

INTERVIEW WITH RICHARD COLVILLE - "SUNDAY REPORT"

Question:

Prime Minister, on the Postal Workers' dispute, a lot of people have called your action during this dispute as highly provocative. Why did you find it necessary to do what you did?

Prime Minister:

Well, I didn't think that the action was provocative for one moment, and when you say a lot of people, it might be just one or two union people who have done that. But the government has taken as a general policy line the view that if people are not doing their full work, if they are placing bans or limitations on their work with resulting inconvenience for the public, that they ought to be stood down, or, no work, no pay. And I would have thought that's eminently reasonable. Indeed, as I'm advised, people are thoroughly fed up with the inconvenience from actions in the trade union movement.

Now, the government expressed a view, but the actual action in this matter was taken as a result of a decision by the Postal Commission and Telecommunications Commission. Certainly the government had been in touch with them, but, I don't think many people really believe that a person should be able to turn up to work, get his full pay but then decide to do perhaps only half his job. Now, people either do their jobs or they don't do them, and if they're not going to do them, they're not going to be paid, and, if necessary, they'll be stood down.

Question:

The union said the action was provocative because the matter's still being negotiated - it's before arbitration - and they say that action shouldn't have been taken...

Prime Minister:

Yes, but there used to be a practice once that when things were before arbitration, the arbitration process was allowed to work in a reasonable way. Now we have a number of unions that, as soon as they get to arbitration, also start to threaten that arbitral decision by imposing bans, or having a strike one day a week - other actions which are designed to use industrial muscle, again, at great inconvenience to the public, and designed to influence the arbitrated decision.

That again is not through arbitration, that's negotiation under threat, and it's time that a stand was made against that kind of practice.

Question:

Does this herald a harder line by your government in disputes

like this when public services are threatened?

Prime Minister:

We're certainly looking to see whether there should be some basic change in the attitude that we would take, but let me make something quite clear. None of what we've done, or would do, stands in the way of the industrial process of arbitration. We support it even when we don't like the decisions - we support arbitration, and what we want is for other people, for the trade union movement, to support arbitration, to give it a real chance to work without inconveniencing the Australian public.

Now, more and more we've seen in recent times, "let's strike first, impose bans first, limitations on work first, and we'll negotiate, arbitrate, second". That attitude just isn't good enough, and the government will not continue to tolerate it.

Question:

On another subject, during the past week, there has been a lot of speculation and discussion about the future of energy resources. I think probably a lot of people are becoming concerned about the future, particularly of our oil supplies. Is there any real need for concern, do you think?

Prime Minister:

I've said, and Kevin Newman has said, not in the immediate future, but in the second half of this year, there remains doubt as to the effect the Iranian position will have on world oil supplies. That I suppose is from June onwards.

But I think that it mightn't hurt to restate the basis of government policy in this area - oil search, exploration and development had ceased when we came into office. They'd ceased because of pricing policies which meant that Australian oil was well below world parity, was more profitable for companies to explore and develop in other parts of the world than in Australia, or off-shore around Australia. Now that had to be altered. At the same time, because petrol was cheap in Australia, more petrol was used, more oil was used, than would be the case if it were priced on a rational economic basis. So we decided over a period, and that was hurried up in the last budget, to go to world parity pricing, virtually in one step - that's what happened in the end. As a result of those policies, we now have greatly increased oil search and oil development.

Two countries alone have committed \$1 000 million to exploration and development, and by the middle 1980s, about a third of the oil that Australia will be using, will come from reserves that have been proved and developed as a result of our oil pricing policies, that just wouldn't have been available if those pricing policies hadn't been put in place. The number of exploration wells this year, will be the highest for maybe 7, 8 or 9 years on even the lowest estimates of what will happen. Now, world parity pricing, therefore, achieves two objectives - over the longer term people move to a more rational use of energy resources, a more rational judgement between oil and coal, and natural gas. But at the same time, that same world parity pricing policy, encourages exploration and development, and therefore increases the

Prime Minister:

total oil available to Australia from Australia's own sources. That again makes Australia more independent of what happens in other countries. Quite plainly, if there are OPEC price changes which appear quite irrational and unreasonable, the government would have to assess their impact under the policy. Kevin Newman is preparing a paper for cabinet on the oil position, the forward position, and we'll be examining that shortly. But the basic thrust of the policies must be maintained because they're rational, sensible policies.

Question:

Does the latest OPEC price change appear to you to be reasonable?

Prime Minister:

Oh, it doesn't appear to be reasonable, no, but I think that it's impact also might well have been over stated in some quarters, and I wouldn't want that to herald a change of view or a change of policy as a result of that particular decision. There's another element in this. There is a capacity in Australia to use more liquid gas. This is another policy matter that is being pursued by the government - much greater increase into alternative uses of coal for different forms of energy. Quite a significant number of Commonwealth cars have been converted to natural gas in Melbourne, and I wouldn't be at all surprised if that didn't continue with a large number of taxis, for example. If that move gathers pace, and it's also a move that helps with pollution problems - pollution problems in cities - if that move gathers pace, it obviously helps get a total fuel usage into a more rational pattern.

Question:

Getting back to the OPEC situation, you said that you would maintain the parity link if the OPEC changes appeared reasonable. What about this present case?

Prime Minister:

I can't commit the government to any position in relation to this until we've considered it.

Question:

It's not an automatic flow-on?

Prime Minister:

These matters are considered. Always they're considered, and it's not an automatic flow-on in the sense that, there's an OPEC change, then there's a change in the Australian price. You see, world parity prices are determined at a price a year, and therefore there's no automatic flow-on in the sense of OPEC today, Australia tomorrow. And that does give a time for the government to make a rational judgement in relation to the matter. But again, the basic thrust of world parity pricing policies for oil, must be maintained, because it's a rational policy, and it's

well worth noting, I think, that all other countries, especially some major countries, had the same policy, then there may well be no crisis at the moment, because in some countries, the price of oil is well below world parity pricing, therefore consumption is much higher than it would otherwise be, and they use, therefore, much more than their fair share of a finite energy resource. So, if a particular country has unreal pricing policies, that's not just a matter of concern to that country, it's a matter of concern to all oil-consuming countries.

Question:

There has been also a lot of speculation about the effect of this latest oil price rise on various other services, and on inflation. You said earlier that you thought there had been an over reaction. Was this what you were referring to?

Prime Minister:

Oh, in some areas I think there certainly has. I saw one scare headline which indicated some fantastic increase in the household bills of every family. It grossly over stated the position. If Australia's policy is irrational, we're helped very greatly by having a real degree of self-sufficiency through our own supplies, and certainly there's some impact but there'll be much greater impact in some other countries that are more dependent on imported fuel, and to that extent, Australia is fortunate. We can also look forward confidently into the future because we are re-establishing a very positive exploration and development programme for oil around Australia as a result of the totality of our policies. And as far as looking forward to the 1980s, Australia is one of the countries, I think, that can do so with a real degree of confidence and optimism.

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