

PRESS CONFERENCE - THE PRIME MINISTER AND THE PREMIER
FOR QUEENSLAND (BRISBANE)

Premier:

.. just an interesting discussion, exchanging views on quite a different number of subjects.

Question:

Which particular subjects?

Premier:

Well, no end of subjects. We talked about our hospitals, State/Commonwealth relationships and problems there . We have given a clear indication of our views which I am sure will be taken into account. On irrigation matters we discussed details there - in Bundaberg and elsewhere. These sort of things.

Question:

Did you discuss tax?

Premier:

Yes we did, but we have both got very definite views on tax. I know your views on it - you think you pay too much.

Question:

So, you didn't agree with the Prime Minister?

Premier:

Well, we didn't really have any discussion on tax.

Prime Minister:

We have had that discussion.

Question:

Did you discuss the possibility of the Federal Government cutting Queensland's share of the tax ..inaudible..?

Premier:

That was mentioned. Yes, that was mentioned also. Here again, I don't know that there is anything intended in this regard by the Commonwealth. I didn't get that impression from our discussions. Naturally we told the Prime Minister our views in that regard, but again, I think a lot of that was just views expressed by one or two of the Federal Ministers.

Question:

Mr Fraser, just what is your view in that area?

Prime Minister:

I think all governments should be as lean as they possibly can be and save tax payers dollars.

Question:

... tit for tat arrangement whereby Queensland is getting a bit of resources tax or through the resources tax, therefore they should get less federal money. Did you ...?

Prime Minister:

That is not really something - you should put that question to the Grants Commission, because the Grants Commission at the moment is doing an examination of the relativity between all the States. That report won't be available, I don't think, Premier, until about the middle of June. They will then be assessing the proportions of the total tax pool that now goes to the States to see how much each State ought to get. It is up to governments to decide what they do with that report. Since the proportions were first established, many years ago, there have obviously been very great changes in the relative wealth of different States. All the Premiers in the Commonwealth agreed about two or three years ago that there ought to be an examination of this. Now, how it comes out I have no idea at all, but the report will be available in June and we will be looking at it. I think it is also worth noting of course, that because of the problems of large States such as Queensland and Western Australia, and also the problems of States such as Tasmania, the Commonwealth payments to Western Australia, Queensland, Tasmania and South Australia on a per capita basis has been very, very much greater than it would have been to Victoria or New South Wales. That is the historical reason, and it really needs to be kept in your mind when you are asking the kind of question you did about taxes on resources.

Question:

So you are sort of laying the groundworks there for a suggestion that there should be a reduction in moneys to those two States?

Prime Minister:

No, I am not laying the groundwork for anything. I am giving an historic background, and indicating quite plainly that the Grants Commission, at the request of all the Premiers and the Commonwealth, have been looking at this. When we get their report we will examine it.

Question:

What option will you favour, Mr Prime Minister?

Prime Minister:

How would I know when I haven't seen the report?
What I do favour, and I have said very plainly, and will go on saying, that all governments should be as restrained in their own expenditure as possible, because that is the only way that you can really reduce taxes.

Question:

Mr Premier, you have said in the past that you just won't have a bar of that. Have you changed your tune?

Premier:

No, no. I indicated, naturally, to the Prime Minister exactly what I thought of any such suggestion, that we certainly wouldn't go along with it. No, but let's cross that bridge when we come to it. I don't think we will come to that. I am sure the Prime Minister appreciates our position. Wait and see.

Question:

Has he given you an assurance of that?

Premier:

No, he hasn't given me assurance. He wouldn't do that. You don't do those sort of things in politics.

Question:

What makes you think it won't come to it ?

Premier:

I think he would respect our wishes.

Question:

..inaudible...

Prime Minister:

We have to have a look at the reports so I think we both agree with that.

Question:

Prime Minister, you have expressed concern at the growth in the State public service. Did you express those views today?

Prime Minister:

No, we were talking about a whole range of issues, and only very passing references to tax. But, I have said that often - it is right across the board. But it is just part of the general proposition that if tax cuts are to be real, government must be restrained in their expenditure. We can't spend the same dollar twice. You can't spend it out of your pocket, and

Prime Minister: (cont.)

and neither can the Government spend it again on top of that. If taxes are to be reduced, governments must be restrained in their expenditure. I didn't say it today because we were really talking about other things, but I have made the point that State and local governments spend a little over 50% of the final dollars spent by governments, and therefore, in the interests of lower taxation, the expenditure of State governments is obviously relevant, just as the expenditure of the Federal Government.

Question:

Mr Premier, as a result of what you have heard today, are you in for an especially tough time next month?

Premier:

No, I am not. I expect a good time next month, because I think I have done some ground work, too. I think it is a matter of waiting to see. Things change from day to day in politics. You never know quite what is going to happen and what is around the corner. So, when that day comes, we will assess it and the propositions that are put forward at that time, I don't think the Prime Minister would have anything firm in his mind as to what the attitude would be to a particular State, or States generally. Perhaps to an extent he would, but on the other hand, we will worry about that later when we get there.

Question:

...Mr Fraser said he would work out his ground work, and you say you have worked out your groundwork. What is your groundwork?

Premier:

My groundwork is just to get a fair deal for Queensland, nothing else. If we by good management may even have been able to get tremendous growth and development where people come from Victoria, New South Wales and South Australia, as they do in New Zealand all the time by some thousands every month, that indicates a good solid State where it is good to live, and everybody knows that. But that shouldn't detract from what our entitlements are. That should actually add to it because the Commonwealth will get much more taxation as a consequence of the development here in Queensland.

Question:

What were some of the other things you discussed today?

Prime Minister:

We discussed some matters relating to the establishment of national parks in Queensland which involves the transfer of Commonwealth held land to the State. We discussed in very broad terms Aboriginal questions. The Commonwealth Games

Prime Minister: (cont.)

we discussed at quite some length. I think most of them have been mentioned - hospital and hospital cost sharing.

Question:

On the Commonwealth Games, did you discuss the possibility of a boycott at all by African nations?

Prime Minister:

I don't really think that that will happen, you know. Australia is well regarded and I think African nations are probably more concerned at events outside Australia in relation to the Commonwealth Games. The British Lions Tour of Africa, I think, did a good deal of harm. They are concerned, I know, about the Springbok Tour of New Zealand, and Mr Muldoon has said he is opposed to that tour, but it still looks as though it will take place. These are the sorts of things which have disturbed the African nations in relation to the Gleneagles agreement which I helped to negotiate, three or four years ago. Mr Ordia from Nigeria will be out here shortly and will be having discussions with people here. But, I believe the general respect with which Australia has held will assist Queensland in relation to the Commonwealth Games. But having said that, it is, and can be a very emotional issue. I think you would understand the reasons for that, and events outside Australia, events in which Australia is not involved, would be capable of making that a very difficult issue.

Question:

The Australian Security and Intelligence Service - is that bugging foreign embassies in Australia?

Prime Minister:

We don't talk about the work that ASIO does. The Leader of the Opposition is briefed quite regularly on the work of ASIO, and the reforms recommended by Mr Justice Hope have been implemented as a new legislative charter for ASIO. Under Mr Justice Woodward, I have no doubt that the Leader of the Opposition, and I, on behalf of the Government, both have the total confidence in the work that the organisation is doing.

Question:

..inaudible..?

Prime Minister:

I thought the question was asked about ASIO/

Question:

ASIS.

Prime Minister:

Well, we don't answer questions about ASIS, or any of the security organisations. But in terms of the briefings that are available to the Leader of the Opposition, that would apply in relation to ASIS, just as much as to ASIO.

Question:

What, of the discussions you had today, to you, was the major thing to come out of those talks?

Prime Minister:

It is very useful to be in Queensland, and useful to have discussions in a relaxed way with the Premier and the Deputy Premier. I think that fact alone - quite apart from the substance of the discussions. So often during the period of the Premiers' Conference or the times the Premier is in Canberra, there is other business around, and time is pressed. At the Premiers' Conference, there are other Premiers pressing their claims just as Mr Petersen presses claims for the State of Queensland. Just to be able to be here and to discuss a number of issues in a relaxed way, and to set in train some processes and procedures which I think will enable us to settle a number of outstanding issues, I would hope, quite quickly in the next few weeks.

Premier:

..gives you a good feeling to be in Queensland, does it, Mr Fraser?

Prime Minister:

It always does. It gives me a good feeling to be in Australia.

Question:

Do you intend to have similar discussions with Mr Wran?

Prime Minister:

If he wanted those discussions, I am very easy to - I am much closer than Brisbane, and I am in Sydney very often. Quite obviously. Mr Wran and I have discussions on a number of issues and sometimes come to joint views, as we did in relation to that Expo in Sydney.

Question:

On that Commonwealth Games problem, did you also discuss expediting the upgrading of Brisbane Airport to cope with the Commonwealth Games?

Prime Minister:

I am not aware that there is a particular problem in relation to that. There is no way that the new works can be completed in relation to the Games.

Question:

I gather there is a temporary upgrading though, to somehow cope with the..?

Prime Minister:

Well that matter was not raised. If there is a problem there, we will certainly look at it.

Question:

...put on the hospitals issue and the ..inaudible..
Aborigine ..inaudible. What was the discussion?

Prime Minister:

We discussed the consequences of the Premier's intention in relation to Queensland Acts, and there will be ongoing discussions in relation to that at the request of the Premier and myself. In relation to hospitals, without going into any of the details, we discussed the manner in which the Commonwealth would make continued payments in support of hospitals .

Question:

...inaudible...

Prime Minister:

I wouldn't have any idea, Michelle.

Question:

Mr Fraser, how do you intend to ..inaudible..
to restrain its expenditure?

Prime Minister:

That is entirely a decision for the State of Queensland and for the government of Queensland.

Question:

..inaudible..

Prime Minister:

I suppose the money that the Commonwealth in its generosity ultimately makes available to States is solely a decision for the Commonwealth to make, as the Premier, and other Premiers would know. It is our legislation.

Question:

... that the criticisms of Queensland's export coal rail freight policy are to quote, ill-informed and unsupportable. Would you agree with him, or would you agree with..inaudible..?

Prime Minister:

What are the criticisms?

Question:

The criticisms of the export rail freight charges are that this is a way of imposing a pseudo resources tax of a kind that is only distributed to people of Queensland rather than perhaps the people of the nation.

Prime Minister:

Dr Edwards explained Queensland's approach to it and I am not going to be arguing at a State that manages to run a railway at a profit. I would much sooner those States that run their railways at a vast loss were able to reduce their losses, because what you ascribe the charges to lead to that situation, well that is another part of the question. But I think the total public transport losses of various State authorities is something like \$1,200 million. In New South Wales I think it is something like \$500 million a year, and quite obviously, if there were no public transport deficits, no State would have any financial problems and people could have lower taxes too.

Question:

Did you discuss infra structure for Gladstone at all?

Premier:

It was one of the ones of the list that we have given a submission to the Prime Minister on, and it was one of those that we didn't get a great deal of opportunity to discuss in depth. But I have a submission again which I have already sent to the Prime Minister some months ago. It is a very ..inaudible.. that we are trying to clear up.

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