Government going to do something positive about looking at lifestyle and preventive medicine.

Prime Minister:

I think the points you make are very real ones - they are very valid ones. The community health programmes that are operating reasonably well in some parts of the country - but more particularly in those areas where there wasn't an adequate general practitioner service - are trying to do something about preventive medicine... prepared to accept it if you say not enough but there is a much greater awareness. I would like to, if I could, maybe you could give it to the station get the address of the Health Centre that you are talking about so I could find out more about precisely what you are doing. I agree that lifestyle, diet and the way people live, the temper of modern society and the pace of modern activity, does have an effect on people. Nervous tensions and all the rest can arise out of these things.

CALLER:

May I quote two examples. One was a guest at Hopewood who went back to his heart specialist in Melbourne and he wrote me a letter and said his heart specialist wanted more details - did medical tests on the gentleman's return and found that cholestorol levels and blood pressure and the condition of his heart was so much improved that the specialist words - and apparently he is a leading specialist - were that there be more such centres and they should have Government support. This is really what I am putting to you.

CALLER:

I want to speak to the Prime Minister about my son. Mrs. Ellenyss from Penrith. Mr. Fraser, excuse me calling you Mr. Fraser - the policy was unite the family.

Prime Minister:

Yes of course we do.

CALLER:

I have applied twice for my son in India - and both times the thing has been turned down.

Prime Minister:

How old is your son?

CALLER:

He is working in the Forest Department, he is 44.

Prime Minister:

In India?

CALLER:

Yes. He has worked 27... in the Forest Department.

Prime Minister:

How long have you been out here?

CALLER:

I'm 18 months here. My son has been here from '73 with two months staying - the eldest boy - he has been here from '73 and my daughter has been from 1970 - she is living in St. Mary's.

Prime Minister:

What other relatives do you have in India?

CALLER:

I've got only two sons.

Prime Minister:

Two more sons in India?

CALLER:

Yes.

Prime Minister:

Are they married?

CALLER:

Yes. ...We are trying for... is the youngest and he has three boys and one girl. His eldest is 8 years.

Prime Minister:

At the present moment, when there is more unemployment than we want to see in Australia, there are limits on the total immigration programme and under that, therefore, we have priorities for certain categories of family reunion, especially dependents, and also people who have job skills where the skills are in short supply in Australia. But, without making any commitment what the outcome will be, again, if I can get your

Prime Minister: (continued)

name and address I will be prepared to follow that up to see if there is any way in which your son does come within the guidelines as they are at the moment.

CALLER:

I'd like to ask you why, in a time of high unemployment and when our neighbouring countries are having major skirmishes on our back door, why doesn't the Government reintroduce compulsory national service for all 18 year olds, for a period of say, 6 months?

Prime Minister:

That is a possibility. It would be a very expensive possibility. When you look at the straight out defence requirements, what we basically judge as one of the main priorities at the moment is to get as large a share of the defence vote as possible into modern and more efficient capital - equipment - armaments for the services. A few years ago we were spending less than five percent on replacement equipment and that is just not enough. Your equipment wears out. Now we've got it up to about 13 or 14 percent, but we still believe it needs to be increased more. Now that means the manpower numbers have been rising a bit but not all that much, and it also means keeping a tight rein on the current running costs. It would be possible to put everyone from the age group into national service for say six months. It would cost a great deal. There are say 200,000 young people in an age group, and if they are going to be in for six months that is, I suppose, 100,000 at a time. The Army would need to be very substantially expanded for training and other purposes. This is a very contentious subject because there are a lot of people who believe as you do that that kind of service would be very good for many Australians. There are others who oppose it quite bitterly as something which they oppose, which they think is authoritarian.

CALLER:

I just feel that the money we are putting out in the dole with these young fellows would be - both themselves and our country -- would be a lot better off. They would reap a lot of discipline, which they need, to hold employment.

CALLER:

From time to time the subject of compulsory, or elected, voluntary retirement of public servants at age 55, both male and female, arises. Is this in fact likely to become a reality?

Prime Minister:

Not compulsory retirement at 55. We do have legislation which will be presented to the Parliament shortly and that legislation will make voluntary retirement at 55 a possibility at a slightly reduced retirement pension, superannuation, but also in some cases there would be the possibility of management initiating retirement at the same age. But if it is management initiated the superannuation penalty for going out earlier is not the same as one would expect. Now, this is something that applies

Prime Minister:(continued)

to the Commonwealth Public Service. There has been a great deal of discussion with the Public Service unions about it over the last couple of years.

CALLER:

If it does say, become a reality with Federal Public Servants, would it then become a matter of the State decision, or a flow-on from the Federal Public Service?

Prime Minister:

If it was going to apply to State Public Servants that would be a State decision, not a decision for us.

CALLER:

In the present unemployment situation, I would certainly endorse such a move, on a voluntary choice basis. I feel for it to be any other way it would only just more or less shift the social disadvantage from one age group to another.

Prime Minister:

I don't think you can really compulsorily retire people at that sort of age. A lot of people want to work beyond the normal retiring age because they feel fit and that's what they like doing. It is, in a sense, rather cruel to tell people they can't work anymore. Also, of course, you've got to look at the other side - the, in part, cost to the community because it is not always understood that for every thousand taxpayers ten years ago there were about 160 pensioners. Now for that same thousand taxpayers there are about 270 pensioners, all getting pensions at a much higher level. That's one of the reasons why taxes are so high.

CALLER:

In the new divorce law that was brought in by the previous Government, there are many areas that have fallen down badly. Because there is no fault, many innocent people and children have been put out of their homes. Others who were fortunate to keep the family home have to forego maintenance and others have to sell their homes when the youngest child is 18. In a lot of cases these people can't re-marry because of the ramifications arising from these court decisions and I would like to know if the Government intends doing anything to rectify the situation in that area?

Prime Minister:

I think this is a matter where there are many very divided opinions. I personally believe, as I think you do from your question, that the family is a very important and integral part of the community and community life. The changes in this area have generally not been regarded as ones for party political debate. They have been regarded as ones in which individual members of Parliament, by and large, make up their own minds.



Prime Minister: (continued)

That being so, it is not so much a matter for one particular political party to introduce changes because Members vote on these matters as their own conscience determines.

CALLER:

I would like to know why I have to pay provisional tax when I'm not working for myself.

Prime Minister:

How are you getting paid. What sort of -- provisional tax is generally for self-employed.

CALLER:

Working on the piece-work wages. Like on piece work. Say, if I wanted to go onto sub-contract and I wanted to go on sub-contract, why should I have to pay provisional tax?

Prime Minister:

Well, you are not having tax taken out of your wages every week on the pay as your earn basis.

CALLER:

Don't you actually have to pay double there - like more or less the double the amount you are paid.

Prime Minister:

If you are not paying on a weekly basis, as you earn, as you go, everyone who is not doing that pays provisional tax. That doesn't any more than really try and put the provisional taxpayers in the same position as those who pay as they earn because they pay later. You pay when the financial year is mostly ended and you are paying, in a sense, for the year before. Provisional tax is only designed to put people on the same basis as those who pay on a weekly basis. I think that's fair enough really. I am a provisional taxpayer myself.

CALLER:

I would like to know when the Department of Defence will recognise the shiftworker in the Forces, for instance, my husband has been in the Army for 16 years and ten years he has spent working as a shift worker - working approximately 80 hours per week and receives only about \$2.50 per hour. To me this doesn't seem fair and in relation to a fellow who works 8 to 4 and five days a week, weekends off and etc. and etc.

Prime Minister:

What's his job in defence?

CALLER:

He is a military policeman and I just feel that--I have written

CALLER: (continued)

to the Department of Defence, Mr. Killen, and I would like to know -- if I write to the Department of course there are repercussions on my husband. They find out at work and you know...he gets extra duty and etc.

Prime Minister:

When I was Minister to Army an awful lot of people used to write to me. They really did -- about a whole host of things. I would have known more about the details of this when I was Army Minister, or Defence Minister, and then we established a committee of inquiry into the pay and conditions of service of Armed Serviceman and that inquiry reported and was accepted. Since then there is a - I'm not sure of the exact words - but it is an Armed Forces pay tribunal and they determine the rates of pay and conditions for members of the Armed Forces. Without going and getting some advice I wouldn't know if the particular matter that you are talking about has been before the tribunal or is going to be referred to the tribunal. But to satisfy myself when I get back to Canberra I'll ask and find out.

CALLER:

I think it's only in general that the pays and conditions are done. In this particular unit, I won't mention it, I will write to you if you would rather and put all the details in the letter, but their shift is on average 80 hours per week at work. That is quite a few nights and quite a few weekends and they get nothing extra for this. They can't get their meals there.

Prime Minister:

I think you could write to me about that and ...

CALLER:

Will something be done about it if I do write to you?

Prime Minister:

Well I can at least look into it, but refer to this conversation to make quite sure that the letter gets to me, because something between 2,000 and 3,000 letters a week come into my office. I quite obviously can't read them all directly, they have to be opened and sorted by other people. Just refer to this conversation and say that I have said to make sure the letter lands on my desk.

CALLER:

Back in 1976, Mr. Fraser, Dillinghams and Murphyores were stopped from mining and exporting mineral sands from Fraser Island. When the Dilligham Murphyores group claimed \$23 million in compensation, you replied with a take it or leave it offer of a mere \$4 million ex gratia. Now this has become a multi-million dollar dispute of international significance to the Australian mining industry. Why don't you refer this dispute to arbitration --

CALLER: (continued)

the advice that you frequently recommend to striking trade unionists?

Prime Minister:

There are a number of reasons. That particular company was going ahead and mining. They knew that there was a Commonwealth appointed environmental inquiry. It was a well-based inquiry and it recommended that mining cease on Fraser Island, which -- I suppose there is no need to take it -- it's Fraser Island and I'm Fraser but it's got nothing to do with me. Some people have said in the past that it has so I just make the point. At the time I think Dillinghams had basically lost their contracts. They were in a court case, either with a customer or with a partner, I'm not sure which, and we decided that mining should cease, following the advice of the environmental inquiry. The legal advice to the Commonwealth was that there was no legal liability at all, but we did offer compensation to another company that was mining, and to Dillinghams, and also to a number of smaller contractors who were operating - I think all of whom have accepted it. The other company mining in the area accepted the offer. The offer we made was \$4 million, after tax, which something between \$7 million and \$8 million before tax. It was quite a substantial offer. In the United States, for example, there is no compensation, as I am advised, for costs put on companies, or problems caused for companies, by environmental legislation -- that's what my American friends tell me. Of course, if Dillinghams, which is a large and big multinational company, didn't like the offer, they have always been able to take us to the High Court. That's available to them. If other companies feel that they have been wronged by Government or by whatever, that redress is there. Dillinghams haven't availed themselves of that redress. What they have done is to try and conduct a press campaign. They have tried to get support from other people in the industrial and financial circles, especially overseas. I don't think that's the right way of going about it. Let me only say when I have been in the United States - and Dillinghams is an American multinational corporation - that whether it has been in New York or Washington, there has been no financial support from other corporations or bankers or institutions for their cause, knowing the facts. John Howard, the Treasurer, was over there just a short while ago and I don't think anyone mentioned the matter to him. Basically, we have made an offer that we think is a very fair one - \$4 million after tax, between \$7 million and \$8 million before tax is the equivalent - and the other companies have accepted the offers made on the same basis. Dillingham's haven't. At any time they could have taken us to the High Court if they wanted to.

CALLER:

I would like to ask two questions if I may. Firstly, the Telecom charges for the outer Western areas, which includes Windsor and Penrith and Campelltown - these areas you would be aware of. The previous Minister promised us that these areas would be included in the metropolitan zone before the next election. We realised that Mr. Staley is handling this in the best way that he possible can, but can you tell us what progress has been made in this issue?

Prime Minister:

Yes I can and there has been more delay than I would have liked and certainly more delay than Reg Gillard would have like on this particular issue. When that earlier statement was made by the former Minister, I think he was thinking of those areas only and then tying them in with the metropolitan area. Then when we and Telecom came to look at this, we felt that there ought to be a total inquiry into local call access - that it really in a sense isn't fair to all Australia just to make the decision for one part of Australia which is fairly close to the metropolitan area of Sydney. There has been an examination by Telecom of local call access over the whole country and the last advice I had was that that report ought to be available for examination by the Minister about the end of March. We are past the end of March. I haven't actually been told that the Report is available, but if we haven't got it now it is certainly imminent. I know quite well that Mr. Gillard is not going to let the Minister or me forget the fact and he will be pressing for decision as soon as we can.

CALLER:

That's good news.

CALLER:

What are your views on school fees in Government schools?

Prime Minister:

What sort of fees? Fees for general tuition or fees for special things?

CALLER:

Fees for buying equipment and whatever the school feels is necessary for a quality education.

Prime Minister:

I think it's fair enough if parents make some contribution to make sure that the education their children is as good as it can possibly be. An involvement by the community, by parents and the school, the life and well-being of the school I think is a good thing. It's not something that should be shut and isolated and apart from the rest of the community. A financial contribution can be part of that. Let me also say that schools are much better funded than they have ever been in the history of Australia and the equipment in schools is much more than it has ever been. I was in a primary school sometime ago, and I'm not going to say where, but even for the five and six year olds it was full of electronic equipment which was fairly expensive. I must say I came away with the feeling that more importance was being placed on equipment and not enough on the quality of teaching. The most important thing in a school really, is a good teacher.

.../13

CALLER:

I believe legally, we can't insist that their parents pay fees, is that right?

Prime Minister:

I would doubt it. The State might try and make it compulsory because these schools are run by the State. I wouldn't have thought it could be made compulsory.

CALLER:

It's just that we feel that with the non-Government schools getting aid, using Government funds, they can insist on fees, but we who are getting less of the Government's finance, cannot insist that these fees be paid.

Prime Minister:

For Government schools they are totally funded by Government and the non-Government schools get some support but in terms of the money spent on non-Government schools, taxpayers funds, it's much much smaller than the amount that's spent on Government schools. In many of the non-Government schools the resources available to teachers and therefore to the pupils is much much less than it is in Government schools. There has been a tremendous improvement in equipment and building of Government schools over, I suppose, the last fifteen years. It's really a transformed scene from what it was certainly when I went to school.

CALLER:

On a recent talk-back programme you stated that were it your decision, it would not be possible for unions to be heard before the Arbitration Court whilst they remain on strike. Would you explain what the Government would need to do to bring this about; by legislation or even referendum?

Prime Minister:

I'm not too sure that we would have the legislative power to do this and the Arbitration Commission, as you know,

CALLER:

It's independent, yes...

Prime Minister:

... has got a great deal of independence and it should have independence. Countries that do have the legal power to impose wages on people have never been able to do it very successfully and by and large decisions have to have the support of both sides. In earlier times the Arbitration Commission itself would not hear cases if there was a strike involved or if there were bans involved they would say "look, we will hear the case as soon as work is proceeding normally".

CALLER:

That's as it should be.

Prime Minister:

I think it's as it should be.

CALLER:

There would be a great support for that and if the Government could get around to it, even if it meant having a referendum, it should be done.

Prime Minister:

This is one of the things that we are looking at at the moment and as I think you also know, I said -- it wasn't in a talk-back it was in answer to a question in the Parliament -- that in relation to a situation such as in the Postal Commission or Telecom where when there is an industrial claim people say "well we have some bans and limitations to give teeth to our claim", well...

CALLER:

That makes it difficult.

Prime Minister:

It not only makes it difficult, but if people aren't doing the work which they are paid for, we believe they shouldn't be paid or that they should be stood down.

CALLER:

Quite right.

Prime Minister:

We are agreeing with each other. But I think there is a very real community interest and the community is always the silent third party in any industrial dispute. It's time that, I think, those that are involved in disputes not only thought of the community but said "look, let's give arbitration a go, let's trust the umpire for a change and see what the umpire can do without industrial muscle, without bans and limitations, or strikes", because we would be a much, much better country if they would only accept that.

CALLER:

My name is Mrs. Bligh from Hazelbrook. Mr. Fraser, can you enlighten me on the following situation please? My son is 18 years old. He had a good education, but when he left college he was unable to get employment like many other boys. He qualified for the NEAT scheme, sponsored by your Government, and was selected to do a computer training course. He did this and 15 months ago he got his diploma as computer programmer. His lecturer said he was really brilliant in this field. Despite the fact that he has a diploma for this, also vocational guidance put him in the top 5 percent of the intelligence bracket, he has

CALLER: (continued)

absolutely been unable to get any sort of employment in this field at all, because the magic word seems to be experience. Because he hasn't got 6-12 months experience in commercial work -- he had six months on site training I might mention and his applications have been rejected. Now with all the Government departments going computerized, surely there should be a moral obligation to give some opportunity to the young people to get employment in Government departments. I even believe the Commonwealth Department doesn't even recognise that a (inaud) course, which your Government paid for -- can I mention the place where he trained?

Prime Minister:

Yes.

CALLER:

From the ACIC -- that's the Advisory Computer Information Centre - they don't even recognise it when he has been down to get an interview. I was just wondering why does such an anomaly exist and can you suggest any way of overcoming it please?

Prime Minister:

I think the best thing would be if, maybe you could ring up this station and give your son's name and address, the details of what you have just told me over the airwaves, and I'll look into it and see what I can do.

CALLER:

Thank you very much indeed, I would greatly appreciate that because he is really brilliant in this work.

Prime Minister:

You make sure you ring this station -- what is your name?

CALLER:

Bligh -- my son's name is Martin.

CALLER:

I think earlier you spoke to a lady regarding superannuation. In particular I think at that time you were talking about compulsory retirement. My question to you relates to the western area in particular where we have a terrible lot of people in the low-income area, and superannuation in fact represents quite an attractive proposition for them in terms of 5 percent contribution by them and 5 percent employer. Later on -- I think it is a fact of life that later on they will be caught with a fixed income which is subject to inflationary spiral and as a result the superannuation is a think which helps them later in life in terms of subsidising their income. My question to you then is, have you considered a national superannuation scheme. If not, why not? And if you have, is it the study you have started?

Prime Minister;

Oh yes, the study has started. There have expert reports on these particular matters. There have in the past generally been, I suppose, two major difficulties in the introduction of a national superannuation scheme which, like you, I believe is good in theory, if only we could get it in: one, the cost, which would be very great - it would be a significant increase in taxes paid by all taxpayers and two, the problem of covering the self-employed person is also one of some significance. There are some examinations still going on about this particular matter but there are very real difficulties.

CALLER:

Naturally, with a scheme such as this, you would expect some form of contribution by the people themselves. Would you see a superannuation fund of this nature taking the place of say pensions and that?

Prime Minister:

I suppose that could be one of the options, but there would be substantial additional costs. You might still have a position of some people who through life, for one reason or another, didn't qualify for a superannuation pension. But it is a complex matter and one which I don't think any Government, no Australian Government, has so far been able to see its way through.

CALLER:

I think you said that a study has been either started or nearing completion. When is the completion date for that study? Could you tell me?

Prime Minister:

There are studies that have been completed but they've been examined within Government departments over recent times but they haven't yet got in front of the Government itself.

CALLER:

And up to that stage we can expect some sort of public disclosure of those studies, the results?

Prime Minister:

Of the results, yes, certainly.

CALLER:

Do you intend proceeding with the voluntary youth community service scheme?

Prime Minister:

I'm sorry, do we intend to what?



CALLER:

Do you intend to carry out the voluntary youth community support scheme -- service scheme.

Prime Minister:

You are talking about the new proposal that Mr. Viner announced, you are not talking about the CYS schemes, community youth support schemes, are you?

CALLER:

I'm talking about VYC - the Voluntary Youth Community Service Scheme.

Prime Minister:

There are two programmes that in a sense fit that category. There is the community youth support schemes which are commonly known as the CYS schemes and they are funded in a number of communities. Ian Viner, as the Minister for Employment and Youth Affairs, is now looking to see whether we can't get a wider voluntary scheme involving the community. He has been having, over the last two or three months, extensive discussions with a number of people and community groups and he will be reporting to the Government as a result of those examinations. I certainly hope that it will be possible to introduce some programmes which will give more opportunities to young people who are not employed.

CALLER:

I'm concerned about the defence of Australia. I believe that we are only paying about 2 1/2 percent of the national income on defence whereas China and Russia are up around 20 percent and America I believe is about 7 1/2 percent. What's the good of having a good country that we've got, if we can't defend it?

Prime Minister:

We have got quite effective defence forces and we shouldn't forget that. We've got some very good and very advanced equipments in the three services, and over the last three years we've been trying to get a larger share of the defence vote, which itself has been increasing, into the purchase of more modern equipment which is very important for a defence force which inevitably because of the number of people in Australia, will remain small in size. Now Mr. Killen in this last week made a statement in the Parliament which indicated that we've already made decisions that involve a greater rate of increase in defence spending than we had in mind at the time of the last Budget. So that will lead to some greater degree of expansion and we are increasing the proportion of the vote spent on new equipment. I think your percentages aren't quite right. The Soviet Union spends about 12% to 13%, which is certainly very high. The Americans, you were right - about 6% or 7% - I don't know the Chinese percentage. The armaments that would concern us most of course would be the buildup of Soviet arms because it

Prime Minister:(continued)

is so substantial, with naval forces that can reach anywhere. It is not just an Australian concern. All the western European Governments have expressed concern in exactly the same terms. But Australia (inaudible) by herself, with 14 million people, is never going to be able to have a defence force that could stand against the might of a major power or a super power. Therefore, we have a system of alliances -- the ANZUS Treaty with the United States. That doesn't take away from us the responsibility of what we can and should and must on our own account. I agree with you, we do need substantial and significant defence forces.

CALLER:

Mr. Fraser. This is not a very important thing, I suppose, but why has the country changed to metrics?

Prime Minister:

We changed to metrics -- I sometimes, with the fuss that has gone on -- wonder whether I did the right thing, but years ago I had the original submission to Cabinet suggesting the change to metrics. I didn't carry it at the time. The next Minister for Education and Science did.

CALLER:

You didn't do it though?

Prime Minister:

I brought in a submission to Cabinet and it got defeated, but my successor was more successful. He brought in another submission and was successful. The reason is a simple one. Most of our markets overseas, the countries from whom we are buying equipment, and to whom we are selling things, operate on the metric system. Now, if we want our manufacturers to well, it helps if they are producing in metrics because then it goes to a country where metric is the standard measurement and it makes it easier. Take a mechanic in a garage where he is operating on cars. If all the cars are metric he needs one set of spanners which does everything, but if he's got British standards and American fine and metrics and I think there are some other measurements as well -- SAE -- then he needs a different set of spanners for the lot and it becomes inefficient and more expensive. Now, I know there are some things about metrics that people don't like. If you are used to buying a pound of beef, you want to be able to go on buying a pound of beef. You don't necessarily want to have to buy a kilo of beef if you are not sure what that is.

CALLER:

I still don't.

Prime Minister:

I'm not either, I can promise you. I don't know what a kilometre is. I know what a mile is. The kids are all being taught metrics at school.

CALLER:

Not very well, sir.

Prime Minister:

Well, maybe not as well, but they are not being taught feet and inches at all. So, through the passage of time, everyone will, I suppose, be more used to metrics and you and I won't be here with our memories of the older system. We are looking at some aspects of the compulsory elements which seem to be around at the moment which suggest that is wrong for somebody to sell you a pound of beef or a pound of bread - or however bread is measured, because that just seems to me to be quite unnecessary. That aspect is being looked at.

CALLER:

I want to speak to you about the state of the nation and I am referring to the Income Tax Assessment Act No. 1, 1979. This hits out unintentionally on a wide range of legitimate business dealings which have nothing to do with tax avoidance. The Act defines tax avoidance so widely that even paying wages could be called a tax scheme. What I wanted to ask you was that would Parliament reconsider having another look at this amendment act, considering income tax, because it affects every business house in Australia.

Prime Minister:

Two things; I don't carry the precise memory and details of the particular part of the Act that you are concerned about in your mind, so I would be grateful if you could do what other people have done on this programme and ring in to the station. Give me your details, your name and address and I will look at the details for you. We don't want positions that put unreal or unnecessary difficulties in the way of business. But at the same time we have been very very concerned about tax avoidance which has become a massive industry. I believe that some elements of the legal and accounting profession are really not acting in the best interests of the reputation of their professions in promoting schemes which have cost taxpayers over the years hundreds of millions of dollars. That means everyone, to make up for...

CALLER:

I know that the Government was very concerned over the current scheme and ...

Prime Minister:

That's the sort of thing that can cost hundreds of millions of dollars and as a result of that everyone pays higher taxes because you lose out from a few who...

CALLER:

But this particular piece of legislation is pretty dangerous in the fact that the law should be clear enough to create an

CALLER: (continued)

atmosphere of certainty in which business can operated, but this piece of legislation is so wide that it reminds me of when I was in the forces, under Section 39A of the...

(Interrupted by compere of show)

CALLER:

I would like to ask your opinion on what you intend to do about abuses of the current unemployment schemes, such as the NEAT scheme in particular.

Prime Minister:

Do you have particular abuses in mind?

CALLER:

Yes I do. The NEAT scheme runs for a period of about 17 weeks and I know of several instances where people have been employed for those 17 weeks under the thought that they are going to get a job at the end of that time, but at the end of that time they have just been given the sack.

Prime Minister;

Under the NEAT scheme and under the -- that's training on the job?

CALLER:

That's right.

Prime Minister;

If there are employers who have become known to the Department for taking people under the NEAT scheme or under the Special Youth Employment Training Scheme, which is designed to help young people with some training for the same purpose but over a shorter period, if we find people who are just taking them for the period that is subsidised and then don't keep them on in employment, well then they just wouldn't be eligible for more people in the future under the programmes.

CALLER:

...liable for any sort of prosecutions?

Prime Minister:

I don't think they are liable for prosecution but they wouldn't be eligible for anyone else under the programmes. Our only problem is to identify the employers who do that.

CALLER:

Who can we report these employers to, because I do know of some who have done it?

Prime Minister;

You could report to Reg Gillard, you could report it to the Department - the Commonwealth Employment Service.

CALLER:

There have been many questions lately about taxing company profits and this money then being taxed as income for individuals. There have also been many questions about foreign equity of companies and repatriation of large profits overseas. Why can't a tax policy be introduced along these lines -- say a company is 50 percent foreign-owned and makes a \$100 million profit. The \$50 million going to Australians would not be taxed at the company level. The money that leaves the country would be taxed along the following lines: a flat rate because it is foreign-owned; extra on a progressive scale of tax based on the amount repatriated and finally a surcharge for the profitability of the company on the amount invested. This would encourage Australians to buy shares in local companies and help increase local equity. The Government would benefit because people would take risks, employ people, with a resulting increase in demand for goods and services and give the economy a general shot in the arm. Multiply (inaudible) would then take effect. The balance of payments problems would ease up... Wouldn't this benefit the economy generally?

Prime Minister:

I think these are complex matters but one of the things that we do believe we need to do - and that is to tax all companies on a fair and equitable basis; the same sorts of rules for all whether they are Australian or foreign companies.

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