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PRIME MINISTER

TRANSCRIPT OF INTERVIEW -- MICHAEL SCHILDBERGER AND PRIME MINISTER,  
RADIO 3LO, 8.45PM, 2 NOVEMBER 1984

MS..... The Costigan findings,

PM .... Yes.

MS..... How quickly do you expect some action will be taken on  
the recommendations?

PM .... Well they will be taken immediately by the authorities to  
whom the full report has been passed. That is the National Crimes  
Authority, the director of Public Prosecutions, the Australian  
Federal Police, all the relevant authorities have the material and  
have been acting already and will continue to. In the area of  
any executive or legislative action by government you will appreciate  
that the conventions operate in this caretaker period from the  
26th October and we can not take such action in that period. But  
of course, I have made it clear that we expect that the authorities  
that are relevant in this area and whose advice governments will have  
to act upon to be working on it and to have that advice ready for us.  
The third point I would like to make however is that I have said quite  
clearly that should the National Crimes Authority or the DPP or  
the Federal Police have some matter which goes beyond the possibility  
of waiting as one must do during this caretaker period where  
Governments can not take executive or legislative action. If  
however in their opinion there is something which requires some  
immediate action from the Government such as distinct from themselves  
well of course we would take that advice and act accordingly.

MS..... It means that you can not really act at the moment, on

something like a recommendation concerning a transition to a new

government ....

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PM..... No, and that is clearly understood. On the 11th October, at our ministry meeting I informed the Ministry of the Conventions that operated at the time after calling an election and these bind all Governments. I mean if we were to start taking actions in other areas the Opposition would be screaming the headlines that we were breaking the Conventions and I don't intend to break them. But, having said that, there will be nothing lacking in the way in which we want the Authorities that are in place to act. We insured that they got all the information they know our total commitment to eradicating organised crime in this country and we will be expecting that as soon as we have won the election and are then back in the normal business of Government that all there recommendations will be ready for us.

MS..... Well the Opposition is arguing immediately following the Final report - the tabling of it that the National Crime Authority does not have enough teeth.

PM..... Well I don't think the Opposition will want to be raising their head on the <sup>question of the</sup> Costigan commission I remind you of what the Leader of the Opposition and others were carrying on for weeks and months before which culminated in the black Tuesday the 2nd October for the Leader of the Opposition in the House when all the allegations were made that this Government was soft on organised crime. That we had been trying to close the Royal Commission down. There is clearly a complete repudiation of all those baseless, mischevious allegations both in the Report itself and even more specifically in statements by Commissioner Costigan since the release of his Report.

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MS ..... Prime Minister, are there any names in the volumes<sup>n</sup> which we haven't seen which might be of some personal embarrassment to you or to the Labor Party?

PM ..... Well, I can say no, but I, having said that, I am not going to canvass the confidential volumes for the obvious reasons why they are confidential, for two very good reasons. That is that existing investigations or potential investigations should not be in any way prejudiced.

MS .... Mm I asked the question obviously because that is what Andrew Peacock was hoping would be revealed in the Costigan Report.

PM ..... Well, he has behaved in a totally objectionable way in this matter which is recognised universally, the, you recall the sorts of things. I will just remind you of the sorts of things he said on the 3rd of October this was following his black Tuesday in the Parliament where by universal judgement he was condemned for his actions in respect of myself. He then, on the next day on an am programme said, "the regrettable factor is we are going to the election campaign without Mr Hawke allowing the Australian people to know what is in the Costigan report. Australia is entitled to know the extent to which this sophisticated network of organised crime is taking over the country. Yet the Prime Minister is not going to allow this to occur. This man, and that is me " is trying to walk away from telling Australians just what the extent of the threat is". Now it was lies from the very beginning from when he decided to embark upon this tactic of personal insinuations and allegations against me and the Government. He knew that he was not telling the truth and he has been revealed now in the Parliament and in the Costigan report for what he is.

MS ..... The findings of the Murphy enquiry. Would you prefer

MSFG.....

Justice Murphy to stand aside for the time being?

PM ..... No, it is quite improper for you to be.... no I don't mean it is improper for you to ask the question but it is improper for that sort of issue to be raised. The question of what happens on the High Court, Michael, is for the High Court. It is a matter for Sir Harry Gibbs and his judges. It would be a total breach of the basis upon which Government <sup>under</sup> the Westminster system operates - for the Executive Government to seek to intrude into the judiciary. Our Westminster system is founded on the division of powers between the Parliament, the Executive and the Judiciary. What has to be done as far as the Executive level of Government is that the laws as they stand should operate. That is what is happening, the full proceedings of the Senate Committee are before the Director of Public Prosecutions under the Law and the DPP is investigating that material, he has indicated to the Attorney General that that will take some weeks. That is how it must stand; and fortunately I see that my friend Senator Chipp has indicated that is how that <sup>should</sup> ~~must~~ be, I respect him for that, of course, the Liberals can't be consistent on anything, on the first day after this there was a statement saying that it should be as I have put it, it should be left to run according to its normal processes and then they thought they could get some mileage and they have changed their tune.

MS ..... Can I quote you the National Party leader, Ian Sinclair.

" It is for the Prime Minister to take action to ensure the reputation of the High Court is not sullied because of the failure of one of his former colleagues to accept the very serious findings against him."

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PM..... Well here we have the well known gutter tactics of which the person you are quoting is the acknowledged master. Guilt by association, my former colleague. This is .... one thing that surprises me about these people is that they are such slow learners. The Australian Public has repudiated this smear, guilt by association innuendo tactic, and yet they keep going on with it. The fact is that the Report that has been made is a report of a Committee of the Senate, one of the Houses of the Parliament and it is proper that when the Parliament resumes that that House of the Parliament considers that report. It will do so and of course the other House of the Parliament will have to consider the position as well. Currently, the only right and proper thing to do is that the Law be followed and the Law requires that the Director of Public Prosecutions considers this material. He is considering it and it is up to the Director of Public Prosecutions to make a decision as to whether he believes on the material, that a prosecution is warranted. That's his function. The reason why there is a Director of Public Prosecutions under the Law is to take these matters out of the area of political decision.

MS ..... Have you spoken recently to Mr Justice Murphy?

PM ..... No

MS.... How long since you have?

PM .... I er.....

MS ..... Since this enquiry has been under way?

PM ..... I could check it but it is a long time ago now.....months  
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MS ..... can we interupt this briefly for a new service?

PM ..... Of course.

MS ..... .....

PM ..... I recall that he was at a social function I am not sure how long ago, that may have been a couple of months ago too. It was the farewell in Sydney to the Federal Secretary to the Miscellaneous Workers Union, Mr Ray Gietzelt, I had no private conversations with him there. .... openly in front of hundreds of people.

MS ..... No the reason for the question, obviously was whether you had had any discussions about the matter, which obviously you haven't. You talked, again in passing though about innuendo in relation to this, but also perhaps I should get back to the Costigan Royal Commission here and say that of course is what Kerry Packer is saying is happening to him.

PM .... Yes, well I made the position of the Government clear at the press conference yesterday about the view we have about the naming of people of not being charged..... even in some cases may not be charged, and indicated that in principle the Government was opposed to that but in the circumstances surrounding this report there was no alternative but to publish the report in the form they were. But I have made our position clear on that and I don't think there is any point in going any further on it.

MS .... Do you have any sympathy for Kerry Packer?

PM ..... I have sympathy for anyone according to the basic principles which operate in our society and for which I have understood that everyone regards as fundamental that people are innocent until proven guilty and that they should be ... have the protection that goes with that principle. I don't think, however, having said that and made more.....

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that clear that there is any purpose or public interest served in me proceeding any further into what is essentially now a disputation between Commissioner Costigan, I guess, and Mr Packer.

MS .... Have you talked in recent times to Kerry Packer?

PM.... No

MS ..... How long since you have?

PM..... I think again the last time I would have seen Kerry Packer was in the viewing I think of millions of people, I think it was the occasion when the Bulletin and the Newsweek married as it were, nestled in together and there was a public launching of that event in Sydney. I was sitting at the same table, I think at a conservative estimate 2 or 3 million people would have seen it.

MS .... Prime Minister, TAX ? What form exactly will the major review that you have undertaken to carry out, what form will that take?

PM ..... Well, the matter will be considered by EPAC. the Economic Planning Advisory Council. That's the forum which as you know Michael was established after the summit last year, which was like a mini-summit on a statutory basis, the business community, large and small, the trade unions, the farmers the States, Local Governments and community organisations in the form of ACOS and consumer organisations were all there represented. We have commenced there from last year and through this year discussion about tax. Now after the election we will meet again in EPAC and will pick up the discussion there as to how they would best see the enlargement of the debate out into the community. I will be very substantially guided by all those community organisations who I might say have each of them, on behalf of the community that they represent

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put in written submissions, preliminary written submissions to EPAC as to how they see desirable changes occurring.

MS .... You are not thinking of appointing someone in particular to conduct an enquiry?

PM ..... No.

MS ..... The Summit

PM .... . The important thing is the community, we have got to get the views of the community through their organisations.

MS .... So the summit therefore, is to be part of the Review.

PM ..... I t will be a culmination. What we will do is through the EPAC processes we will build up through their and through other consultations a "white paper" which will bring together very substantially the view that have been put to government and that will contain as I see it certain packages which would represent a distilling of the view of the community as to how they see a tax system which would be fare, simple and equitable and we would have the summit .... or whatever you call it Summit or National Conference, the word is not important, I think Summit has become well known now but then at that gathering of the people, they would have the opportunity of examining this "white paper" and I believe that out of this process will then get what has never been done before in this country a substantial degree of consensus on what is the fairest most effiecient form of tax system.

MS ..... You talk of consensus, but isn't it fare to say that the ACTU will have the biggest input?

PM .... No not only is it not fare, but it is erroneous. The position of the ACTU is important in this respect and is important for every single person in the country that the impact upon citizens and tax payers of a tax system can be two fold; the direct impact of the cost of the tax that they have to pay, secondly and not

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so often understood, but nevertheless very important is the potentially inflationary impact of a tax. So that it is very much in interests of all citizens that if for instance in an overall tax package there was a view that there should be a move to more indirect taxes if that were the case, then its important that the trade union movement, who on behalf of workers will be making claims for wage increases to cover price increases have an acceptance of the inner relationship between that tax change and what they will do in wage claims. Because if you don't have an acceptance by those representatives of the workers who are going to determine the level of wage claims about how that tax should be taken into account the community may suffer from significant inflationary impact from a decision in the tax area.

MS .... Well on the question of this acceptance by the ACTU you have the problem with <sup>Cliff</sup> ~~Cliff~~ Dolan saying he will not accept indirect taxes in any form.

PM ..... No, you won't get very far down that track. The ACTU IN a written statement made quite clear what there position was and I believe when you look what the ACTU has done in EPAC over very many months now and the discussions that have been held there including Cliff Dolan and the statement of the officers generally in the last week or so there will be no problem in being able to have these discussions with the ACTU towards the objective, to achieve the objective I have been talking about. The ACTU has been very very responsible in the period since we have been in office in talking not just with us but with Government and on these issues. I am totally confident that we will be able to achieve the objectives I have been talking about.

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MS ..... Does that mean locking out Cliff Dolan?

PM ..... It doesn't mean locking out Cliff Dolan at all, Cliff Dolan has been in the discussions. You ought to understand that political, economic and social life of this country has never been and will never be determined by interpretation of one particular sentence that a man utters at a particular point of time.

MS .... Are you referring to Cliff Dolan?

PM .... Well I am saying that you have got to take account of Cliff's position throughout. Cliff has been on EPAC he has been a very useful and involved member of EPAC. I think you will find that as this thing develops, that Cliff Dolan and all the officers of the ACTU will be positively, constructively involved in reaching the objectives I'm talking about.

MS ..... But Cliff Dolan has said that more than once. It's not just one sentence taken out of context.

PM .... Well I don't intend to say any more than I have just said. I have the total conviction and I would say the knowledge that we will have.... not just the government but the whole community, will have cooperation of the ACTU.

MS ..... Have you talked to Cliff Dolan recently about it?

PM ..... I have tried a couple of times to get Cliff, he wasn't there. I have spoken to other officers of the ACTU but I have no concerns about this.... Cliff is off to Geneva now, the Governing Board of the ILO you know I know something about that. He'll be there for some time, I think.

MS... . Your pleased about that are you?

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PM ..... No, well, I am pleased for Cliff, I know how enjoyable those meetings are, and constructive.

MS .... You are asking the Australian people to give you a blank cheque in regard to tax.

PM .... No that's absolutely ridiculous.

MS..... Why?

PM ..... Because it's not true and all untrue statements are ridiculous.

MS ..... Well why is that untrue, you are asking us to accept....

PM..... Did you read the statement? Perhaps if you read,,,, you have read the tax statement have you?

MS .... I have seen the report of that statement

PM ..... I suggest that you read it Michael and you will see that

MS ..... Well I know what you are going to say to me, you are going to say that the st.....

PM ..... You are getting better and better you even know what I am going to say Michael.... you are getting good when you even know what I am going to say.... All I am suggesting Michael, my dear friend is that it would be a good idea to read the statement and if you read the statement you wouldn't say that I am asking for a blank cheque. What I am doing is saying to the Australian people I am giving the Australian people a blank cheque, which is a quite different thing I am saying to the Australian people through all your representative organisations I want you to join with the Government in together with the Government trying to work out what is necessary to improve a which has grown up through time on the most haphazard basis. When we came into office in the beginning of 83 Michael for 31 of those 34 years up until then

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Conservative Governments had been in power there had been no attempt at a comprehensive attempt at a review of the taxation system,

MS ..... There are those who would say the Asprey Committee.

PM ..... Yes but was done about it? No I am simply saying that you have had the Asprey committee Report there are other people who have been looking at the tax system-- Mathews, but under that period of Conservative Government as I said in the Statement what you really had was carrots before elections and then beating the people with sticks afterwards. So the blank cheque I am giving is not for myself, I am saying to the Australian people - you through your organisations, through the Council of Small Business Organisations or the Chamber of Commerce, the Confederation of Australian Industry, the National Farmers, the Business Council of Australia, the Trade Unions. Lets all together examine the things that need to be done to make this very complex tax system simpler, make it fairer and most importantly Michael, to ensure that we do what is necessary to ensure that all people obey the law, that we absolutely stamp out the tax avoidance industry so that all people meet their obligations, pay tax. Now that's not asking for a blank cheque for me. Its the oposite, I'm saying to the Australian people -- its a blank cheque to you, I'm saying its going to be in your hands in a way its never been before.

MS ..... Would you be any better of having had that review before the election.

PM..... No, no.....

MS..... The same review

PM ..... No, No, no, I'm saying if you.... and I'll leave you a copy so you can read this statement, what's pointed out in the statement  
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is that this process has been going on and in the public minutes of EPAC Of March of this year we point out there that this is a long process, we started it then its got to go on through and after the election and that is where all the people were represented. I mean EPAC is a mini-summit. It had <sup>the</sup> whole spectrum of the community represented and their spokespersons there said, this must go on and what is happening now is therefore no surprise it is a continuation of what the people's representatives through EPAC said had to happen.

MS ..... What I am putting to you though, wouldn't you be better off going into an election campaign by being able to say this we will do and this we won't do.

PM ..... No that would merely be a repetition of the way in which the Conservatives have handles tax before, They've dreamt up short term gimmicks before an election and said, look, this is what we will do, and this is what we will do. Now that is not the way to handle it. You have got to have a long and detailed analysis with the community making inputs into this process I am not going to give the Australian people the same sort of contemptuous treatment that the Conservatives had.

MS..... Look, the question I am putting to you is that if you had gone for 3 years you could have had the review and then <sup>been able to have</sup> gone in <sup>with</sup> positive questions ,

PM .....If you asking a question now, would it have been better not to have had the election now? If this is a complicated way of asking that question.....

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MS ..... No because I know what your answer is to that you have given it to me many times about why you want the election now.

PM ..... Yes

MS ..... But had you gone longer you would have been able to have the review and would have been in a better position.

P M ..... Yes, but that's like saying if you were wearing a different colour suit, you would look different to the way you are..... I mean the facts are that the election must be held now. We have to operate on that basis. I have openly operated in that framework in EPAC

The community thought its representatives have said yes we want to follow this process and after the election we will go on with it.

Its quite silly Michael to say well if there had been something else then something else would have followed differently. The

facts are we have started the taxation review process through EPAC, they have acknowledged that there is an election coming up and then this should go on after the election. I mean they are the facts of

life. Its quite silly to say well if you had been there for three years something else would have been different. Of course it would

MS..... Prime Minister, will you be making any other more specific promises in your policy speech? In other words any other surprises to come in any area?

PM ..... Oh, there won't be any other new commitments Michael, because what the .... what the basic promise that we'll be giving the Australian people is that we'll continue, not only the policy but the process of policy making which has turned this country round from the disaster we inherited in March of '83. I mean people at the end of '84 knew that Australia is an unrecognisably better, more efficient and equitable cohesive society than it was and we are simply going to be saying to the people of Australia that together we have done that

MS.....

and the people have done that. We are going to continue on in that way to translate these changes that have dramatically characterised the period of government to ensure that those changes go on into a long term basis to give sustained long term noninflationary growth. That's what the people want that's why they appreciate the Government. There will however, be some new specifics, but not a large number.

MS ..... Just another couple of questions. One specifically here that I would like to ask on unemployment. You gave a promise last time that during 3 year period you would be able to create 500,000 jobs, you are well ahead of target. How about the next three years will you make a promise in that regard, because not only will you have to promise the creation of new jobs presumably but also can you put a figure on reducing unemployment? Two different things.

PM ..... Yes, but two related things. The 3 promises that I made in the last election have been all kept or more than kept in this area. I said that we would halt the explosion of unemployment. That happened from 10.3% it is now down to less than 9 to 8.8% secondly that we would start to create new jobs well that has happened. There is 260,000 new jobs since the summit against the loss of 200,000 jobs in the preceding 12 months. I said that in the first 3 years 1/2 million new jobs we are ahead of that target. Now I think that in the --- at the time of the election policy speech and in the period of the election we will try to give some indication just how that target has been kept.

MS..... You are not going to tell me now, obviously.

PM .... NO, because I had a target period then in mind and I am on target, ahead of target with that, that's what the people are keen to know. It may be that we may be able to push that period out

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and make some more predictions but they will not be made unless I am certain of being able to achieve them. I knew in Feb/March of '83 that we could produce and would produce the objectives that I put then. Anything that we put to the people during this election campaign will be achievable.

MS .... Is this campaign too long?

PM ..... No, I don't think so. I know that there were some people and within my own party who said who said don't announce the election, but I made it quite clear that I wanted to get away from what had happened under the Conservatives where they had played around and said : "Oh there might be an election and there might not be" Now that is silly, that sort of thing. Once I had made up my mind when it was going to be I thought the people were entitled to know. The second point I would make is this: That let's say that I hadn't said it, that it was going to be the 1st of December I think that people would still have conducted themselves, they had a feeling there was going to be an election..... it was better for the community and certainly better for the retail community that it be certain.

MS ..... Has Andrew Peacock campaigned better than expected?

PM .... No I said to my people that I thought in the first week or so that the Opposition would have the advantage. They were able to raise a couple of issues and I said to my people we have plenty of time about this... on the tax issue, I said we will handle this in a way which will be accurate, right and reassuring. That is what has happened and there is no doubt what has emerged now and what will dominate the election is the total collapse and chaos of the Oppositions so-called Economic and Tax Policy. I mean what is clear now.... that under  
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their stated policies the Australian tax payers will pay very, very much more tax, very, very much more tax than they are now. They will be worse off, they can't make up their mind. They have Mr Sinclair saying there will be lower taxes. Mr Howard saying there will be more taxes and of course Mr Peacock you know he is not a giant in the economic or fiscal area really not saying anything. So you have the total Opposition, the projected deputy Prime minister Mr Sinclair, reduce taxes. Projected Treasurer, saying more taxes and when you look at what they are saying it is no surprise that you have this chaos. That chaos is going to become clearer and clearer and clearer with each passing day. AS we have got it now the Opposition have revealed to the people of Australia that they don't even know amongst themselves what the Economic and Fiscal implications of their statements are. All that you can put is that there must be an increase in the budget deficit, there must be an increase in the level of taxation there must be a significant increase in inflation. They are the inevitable results of what the Opposition has said so far. With each day between now and the first of December the barrenness and the potential disaster of the Oppositions Economic statements are going to become clearer and clearer to the Australian people.

MS ..... Will you win more seats?

FM ..... I think so.

MS .... Prime Minister thank you for joining me.

**ENDS.**