



TEG/11

4.

PRIME MINISTER

TRANSCRIPT OF PRESS CONFERENCE - HOBART

24 January 1986

JOURNALIST: ... oil prices.

PM: Well, it is like so much in economics. It is usually a mixture. Obviously the Government is going to have to consider this when we next come to review, which is March the 1st, that is the next set time. And at that stage we will be looking at both the price of crude and at the level of the Australian dollar. I think it is quite obvious that there will be some relief. But what has got to be understood is that with the fall in price, if we just simply applied the IPP, then that could a very, very significant fall in revenue to government. So those things have to be taken in account.

JOURNALIST: IS there any suggestion that the Government would try to maintain prices at a higher rate artificially?

PM: It wouldn't be a question of artificially. I can't at this stage, until the Cabinet considers all the circumstances, say what the outcome will be because it depends upon the two factors. It depends upon the price of crude. And there is a mixture of the official price and the spot price, as you know. And it is a question of where the level of the Australian dollar is. So it would be precipitate of me at this stage to say just what the outcome would be.

JOURNALIST: Is there any threat to the tax cuts promised?

PM: NO.

JOURNALIST: Are you saying there is no consideration will take place before March 1?

PM: There will be a lot of consideration. But I am saying that is when the next decision has to be taken. Last year we made it clear that we would review this every couple of months or so. And the next review dated for the first of March. And Cabinet will obviously before then be considering the implications of it.

JOURNALIST: How much of a loss of revenue are we talking about?

PM: Put it this way. If there were to be a drop of say eight to ten dollars a barrel, we talk in US terms in oil prices, if there were to be a drop of eight to ten dollars a barrel and there were no change at all in the policy, then that could mean a loss of about one and a half billion dollars in revenue. Now that is a lot of bickies.

JOURNALIST: What sort of options are before the Government?

PM: It is too early to say because we don't know now what the price will be there and what the exchange rate will be. And that will be a determinative influence. So all I can say is that there are obvious plus features in, not only for Australia but for much of the world in the reduction in oil prices, but because successive governments in Australia, since 1978, when the parity pricing policy was introduced by the Fraser Government, successive governments have come to rely for a significant part of revenue upon this policy. And so that has to be taken into account.

JOURNALIST: Any chance that policy might be abandoned?

PM: NO. I am not talking about abandonment.

JOURNALIST: Change?

PM: What I say is this. We have been in office now for nearly three years and we have shown, I think more than any other government in recent memory, a capacity for sound economic management to take account of changes in the economic scene and to have economic policies settings which are calculated to keep economic growth going in this country. And we will continue to make the right decisions in the period ahead.

JOURNALIST: Do you think retail petrol prices are too high at present?

PM: It depends who you ask. As a motorist I would say, and everyone would say, that they are always too high. If you ask a retailer, well they are probably not high enough. He is not getting enough. And if you make the comparison with the rest of the world, still generally speaking, Australian retail prices are lower than most of the rest of the world. So it just depends what your standard of judgement is.

JOURNALIST: Mr Hawke, can you see any benefits in Mr Gray's idea of taking young people off the dole?

PM: You will excuse me if I have a little bit of mirth about Mr Gray putting himself forward as some authority on unemployment, particularly youth unemployment. The fact is that Tasmania has the worst unemployment figures of any state in Australia. And that is after three years of Mr Gray. Now for him, in the throes of an election, to throw up an idea about youth unemployment does provoke a little bit of mirth. He has had three years. He has produced the worst situation in Australia.

JOURNALIST: Would the idea work?

PM: I doubt it. Well, he won't have the opportunity of bringing it into effect. I don't think he will be there but I doubt even if he were to be re-elected whether he would proceed with it.

JOURNALIST: The proposal that young people do community work rather than ...

PM: The concept of being involved in community work is one which we have developed in many respects. But underlying the proposal as I understand it is the concept that there is always part-time work there waiting to be done. Where is it?

JOURNALIST: Mr Hawke, what would you do for a State Labor Government if it was elected. YOU talked yesterday about cooperation with Mr Wriedt. I am just asking can you be more specific?

PM: I have had the opportunity of discussing with Mr Wriedt his plans for Tasmania '86 and beyond. And there is a lot of imagination in that. And we will obviously be prepared to cooperate with him in trying to give effect to that.

The point I was trying to make was this, that there is in relations between government, much depends upon attitudes.

Now more than any other state leader Mr Gray has believed in the policy of confrontation, misrepresentation. If you have that attitude on the part of a State Premier it is very difficult to maximise the relations between governments.

It is just a matter of human nature whether you are talking about governments or whether you are talking about groups or whether you are talking about individuals. If the attitude of one is confrontationalism, misrepresentation you are just not going to maximise your relationship. In the case of Mr Wriedt, we know one another. We have known ~~one~~ another for many years.

There is a respect, a knowledge and a shared concept of cooperation rather than confrontation. Out of that sort of context you are going to get better results.

JOURNALIST: ... the spirit of the woodchip agreement by putting in domestic logging roads?

PM: I don't want to get too far into that. Let me say this. The evidence is fairly clear that since the Commonwealth made the decision in regard to the woodchip industry, there have been some attempts down here by the State Government to foment this issue in an electoral situation. That doesn't do anyone any good.

JOURNALIST: inaudible question

PM: I think they know where their best bet is.