



78

PRIME MINISTER

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JOURNALIST: Prime Minister, you are no^d doubt aware of the latest opinion poll which shows that Andrew Peacock is less favoured as Opposition Leader than John Howard and even Malcolm Fraser. Can you see him going the same way as perhaps Bill Hayden did a few months ago.

PM: Far be it for me to interfere in the problems of the Liberal Party. But it was interesting to see that John Howard and Malcolm Fraser were preferred in front of Mr Peacock and I found fascinating the interview with Mr Fraser. He obviously is thinking about coming back. He is not satisfied with the state of the Party that he abandoned. But that's a problem for them. I just as an interested spectator, watch the decline within the Liberal Party, the fight between the Liberal Party and the National Party, at the national level. And, of course, here in Queensland the fascinating picture of the distancing by Bjelke-Petersen from the federals. They are a very unhappy bunch of pilgrims, and I am sure that the people of Queensland will draw the appropriate conclusion from the fact that as against the cohesive Labor Party team that is offered to them, you have got these brawling bunch of conservatives.

JOURNALIST: Prime Minister, do you have any explanation for why the Labor Party intended vote fell 5% in the Morgan Gallup Poll and the conservative vote went up 3%.

PM: I have said for some time now that I thought that that 55% which itself was a jump of 5 percentage points from 50, reflected some pretty immediate, unusual factors. I have felt that where we are now is a couple of points above where we were at the 1983 election. And that's what today's poll shows. That would give us a significant increase in seats in the federal parliament. And I think we can probably improve on that position during the campaign.

JOURNALIST: So you are not worried by that 5% ...

PM: Oh, if I had said that the 5% jump the previous week, taking us from 50 to 55, and I thought that's it, then of course I'd be worried. But having said when it happened that that was an aberration, then by definition I am not worried by the return to the normal, which normal position has us significantly ahead of our position in 1983.

JOURNALIST: Prime Minister, what are those pretty immediate, unusual factors that you mention.

PM: Oh, I think you had the concentration in the Parliament on the personal smear tactics that were being pursued by the Opposition. There were some personal factors involving myself at that time, and I think that these things perhaps concentrated some attention then. But I made it quite clear at the time that I thought that we were running comfortably ahead of our position of '83. And that is what the position shows now, and I think that that will improve between now and December 1st.

JOURNALIST: Do you believe Malcolm Fraser has anything useful to offer the Australian political scene?

PM: Well, in some respects he has something useful to demonstrate to the Liberal Party in its current leadership because, and I said this at the time, Mr Fraser did have certain principles to which he adhered in the area of race and aborigines, I just mention those things. He took certain standards of principle and he adhered to them. Now Mr Peacock, his successor, shows no preparedness to adhere to principle at all, and it is little reason for surprise therefore that you have the judgements being made about the current leader of the opposition and have this remarkable position that not only does he have his deputy leader being ranked above him but his predecessor, who has left the Parliament, is being desired by more people as the leader than Mr Peacock.

JOURNALIST: Well giving your thoughts on Malcolm Fraser's principles would you welcome his return?

PM: Oh I was sorry about his departure. I would be happy to see him back. I mean, I felt a little bit cheated, if you like, at not having the opportunity of having the head to head in the Parliament.

JOURNALIST: Prime Minister, given the call for Senator Button's removal from his portfolio ...

PM: By whom?

JOURNALIST: Are you satisfied ...

PM: By one official New South Wales official of a federal branch. I mean, I just want to get clear the enormity of the demand, the breadth of the demand for his removal.

JOURNALIST: Given that, can you give a guarantee that he will retain that portfolio?

PM: Of course I can. I mean I have got to say, first of all, that the processes of the caucuses have to be followed. I am assuming that he will be re-elected by the caucuses and of course he will. And I think he has done exceptionally well in that area.

JOURNALIST: Prime Minister, there is a report in the paper today about an opinion poll on the Nuclear Disarmament Party which shows that it has quite strong support in at least 3 states. Do you think that strong support for the Nuclear Disarmament Party is showing some failure on your part to reassure Australia ...

PM: It is very hard to draw that conclusion unless you want to

PM cont: and of course I know people start off wanting to draw certain conclusions. Our support is high, not only for the Party but for myself. We are not going down. So I don't know what, as a matter of logic, what leads you to your conclusion. If our support had been going down, and my support had been going down, then, perhaps there would be some logical basis for your question. But as the logical basis is not there I don't see how you get to the conclusion.

JOURNALIST: Do you feel under any sort of pressure to come up with specifics soon in the area of tax?

PM: No, I don't feel under any pressure. I have made it quite clear well before the election campaign started as to what our approach on an overhaul of the tax system was. I am aware of the feeling of the people of Australia. And they have a very justifiable feeling that the tax system which has grown up under years of conservative rule, and I remind you that 30 of the last 35 years tax has been under the conservatives. And it has emerged as a very unfair system. And in more recent years remarkably unfair because of the deliberate refusal of the conservatives to smash the tax avoidance industry. That has meant a great super tax upon the citizens. So they think it is unfair and they are right. They think taxes overall are generally too high on the average tax payer. They are right. So what I have been saying is that we will initiate the debate on an overhaul of the tax system. We have started that. That has been going for some within EPAC, and I have said as we have got into the election campaign, that after the election we will continue that and broaden the debate. Now I have been saying that consistently. As there have been some misrepresentations by our desperate, fearmongering opponents, I have made it clear earlier in the campaign that in the near future I will make a statement on this matter. I will and I invite you to be there, Heather, you will be very interested.

JOURNALIST: Prime Minister, I wonder if you could comment please on claims by the Premier about if the Bill of Rights is implemented that States rights will be overridden, and homosexual marriages sanctioned, abortion legalised, and so on.

PM: Well, I think we can judge how much you should attribute to my good friend Joh's hyperbole, if I can put it that, by the repudiation which has been made of him, that no Christians can vote for me, or for the Labor Party. Now that is the sort of measure of how much substance you attach to Joh's statement in an election campaign. He gives himself full licence, opens full throttle on hyperbole during an election campaign. And he has in regard to what he is saying on the Bill of Rights, which is no more than a broad statement outlining basis for consideration and Joh knows that he is not speaking accurately on this matter. He doesn't take himself seriously on it, so why should I.

JOURNALIST: Andrew Peacock has been gaining quite strong reception from the pensioners ...

PM: Oh yes tremendous reception, he had 350 people, 350 pensioners he had in the Sydney Town Hall, an enormous response. 350? Look I was in Devonport the day before, and I had what, were you there, yes I think you were. Well I had between a hundred and 200 in Devonport, in Tasmania. If all that Mr Peacock can get is 350 and you are prepared to give that as evidence of the great support he is getting, then that suits me fine.

JOURNALIST: Are you confident though that there won't be an electoral back-lash on the Assets Test?

PM: Yes I am certain of it. Because, if you like saying that Tasmania is not part of Australia, I mean that was the story early in the week, that they are different. Now the Sydneysiders are not part of Australia. I mean, where is Australia. It's, I take the view that around Australia generally there is an increasing understanding of the fact which will become more clear as the forms go out that 98%, 98% of pensioners are not going to be affected by the Assets Test. Now statistics are there, you can't manipulate those statistics and it will be clear that through time, the majority of pensioners are going to be better off because we impose an Assets Test which Assets Test the concept is supported by whom? Supported by Mr Peacock when he was able to speak the truth as he saw it as a backbencher in 1981. Supported by Mr Howard, unquestionably Mr Howard supports the concept of an Assets Test. Senator Chaney, when he was Shadow Spokesman, supported it. The Young Liberals have made it quite clear that they support it. The Business Council of Australia said that any group, any political group, which sought to undermine the Assets Test was doing a grave disservice to the country. In other words, right across the spectrum of Australia, including in large sections of the pensioner population spokesperson themselves, there is the recognition that a government must have the decency and the courage to clear the way for it, to do as much as it can for the overwhelming majority of pensioners who need and deserve the assistance of the community. Now, as distinct from the conservatives in this country, I have never feared the intelligence of the Australian electorate. I have never tried to delude them with the tactics of fear and smear and misrepresentation. And it's because I trust the intelligence of the Australian electorate that I draw the conclusions on this point that I do.

JOURNALIST: Prime Minister, are you worried that here in Queensland that Premier Sir Joh Bjelke-Petersen may be ready to pull out a few dirty tricks during the campaign.

PM: No I am not the one that should be worried about Joh's dirty tricks, it's Andrew and Ian Sinclair who are quivering in their boots. They don't know how they are going to get through the next 5 weeks with Joh. They really don't. I mean they don't know whether he is going to sort of renege on his situation where he said early in the year he didn't want to appear on the same platform with them, they don't know whether he is going to appear with them or not. He is obviously repudiated their tax policies. Andrew and Ian don't know what sort of a blast they are going to get from in the area of tax and economic policy. I am not worried about the Premier, I get on very well with him. I mean, in our negotiations and discussions he starts off and huffs and puffs a bit and makes some noises, then we sit down and have a cup of tea and we work things out. Medicare, look at all the huffing and puffing that went on. But finally, he sat down, we worked it out. His real venom is kept for the federal Liberals and National Party. He just can't see eye to eye with them at all.

JOURNALIST: He has already taken a couple of swipes at you over the Bill of Rights and the Christianity question hasn't he?

PM: Yeah, and if he wants to go on having a swipe about Christianity, that's okay. As I said, what Joh does when he gets into an election situation, he puts hyperbole into top gear, and sprays a bit, but he quite clearly doesn't believe half of what he says himself. I mean he has his tongue in his cheek a bit. But he doesn't have his tongue in his cheek when he is attacking the federal Liberals and the federal National Party. They are the ones that he has got sights on.

JOURNALIST: Mr Hawke, on the tax area. Do you agree in principle to the concept of tax deductibility ...

PM: Look I have said to you quite clearly that we will be making our statement on our approach on taxation within the near future.

JOURNALIST: Do you have a personal view?

PM: Look I have personal views on the tone of your suit. But I don't think it is very relevant at the moment, and the shape of your glasses, are that shatterproof?

JOURNALIST: Prime Minister, will that statement be made before or after the election?

PM: Before the election. I don't know whether, I must have lost my capacity to express myself clearly. I said the near future and everyone knows that that will be within a matter of days. As to our approach. Let me make it clear, that we have been saying that we are going to be taking the community fully into our confidence on this matter. We are not going to be determining these matters now. We are not going to be imposing decisions on the Australian electorate of them being able to fully consult with us, put their views about what the overhaul of the tax system should be. And what I will be doing, I will be indicating how we will be going about bringing the people into that process.

JOURNALIST: The Land Rights Question. You said in Tasmania, that you wouldn't introduce the Land Rights Bill until the states had been consulted. If, for instance, Queensland ...

PM: Sounds terribly like a hypothetical coming up, doesn't it?

JOURNALIST: ... extensive consultation the Queensland Government they wouldn't introduce the Bill and conform to your principles, would you impose a land rights bill on them?

PM: You didn't disappoint me. It's a hypothetical and you know my strict rules on those. I don't answer them.

JOURNALIST: Prime Minister, are you concerned that with the continued ebbing of Mr Peacock's popularity, are you concerned that it may turn around and become a flood tide.

PM: A flood tide, that sounds a bit like my old friend, Sir Billy McMahon in Washington - there comes a time and a tide and the ebb tide goes - and you know he got a bit lost. I'm not sure what you mean. Is it going to ...

JOURNALIST: As it is going down it may come to a point where it will stop and turn around and come back again.

PM: Well I don't know, it has been going steadily. I would think there must come a point when it doesn't go down ... just a minute wait a minute, I am in the middle of answering this one. Gee, you have got rough rules up here.

JOURNALIST: Watch the cricket balls.

PM: Yeah. Keep your eye on the question. No I haven't I am just getting ... by laughter here. What I am saying is that I guess there must come a point where you can't go down any further. I mean he has already created a record. Now I would think, there must come a point when it stops and there will be some recovery. No, no come on, not fair.

JOURNALIST: ARE you concerned, Prime Minister, that because Mr Peacock's popularity is so low, some swinging voters might vote Liberal because of the secure and certain knowledge that he is going to get dumped after the election.

PM: Oh, no I wouldn't think that would be part of the thinking of any voters. The Liberal Party is pretty consistent about the way they handle these things. And there tends to be an assumption that he will go, but I think no, again, you tend to, as so many people do, in commenting on politics to ridicule the electorate are going to be making up their mind on how to vote on the basis of comparing the record of this government with the record of opponents when they were last in government. And they are going to be looking at how we have performed, how we have turned this country around, how they are all better off as a result of this government, as compared with the alternatives. And I think that is what is overwhelmingly going to be in the minds of the Australian electorate.

JOURNALIST: Prime Minister, yesterday in Tasmania you were attacking Mr Howard for advocating the winding of the tax base into indirect taxes because of the pressure it would put on inflation. Do we take it from that that any Government initiated review of the tax system would exclude winding of the tax base at this stage into indirect taxes?

PM: Well as I say I will be addressing myself to this issue shortly, of our approach. But I can say two things at this point. We would not be rushing into some particular change in the tax system, without having the detailed opportunity provided to the people of Australia and their organisations to address themselves to it. That is point one. Point two, that it is important that under the Liberals and National Party, they have of course concocted, and that is the right word, this series of wishes about taxation without relating it to the rest of economic policy. And that means that there is no way that any move towards indirect taxation under the Liberals could mean other than a significant increase in inflation because they would have no basis of agreement with the unions for any discounting of increases in prices which would inevitably associated with their policy. Now we are, of course, in a quite distinct position in that our tax policies are related to our general economic policies and would be part of the consultative process with business and with the trade unions so that if there were any move in that direction it would be as a result of full consultation and in a way which would inhibit adverse inflationary impact.

JOURNALIST: Prime Minister, this is a somewhat local issue. But the Brisbane City Council Opposition has asked whether the Government intends to state whether it's going to support Brisbane's effort for the 1992 Olympics before the election.

P.M.: Well if they are going to make a formal approach for the 1992 Olympics then we would consider that.

JOURNALIST: They are. The Council's going ahead with...

P.M.: Yes, but what I'm saying, the question of the Commonwealth's position depends upon an approach from the Council and if it's the State Government as well, to the Commonwealth Government saying well look, we're going to make this formal approach - what's your position. Well if we get that we'll obviously consider and if we took the step of supporting and they were successful then they would have obviously the full support of the Australian Government.

JOURNALIST: I understand they've already done that.

P.M.: Done what?

JOURNALIST: They've made that approach to the Federal Government.

P.M.: Well, what for our support for an approach?

JOURNALIST: For funds.

P.M.: But the approach for funds to hold the Olympics. I mean they haven't got the Olympics.

JOURNALIST: They need the assurance that funds will be forthcoming before they can make the approach.

P.M.: Well what I'm saying to you now quite clearly is this - that the people of Queensland can be assured that if the proper processes for applying for the Olympics are followed and they seek our involvement and it goes down the path of an actual application being made, which hasn't been done, then of course the Australian Government will be supportive.

JOURNALIST: Prime Minister since the issue has been raised by the State Premier ...

P.M.: Which issue?

JOURNALIST: I'm getting to that.

P.M.: Oh, I see.

JOURNALIST: Are you prepared to restate your own personal views on religion and ...

P.M.: The answer is no on that. I am not going to demean the political processes by insulting the intelligence of the Australian electorate. The official spokespersons for the organised churches of Australia have done that.

JOURNALIST: Mr Hawke, in your much awaited taxation statement would you be outlining what in effect would be the terms of reference for the review or principles the Government would like to see, or give us a program for community involvement in the review?

P.M.: Well I think if I'm going to have a press conference to outline these things it's pretty silly tactics to do it before the Press Conference.

JOURNALIST: Mr Hawke can I clear up something about the Accord. A couple of weeks ago you said that business might be involved more closely in the Accord and then Mr Willis said something slightly different. Do we know now whether business is going to be involved directly in the Accord?

P.M.: No, that was an attempt to beat up some semantic difference at the time and it died the very natural death that it obviously deserved. It had not legs for the running - that particular situation. I'm surprised that you're trying to revivify it. The situation's quite clear. The formal accord is an accord between the trade union movement and the Labor Government - it was originally when we were in Opposition, and it became between the trade union movement and the Labor Government. That's the formal accord and it will remain between the trade union movement and the Government. What I was saying was that of course in the processes since Government we have broadened our approaches so that we talk just as much with the business community as we do with the trade union movement. Indeed you may recall that at the end of the Summit one of the leading spokesman for the business community - I think it was Sir Peter Abeles - said on his assessment of the Summit we now will regard ourselves as part of a three way process. And in fact since April of 1983 essentially our basis of co-operation has been a three-way one between Government and the trade unions and the business community. And it's been very productive and worthwhile for the people of Australia. But in the formal sense the Accord was and remains between the Government and trade unions.

JOURNALIST: Prime Minister, people in North Queensland tend to complain that any Federal Government that gets into power says yes, we'll look after you, before the election and then quite happily forgets and sits in Canberra afterwards. Can you allay their fears...

P.M.: I don't have to start doing it now. I've already done it. Soon after coming to Government I went up there. I remember I had a very significant luncheon at Townsville when we announced - and this is in 1983 - the implementation of a number of initiatives in the area. And this was greeted with effusive gratitude and praise by the people of the area as well as it might. Because they've now got a Government for the first time which delivers. It just doesn't talk about the importance of North Queensland, but has in fact delivered. And I'm looking forward to going back there again tomorrow because I'm the Prime Minister of a Government which has delivered on its promises to North Queensland. Today for instance my outstandingly successful and well accepted Minister for Primary Industry, Mr John Kerin, has announced further assistance in regard to the sugar industry - \$5.5 million to help in debt reconstruction and capital works for these sugar cane farmers who are suffering from

P.M. cont...: very low world prices. So we don't have to say now in an election we start doing things. We have consistently since we've been in Government delivered to North Queensland.

JOURNALIST: Prime Minister if you are confident that there's going to be no community backlash about the assets test are you also confident that there'll be no backlash over the speculation on your Government introducing a capital gains tax?

P.M.: As I said from the beginning of this campaign I want the whole issue of tax to be in the forefront of the electors minds for every day in this election. And I am certain that tax in general, including the fear and smear campaign on capital gains tax, will be a plus for this Government.

JOURNALIST: Prime Minister will you deliver to North Queensland on the issue of patrol boats and ...

P.M.: I've had discussions just a week or so ago with Mr Fry of NQEA and he expressed his appreciation of our approach and some of the things we've immediately been able to do. I believe there is a complete understanding on the part of Mr Fry of the commitment of my Government to doing everything we can to assist the development of what is an outstanding enterprise.

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