



## PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HAYDN SARGENT, RADIO 4BC,  
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E & O E - PROOF ONLY

HS: Prime Minister welcome to the studio.

PM: Thank you Haydn, it's always good to be back with you.

HS: What's happened to the Labor Party in Canberra because some of the rank and file kinda feel you've lost touch with them and you seem to be rubbing shoulders with the big boys, the Alan Bonds and...

PM: Oh that's history, I mean it's 1989 there was a bit of that talk at the beginning of 1988 but none of that talk around now.

HS: What about the story on the other night on Alan Bond suggesting that he gets a fairly decent deal as far as taxes are concerned while the rest of us are shelling out pay and you earn.

PM: Yes well I think Paul Keating got sort of sick and tired of getting the story out there, let me repeat it. You can't just look at what tax is paid by a holding company, if the tax has been paid by the operating company and this has come through into the holding company, you don't tax twice. Now that's not to say that there hasn't been some benefit to Bond and some other companies because of offshore tax saving operations, now what we've done, and what should have been done by previous governments, what we've done is bring in the legislation which will come in next year to close off those tax havens.

HS: So there'll be no little Cook Island offices...

PM: That's absolutely right, and we have more than any other government before increased the number of tax auditors, we've actually put them into the big companies, stationed them in there, to chase these big fellows and we're doing that against the opposition of the Opposition, they're saying attacking the Commissioner, Trevor Boucher, and all these things we're doing they're saying it's an intrusion, well we're going to keep on intruding because we believe the big fellows have got to pay their tax, and we'll do everything we can to ensure that they do.

HS: And where does that leave Mr and Mrs Average Australia come July 1 with tax cuts?

PM: Mr and Mrs Average Australia, and you've put it right because the tax cuts are going to be directed at lower middle income Australians who've bore a lot of burden, they'll be getting a tax cut from 1st of July. And I'll be announcing them in April.

HS: Wage increases?

PM: Yes, we're negotiating with the ACTU and we're talking with employers as well. There'll be wage increases, but they will be historically different in that they will be associated with the restructuring of Awards, something that's never been tackled before. We're going to have an Award restructuring process which will mean the elimination of hundreds of different classifications. We'll have an Award structure which will be relevant to modern industry, which will mean that the basis of training and retraining of people in the workforce will be made easier. There'll be career structures and the actual classifications will be relevant to the way in which modern industry is conducted. Within that process there will be wage increases, increases which are affordable and sustainable and which over the longer-term will bring about significant increases in productivity.

HS: Do you wish it was possible to find a way to divorce the interest rates for the home buyers from the kind of ups and downs of the economy?

PM: Well you've got to look at what's happened, you see in fact the situation before used to be that you had an artificial sort of environment created for the area of trading available for lending for housing, and you had a thirteen and a half percent fixed rate, but the realities were that that covered in very few cases the whole of loan. People had to top up that loan at that pegged rate by going out and getting a cocktail loan and pay very very high rates for the rest of their loan which made it on average much higher than the thirteen and a half percent. Now by freeing up the banking system and enabling the trading banks as well as the savings banks to get into this area, it's meant that people haven't had to have recourse to that cocktail approach so on average you haven't had the sort of increase that you could have expected. It's interesting to note that over the last

twelve months the interest rates have increased by about 7%. They've gone from about thirteen and a half percent to fourteen and a half percent over the last 12 months, which is about in line with the general increase in the cost of living. The big factor as you know has been Haydn in the increase in land prices, that's what we're trying to tackle now in co-operation with the States.

HS: Yes, with due respects though, I mean for instance in Queensland last year they built 35,000 houses. The deal done between the Commonwealth and the States on land release is not going to really ease that land problem significantly, it will help a little bit but it really isn't a big enough...

PM: No, but what you've got to understand is that we just didn't tackle the problem of land supply. What we've done is to make available now a very large number of blocks within the next five years which will be the equivalent of about 15 new suburbs and the same sort of amount again this time around, but as well as doing that what we've got agreement with the State Governments and Local Governments is to tackle other areas.....one of the problems has been the whole process of zoning and regulation. I mean people are getting tied up for unconscionable periods by the time it's taken in many areas of local government who makes the decisions about how land will be available for housing.

HS: Don't you think in a sense by making the house the only capital gains tax free investment, that that has fuelled the rising price of land?

PM: There is an argument that you know the pure economists say you should have capital gains on the house, but we're not going to do that.

HS: I'm not recommending that....

PM: No and I'm making it clear that we're not going to be doing it.

HS: No, inadvertantly....

PM: Just let me make this point, unfortunately I don't think justice was done to Paul Keating when he raised the issue, so I

repeat that for those who want the separate quarter-acre block, that's beaut and we should provide that. But for those who would prefer the option of the medium density areas, well we've got to have a changed attitude amongst local governments to ensure that that's made possible.

HS: Prime Minister I understand that the research people suggest that the Labor Party's appeal to the women voters has weakened a little bit and you have encouraged your Ministers to take a little more notice of the womens opinions and womens questions, the womens voice, what prompted that to happen?

PM: Well look I always call the shots, there's nothing, there's no hidden agenda and I'm not being devious about this, the fact is yes there's been a bit of a widening of the gender gap. There's been more men-vote, the fact that more men support us than do women. Now I'm disappointed by that because it's recognised by womens groups in this country that no government has done as much on womens issues and on general issues which affect women than we have done. What I say, and what I ask your listeners, particularly your women listeners to understand - it's not only what we've done for the women, but the thing that I'm proudest of is that as far as their daughters are concerned, the future adult women of this country, as a result of the things that we've done in education, eliminating discrimination in education, and eliminating discrimination in employment, the young women, the girls of today are going to grow up into an Australia that we've created where those girls will have a greater range of opportunity than any previous generation of Australian women. Now we're proud of that and I think if Australian women really had that message communicated to them that they would reflect that in their support, so I have got to accept, and my Ministers have got to accept, and all my Party members have to accept some fault, responsibility for not having got that story across sufficiently.

HS: Prime Minister we're you disappointed that the developers pulled out of the Tasmanian paper mill project?

PM: Not surprised, my disappointment is that they were not prepared to co-operate in the processes of further environmental studies and in acceptance of their responsibilities to enable the mill to go ahead. We want to see the processing of our raw materials, we want to see greater value added, but I want to make

it clear to your listeners while I'm proud of the fact that we've created jobs at twice the rate of the rest of the world, so we've accepted the responsibilities of growth, the Hawke Government is not going to have development at any cost, at any price. I am not going to sacrifice the environment of this country for future generations and the fact was the best independent advice we had from the CSIRO, which is highly respected, was that this government could not responsibly allow the mill to go ahead on those watered-down guidelines. It probably would have involved more money for the developers - so what, you can't short cut the future generations by just scrimping on inferior technology now. You see, let me give your listeners some idea of what was involved, under the watered-down proposal that the Tasmanian Government agreed to and which the venturers insisted on maintaining. Each day, each single day, 13 tonnes of organic chlorines were going to be pumped into the ocean, which could have affected the whole food chain, which could have put at jeopardy the maritime industries and the reputation of this country as a prime producer of uncontaminated food products. Now I'm not going to buy that and I don't think Australians would want me to buy that, and the fact that Gray, supported by John Howard, are saying it should have gone ahead. Okay, if they want to be short term thinkers in that way, they can. Now there are better standards and higher standards being followed in other parts of the world, and I'm not going to cop inferior standards which can jeopardise the future of this country. Now I don't believe that means that in the future there can't be mills in this country, but the mills that are going to be here are going to be of the highest possible environmental protection standards.

HS: Prime Minister, I don't know if you've heard of a suburb here on the southside of Brisbane called Kingston, but over many years companies have dumped toxic waste there and it's now bubbling up out of the ground, and the State Government has put health workers in there, they've done drilling tests and they're in the process of trying to buy back I think about 21 houses that have been affected, is the Federal Government able or interested in becoming financially involved in trying to rescue the people of Kingston?

PM: We cannot accept the financial responsibility for areas of State Government responsibility. What we've got to do is to make sure that in regard to these sorts of issues in the future, that

we not only ourselves expend money, but we mobilise State Governments and private industry to make sure that into the future we don't pollute and destroy the environment for future generations. Where problems of past pollution have occurred that manifestly is the responsibility of the State Government and they've got to get their priorities to deal with that.

HS: Technically you see it's probably the local government and the local council, but in this particular predicament I don't think the local council can foot the bill because the problem is so immense.

PM: Yes well the State Government will have to be of assistance there, we've got to use the scarce resources of the Federal Government to deal with those future areas of threat to our population....

HS: So you're saying no money from Canberra?

PM: Well we haven't had the approach because I think the local governments, the State Government recognises where the responsibility lies in this.

HS: Mr Hawke it was good to talk to you, thank you.

PM: Thank you Haydn, it's always good to be with you and your listeners.