



PRIME MINISTER

TRANSCRIPT OF PRESS CONFERENCE WEDNESDAY 19 FEBRUARY 1986

E & O E - PROOF ONLY

PM: Ladies and Gentlemen obviously this will be a general press conference but I wanted to take the opportunity at the outset to have the presence of my friend and colleague, Susan Ryan, who is the Minister Assisting me on Womens' Affairs to make a couple of comments on what we regard today as an historic occasion with the introduction of the Affirmative Action Bill, which we regard as a further example of the Government's commitment to improving the status of women in this country. The Bill's a statement, by the Government, to the women of Australia that the issues relating to increasing womens' opportunities, their role in the labour force are regarded by us as serious matters, which deserve a planned approach to remedy any existing discrimination and to promote real equal employment opportunities in this country. The Bill also conveys to Australian employers the Government's view that they need to take womens' participation in the workforce seriously and not to do that in some merely vocal way, but to actually plan for its improvement. I don't go any further to the details of the Bill, you're aware of those, but it is, as far as we're concerned in Government, one of the most important pieces of legislation which we've introduced to this point. Susan would you like to add anything?

RYAN: Well I would like to say that one of the most remarkable things about the progress of the legislation to date is that we've achieved a very high level of agreement from a range of powerful institutions within the community. The legislation's based on the report of the working party which had the participation of Business Council of Australia, the Confederation of Australian Industry, the ACTU, womens' organisations, three Ministers in the Hawke Government and the Opposition. And I think legislation based on such broad agreement is remarkable in itself and I think a very encouraging sign about the seriousness with which our society now is dealing with improving the employment skills of women and the employment opportunities of women.

JOURNALIST: Prime Minister why do you believe that the threat of public exposure for non-compliance with the provisions of Affirmative Action plan should be sufficient sanction for those people who don't want to comply?

PM: Well I think the important thing is not why I believe it, rather why those that were involved in it believe it. As I made clear in my speech in the Parliament and as Susan's just

indicated, this legislation reflects now the outcome of a very long process of real consultation. That consultation preceded the initiation of the pilot program and then an examination of the results of that 12 months of the program by the range of parties involved, the employers and the trade unions and the higher education institutions, as well as our own office. And it was out of their discussions that the shared belief emerged that this would be the most effective way of producing the sort of results that we want. You had to strike a balance between an approach which on the one hand could have been a very coercive, punitive sort of approach. And one, which on the other hand, would have met the desires of some, but wouldn't ensure that there be no sort of coercion or punitive element at all. Now we believe on the advice of those who have been involved and are going to be involved that this is the most effective way. And if those people have that view then I think that it would not be sensible of us as a Government to neglect that.

JOURNALIST: Senator Ryan can I ask you if the universities and colleges have had sufficient warning of the proposal to gear them up for 1986 and if they've had sufficient resources?

RYAN: Well they certainly should be well prepared because we made it clear when we set up the working party that higher education would be covered and indeed a very large number of institutions already employed equal employment officers. The institutions in New South Wales were in any event to have been required to develop plans under the New South Wales legislation. We'll now be co-ordinating that nationally. So certainly I think they are very well prepared and the question of resources is one they may wish to take up in the future, but I think that they are adequately resourced to undertake this.

JOURNALIST: Prime Minister why do you think the ALP is unable to find room for any more than one women in the 27 member ministry?

PM: Well as you know the ways of Caucus are mysterious. Lots of forces operating there and who am I to try and analyse weight factors that operate.

JOURNALIST: Do you think it's appropriate that the Government asks society to accept a greater role for women when they're unable to find more room in the Ministry?

PM: Wait a minute, you've got to go one or two stages back. This Party can hold its head up very much higher than I believe any other political organisation in this country in terms of the way it is translated the rhetoric of equal opportunity into reality as far as participation in the processes of the Party's organisation are concerned. There is a very strong degree of involvement and representation by women in the various levels of the Party organisation which has been now reflected in a very considerable increase in the number of women in the Parliaments. And we have just recently, last week, experienced a highlight of that commitment by the election in this Parliament of Joan Child to the Speakership. And in the South Australian Parliament, Ann Levy, to the Presidency of the Legislative Council. So we've got nothing to apologise for, I think, in regard to the acceleration

of the involvement of women in the processes of our Party and in elected positions within the Party. I accept your point that a logical development of that very substantial progress will be more women in the Ministry.

JOURNALIST: When do you think that will happen?

PM: When the Caucus votes that way.

JOURNALIST: Will you be urging you colleagues to support women for the Ministry?

PM: Let me make the point that was made by me in the speech. We are not in this legislation legislating for quotas. The concept of Affirmative Action means the removal of barriers and bringing to the attention of employers that their practices should not discriminate against women. But it is still then a question of decision on merit and I believe that the women in the Caucus would not want it any other way.

JOURNALIST: Senator Ryan are you happy being the only member, the only female member of the Ministry?

RYAN: Well I'm certainly happy to be there. It's better being there than not being there. But I also regard myself as the thin end of the wedge. There'll be more to follow.

JOURNALIST: Prime Minister you've been promising since October to write to the States on regulations on child care facilities. Can you tell us what the hold up is?

PM: Well I'm, of course in these matters, advised by the Office of the Status of Women and the discussions that have been going on in this matter presumably have not reached the stage where that is the next step that's required. I will, of course, write at the time when I'm advised that is the most appropriate step. The States have no doubt about our commitments and requirements in this area. Are there any more questions in regard to this matter. If not we can go on to more general matters.

JOURNALIST: Mr Hawke you said there's going to be a tough Budget. Can you give us any idea of the quantity of expenditure cuts that will be needed?

PM: I could but I won't Greg and I'm not trying to be awkward in answering in that way. But let me say this that is really an elaboration of what I said in the House. We will meet the Trilogy requirements and it is clear that with the commitment to tax cuts that will be honoured, and the requirements of the Trilogy, that the substantial saving exercise that we require. I'm not going to put the figure on it at this stage. Though I can say this, it's going to require a considerable amount of work by myself and my colleagues in the ERC and the Budget process.

JOURNALIST: That's not going to please some of your ministers is it?

PM: Well I think we really should get this matter cleared up.

I'm not entirely suprised by the question of the Minister's attitude in this matter. Now first of all be prepared to award the prize for the beat-up of the year. There are those who talk about the revolt - remarkable exercise. My Ministers aren't a revolting lot, I can assure you. And they have done, in the letter that they wrote to me, what I would expect them to do. I wrote to them and said now I want you to nominate your priorities. They've done that and they've done it in a fairly lengthy letter. Spelling out those priorities in the light of what's happened to this point. And may I say, in the letter, there's a clear acknowledgement that what we are able to do in this forthcoming Budget will have to be decided, in the terms that they use as I recall, the perspective fiscal environment. A perfectly reasonable letter and one which caused me no concern at all. And as I say, I must give ten out of ten for the beat-up prize for those who call it a revolt.

JOURNALIST: Mr Hawke why didn't you say that to Parliament yesterday when you were questioned on it?

PM: Well I felt no necessity to say it yesterday. I made a clear point that I thought was required by the level of questions that was directed to me and went to the next point.

JOURNALIST: Isn't that a fairly contemptuous attitude to the Parliament?

PM: Contemptuous of the Opposition?

JOURNALIST: No of the Parliament.

PM: No not contemptuous of the Parliament at all. I mean if I'm going to operate on the basis that a beat-up really creates of itself a fact then I suppose then I'd be going on at considerable length on various occasions. I operate on a basis of dealing with the facts. The facts are quite clear there was no revolt and nothing which remotely approached a revolt. I didn't have the feeling Laurie that out there in electorate-land that they'd fallen for that beat-up. I didn't have any sense of urgency about it.

JOURNALIST: Were you disappointed at the contents, or some of the contents of the letter?

PM: Oh yes of course. I'd prefer that that sort of thing not happen, yes.

JOURNALIST: Prime Minister are you critical of Westpac's decision to lift its interest rates, the only bank to do so to date?

PM: Let me answer that question in an indirect way, but it gets you there. I have over a considerable period of time, both in the Parliament and outside it, expressed my absolute confidence in the Treasurer, Paul Keating. I still have that absolute confidence.

JOURNALIST: Mr Hawke you said in Parliament today that next

year's Budget deficit will fall in proportion of GDP. Would you actually give a commitment that there'll be a cut in money terms?

PM: I gave a considered deliberate answer.

JOURNALIST: The Treasurer in his statement about the tax package last year said that tax cuts would be financed by the increase in the deficit which means that there would be a nominal increase in the deficit in nominal terms next year.

PM: The Treasurer's made it quite clear that the requirements of the Trilogy will be met. It is possible that as well as meeting the requirements of the Trilogy that there be no increase in the deficit as a proportion of GDP, that there may be a reduction in the nominal amount as well. But neither I, nor the Treasurer at this stage of the Budget process are going beyond that statement. And it would be unrealistic to do so.

JOURNALIST: ...that could mean an increase in nominal terms.

PM: Well I don't expect it but if there were, now let me be quite clear. I don't expect it, but if there were it would not be inconsistent with the Trilogy. Now I hope that's clear and that you get both parts of what I said.

JOURNALIST: Mr Hawke in your review of spending can you give a guarantee that the promise to the States of a real increase in their tax sharing grants will not be disturbed?

PM: I think that the whole range of our expenditures will be reviewed and within that review the position of all elements, including the States, will obviously be looked at. Now don't say Hawke says they're going to be slashed. I'm simply saying that all elements will be looked at.

JOURNALIST: Do you agree with Mr Kerin that the Government will have to look at cutting into some major programs in order to meet its commitments?

PM: Look what we have done since we've been in Government is steadfastly and effectively each year gone about the process of Budget formation in a way calculated to produce the result that will satisfy our economic objectives. And we have on each occasion, both at the formal Budget time itself and as you know the other years in the earlier May Statements, gone about the expenditure restraint exercise in a way which is on some occasions gone into major areas. On other occasions into minor areas, or a combination and we've produced the result that's required on each occasion. Now we're entitled to say there's our track record. We will make the decisions which are necessary to produce the overall fiscal result that's required. We've done it three years, we'll do it again.

JOURNALIST: Prime Minister, how do you respond to the Opposition's point today that the ordinary Australian can no longer afford the high interest rates that your policies have brought about?

PM: I am touched to have the Leader of the Opposition talking about what the view and attitude of ordinary Australians is about interest rates because after all he is not entitled to come and speak with any authority. In the first place, he has no policy in this area of any substance. Apparently, as far as one can follow him he would be in favour, in the housing area, of having a ceiling on interest rates for housing when interest rates are rising. And when interest rates were falling, to remove it. He is regarded as a joke. And it has been quite clear that when he talks in this area the industry has repudiated him as having any capacity to talk with sense. His own colleague, Senator Chaney, has recently commented on this issue in the very specific context of the attitudes of the people. He said, that is Senator Chaney, "I have been round the electorate and they don't seem to have the same view about this as they did before." He was complaining in a sense, we tried to beat this up as a stick with which to push the Burke Government out of office. It didn't work. What that means, Laurie, is this. And I have been saying it before and I have said it in the House. Let me say it again - the Australian people are more intelligent and perspicacious on these issues than this bereft, motley collection of people who purport to pass for an Opposition. Because the people of Australia understand that interest rates are to be looked at not simplicita, but as part of a total economic strategy. No government wishes to have recourse to a tight monetary policy for the sake of slowing down activity or imposing difficulties for some. You are not masochists. What you are about is to have an overall economic strategy which is calculated to maintain economic growth, employment growth with sustainable levels of inflation and with containable balance of payments outcome. Now the people of Australia have seen the capacity of this Government to bring together a total, effective economic strategy. They recognise that within the circumstances that we have been confronted with last year, that the decision that we taken to have a tighter monetary policy was appropriate. And they have reflected their understanding of that, I would suggest, both in actual electoral situations and in the polls.

JOURNALIST: Just to clarify that, Sir. Are you saying that this is not hurting you electorally?

PM: I am not trying to be brash about it. It would be stupid to be brash. I am saying this - that on the evidence of the elections of South Australia and Western Australia, and Scullin if you like, and on the assertion of Senator Chaney, that the people of Australia seem, and I congratulate them for it, to be making an overall judgement. They say if you are going to see how an economy is going you just don't look at one element. If there is one element of it which has some results which, for some, are not pleasing - okay sure we note that. But is this a government which has shown its capacity to produce an overall economic strategy which produces the best results for the economy. They seem to be making that judgement.

JOURNALIST: Prime Minister, do you see any circumstances under which the Government might intervene to change or to block the Bell Resources bid for BHP?

PM: I think you would appreciate that the general position of this Government is that it is appropriate that these sort of things should be worked out in the market place. We have been watching developments quite closely. And we will continue to monitor them. To this point, by definition, we have not felt a compulsion to intervene. So I therefore say that we will continue to watch this. Should some circumstance arise where we felt the need to change the present stance, well we would consider it. But to this point, no, it is a matter for the market.

JOURNALIST: Just on that question Mr Hawke, does the Government have a view on whether or not BHP should be broken up ...

PM: My prima facie view would be against it breaking up.

JOURNALIST: Would the Government therefore be prepared to take action to ensure that that was the case?

PM: The correct answer to that, Paul, is that we haven't, as a Government, directed our mind to it. It is a hypothetical question, but I think I would answer it this way. Should a situation arise where there was some suggestion that action would be taken in that direction which, on our judgement, would be inimical to the best interests of Australia we would consider that. But it hasn't arisen at this stage.

JOURNALIST: Why would you be worried about it being broken up, Mr Hawke?

PM: You may notice that I used the word prima facie. Obviously, we are talking about a totally hypothetical situation Greg, but let me give you the flavour of what is in my mind. You will recall that when we came to government there was a very, very real possibility that BHP was going to make a commercial decision to abandon its steel making enterprise, that it was non-profitable and non-competitive, and that their resources tied up in that would be better used in another way. Now I said then on behalf the Opposition - I wasn't long in that capacity - but I said then and then I certainly said it when I became Prime Minister, that we would not tolerate that situation because the national interests of Australia were not compatible with not having a steel industry. Now, it is in that sense that I am saying should there be some suggestion that the resources tied up there would be more profitable to the acquirer in other ways. It is that sort of thing.

JOURNALIST: Sir, could I ask if you are disturbed that for the second day in a row your Treasurer has allowed the Opposition to get under his skin in the Parliament?

PM: Let me say this, it is a repetition of something I have said earlier, I have very, very great confidence in Paul Keating.

There are varying judgements about the outcome. I notice in reading reviews today that in some quarters he was awarded a KO not a technical KO, a KO. So, in the judgement of many he did very well. I haven't heard the proceedings today but I have almost unlimited confidence in the capacities of the Treasurer to handle himself effectively. He has, let's put it, a variety of modes. And he is very effective in nearly all of them.

JOURNALIST: Why did you qualify this and say almost?

PM: There is only room for a few of us ...

JOURNALIST: Prime Minister, do you really intend to legislate separately for the Bill of Rights to override state gerrymanders and if so when?

PM: What we have said there is that if the Bill goes through you would expect to get, I would think fairly early, a report from the Commission on the question of how state electoral legislation met the requirements of the convention. And I can't therefore put an actually time specific point on it, but I would expect that within this year we should be in a position, if the Bill is passed and the Commission reports, we would be in a position within this year.

JOURNALIST: Do you believe the Queensland ALP would win an election if the present boundaries are overturned by ...

PM: It is very difficult with the present boundaries and that is not just my assessment, but it is the assessment of the Liberal Party in Queensland that the electoral boundaries are totally unjust and make it virtually impossible for either the Liberal Party or the Labor Party to achieve the result to which you refer. Under fair boundaries, yes I think they could because I say this and say it very firmly, the Queensland Government is the worst State Government in Australia. It has far and away the worst economic performance. It is pitifully below the national average whether you look in terms of employment, unemployment, industrial disputation, bankruptcies, all these relevant criteria, Queensland under that Government is pitifully the worst performer in Australia. It is also a government which is increasingly racked by internal scandals and incompetencies. Under a fair electoral system Labor would win.

JOURNALIST: Prime Minister, which Bill do you mean when say ...

PM: The Bill which Mr Bowen has put through the House of Representatives and which is being considered by the Senate.

JOURNALIST: Do you mean the Bill of Rights itself or the Human Rights?

PM: I mean the Bill that is before the Senate now.

JOURNALIST: Mr Hawke, does your Government support the Master Builders' Association in its campaign against the Builders Labourers' Federation?

PM: What we have done is in conjunction with the State Governments and in discussions with employers and the ACTU, tried to establish a code of conduct. And to the extent that the builders are acting in accordance with that code of conduct and that is not succumbing to the threats of the BLF, then they have the support of governments, Federal and State.

JOURNALIST: Mr Hawke, have you had any representations from or talks with the Victorian Government about the oil price decision?

PM: No, I haven't. But whether there has been some discussions with some of the Ministers I am not sure.

JOURNALIST: Mr Hawke, reports today suggest that Mr Keating would ... the full flow-on effect should be passed on. Do you agree with that?

PM: I talked about beat-ups before. If you are going to get me to make, or if you think you are going to get me pass an opinion on an alleged position of a Minister in a newspaper report, well I congratulate you on your optimism. The decision of the Government on this issue - oil pricing - will be made next week and we will know then.

JOURNALIST: Will we get a decision on Monday?

PM: We might.

JOURNALIST: We might?

PM: It covers the possibilities, doesn't it?

JOURNALIST: Prime Minister, when you said earlier that the whole range of expenditure would be looked at, does that include areas that have been looked at before but rejected such as tertiary education fees and family allowances?

PM: You have got a general question and a specific. Answering your general question. Yes, the whole range will be looked at. I don't know whether you have an appreciation of just what is involved in this exercise. I wouldn't wish it upon anyone. It is a time-consuming, awful sort of process, but once you are committed to the position then it is appropriate in your economic strategy to reduce the demand on community resources through the public sector in ways which are consistent with the pursuit of your basic social objectives. Then you have got to look over the whole range and try and ensure that you can get a level of outlays consistent with the attainment of that objective. And so yes we will be looking at the whole range. And I guess some people will want to look in areas which have been considered before. On the specific issue that you mentioned about tertiary fees, the Government has no intention of introducing tertiary fees.

JOURNALIST: Have you made a decision on whether there is going to be a May statement?

PM: No.

JOURNALIST: Prime Minister, on interest rates again. What is the Government's current thinking on the value of the home loan interest rates ceiling?

PM: That position has been made quite clear on a number of occasions by myself and the Treasurer. I have got nothing to add to what I have said before about that.

JOURNALIST: You are not at all moved by the banks' argument that finance will continue to dry up?

PM: The banks have been putting that argument before when we stated our position.

JOURNALIST: Prime Minister, are you concerned that this ... process which you have talked about will become destabilising?

PM: Don't get carried away by the observations of others, those who are not involved in it. It is certainly not destabilising, hasn't been in our previous three years. We have produced the results. It won't be destabilising in 1986. I respect very much the commitment and determination of Ministers in particular portfolios to say well look I want to do as much as I can within this portfolio to advance the interests of those people that come within my portfolio. I mean, if they didn't have that commitment and that determination they shouldn't be in the job. Now having said that they have demonstrated in the previous three years their capacity to balance that commitment with an overall picture of the Government's economic strategy. They have been very good in that in the past three years, they will be again. I simply make the point that it is a tedious process. It is not great fun sitting in the Cabinet Room for hour after hour going through 27 portfolios and seeing what you can save here, what you can save there. If you wanted to think of a way of spending of a pleasant time, that would come at the bottom of the list. But we have shown our capacity to do it on three occasions without any destabilising. And the same will happen again, the fourth time, in 1986.

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