



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH PETER THOMPSON, ABC AM, 21 JULY 1989

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THOMPSON: What's been the key factor in the greening of Bob Hawke?

PM: Well, the first thing to say about the greening of Bob Hawke is it's not a recent phenomenon. In the election campaign which brought us to Government in the beginning of '83 I then led - I might say against some opposition within my own Party and certainly against the total opposition of the Liberal and National Party - I led the fight to save the Franklin because I was convinced then that to dam the Franklin would be both environmentally obscene as well as being economically unnecessary. So I've been there before it became fashionable. I suppose in these things too, the more you're in office, the more information you get across your desk, Peter, and I've come increasingly to understand two things. Firstly, that environmental issues are of increasing importance, not just in an aesthetic sense, if you want to put it that way, but truly in a survival sense. Secondly, to understand that environmental concern is compatible with a commitment to economic growth.

THOMPSON: The green vote in Tasmania, less than two months ago, is that significant in the Government's estimation?

PM: No, there's a lot of cynicism about that. It is a matter of recorded, provable, indisputable fact that our work on the preparation of this statement commenced well before the Tasmanian election. Some people are saying it's a reaction to that. Of course, as in a lot of the cynicism around this country, that simply is not true and is provably not true. But let me say this, the Tasmanian election was not an isolated event. If you look around the world, including at the European elections, that is for the European Parliament, just a few weeks ago which took place while I was in Europe, it is the case that people everywhere are demonstrating their concern about environmental issues and in many ways - they are doing this in many ways - and that they're including, by a larger vote for parties particularly identified with environmental issues.

THOMPSON: Well turning now to soil conservation, the \$320 million which has been earmarked for the decade. How will that money be spent?

PM: Well, there'll be a number of ways in which that will be done. Particularly there'll be work in the Murray Darling Basin, there'll be the provision of money to groups which will in fact be formed around the country to cooperate in protecting the soil. Very largely we will be making sure that what we do is done in a way which is cooperative with people in the areas particularly affected because you can't, you know, do these things simply from Canberra. That's why we are saying there will be a decade of Landcare and under that, through that decade, you will have a number of things being done to take up that \$320 million. There'll be a Landcare liaison group which will be established and it'll comprise representatives of not just of Commonwealth Departments, but they will then be working with other groups to ensure that the National Soil Conservation Program will be given effect to. Let me point out that over the next two years in particular \$49 million will be provided to that National Soil Conservation Program.

THOMPSON: Not direct money to farmers?

PM: No, there'll be assistance to those who are prepared themselves and with groups to undertake particular developments and protective devices on their own programs. For instance, we'll be providing about \$6 million to fund projects, actual projects of Landcare groups and coordinators and, with the preparation of farm and regional plans, the idea is to seed the money into groups which are going to be working with farmers and those who are going to be themselves undertaking these programs.

THOMPSON: Is there a fundamental contradiction of some sort between the Government's economic mission, the more widely perceived economic mission of Australia, to increase exports and also land care and conservation. For example, if Australia is to process more raw materials that will undoubtedly increase greenhouse gases. If we're going to have tourist development on the coast, that will have an impact there.

PM: No, it's a question of the way in which these things are done. Now just let me take the second part first, the coastal development. No-one is arguing that there won't be any development, any further development of tourist resorts. The point is that what we must do now, in our judgement, is to ensure that in the use of our coastal zone there is not just the one criterion which is employed - that is the tourist dollar. So that is why we are going to be doing these things. Firstly we have referred the whole question of coastal zone development to the Resources Assessment Commission which we have now established and that will enable representations to be made by all interest in the community as to the overall principles and concerns and

PM (cont): issues which ought to be taken into account in this development. This will be a fairly lengthy process. We're also establishing a national working group on coastal management which will provide for input directly from the tourism industry, from environmentalists, from state and local governments, so that together we are going to be able to develop a consideration of what are those sorts of principles and processes which ought to be involved in development. As I say, it doesn't mean there won't be any further development, but it does mean that in the future there'll be a much greater consideration taken into account when projects are put forward of what impact on the environment would the development of that proposal have. Now, we're doing those things and in the same time while it is the case that these matters in the end under the Constitution are the responsibility of the States, we nevertheless have a reserve power in two respects. We have the corporations power and we have the power in regard to foreign investment. If you took an absolutely worst case scenario where a state, and really we've got two left now. We've got Queensland which has an awful record. In NSW we've just got to keep our fingers crossed in regard to the way they approach coastal development. But were a state to take a position in regard to some project by a company, and particularly if it's a foreign company, which was manifestly against proper environmental considerations then we wouldn't hesitate in those circumstances to use our powers.

THOMPSON: So you think you have sufficient powers and don't need a referendum clarifying those powers?

PM: No, I'm not saying that Peter. I'm saying, if you'd listen carefully to what I was saying, our powers are indirect in a way. They derive from the corporations power and they derive from foreign investment powers. Obviously it would be in my judgement best if there was an unqualified power in the federal constitution in regard to the environment. Because the simple fact is environmental problems have no respect for state boundaries. The sorry history of referenda in this country is that unless you have bipartisan support your chances of getting them carried are just about zilch.

THOMPSON: You wouldn't have one without bipartisan support?

PM: What I'm saying is we will try and develop a community understanding of these issues and we'll just express the hope that the Opposition, which up to this point has a hopeless record on environmental issues, that they will see the light and would become supportive of creating that attitude in the community so that a referendum could be passed. But we're certainly not going into a situation of dividing the community in a situation where the Opposition won't carry their responsibility.

THOMPSON: Can I get back to growth. The second part of the question I asked about processing raw materials and increasing Greenhouse gases. The Australian Conservation Foundation feels that your lack of direct commitment on reducing Greenhouse gases is the number one weakness of your statement.

PM: No. You're right in saying Peter that some of them have expressed concern by the absence of an actual target. But let me say this. That what we accept as a government is that we have a responsibility as part of the total international community to ensure a reduction of the range of Greenhouse effects which include carbon dioxide, methane and nitrous oxide. What we have said is that we intend within Australia to do everything we can to pursue a greater efficiency in energy use. What we also intend to do is to discuss internationally whether in fact in regard to some areas of production it may not be better to do those in Australia where we are significantly more efficient energy producers and consumers. So that in net terms if that were to happen Australia would be making its contribution. In other words certain enterprises and functions undertaken in Australia as compared with overseas would in global net terms involve a reduction. Now we also intend, as I say, to look at the areas of methane gas reduction where we may be able to do even more than others. So that we accept the obligation as part of the international community to reduce the Greenhouse gases and we will do that.

THOMPSON: Just before we go. Yesterday was your comprehensive statement on the environment. Next month gives you a chance for a comprehensive statement on the economy in the Budget. Is there light at the end of the tunnel?

PM: There has always been light at the end of this tunnel that people are talking about. The Australian economy you've got to understand is going through a problem of strength and not of weakness. The problems that we have got and that we're dealing with are characterised by too strong a growth. That has meant that we have had to impose restraints, particularly in regard to interest rates. As I've said before. I'm an intelligent politician. I don't have interest rates high just for the fun of it. I'm not a masochist or a sadist. They are there deliberately to try and reduce the level of activity. Activity which has seen the creation of one and a half million new jobs, an economy which is growing strongly. We've got to bring that back so that we can sustain the level of imports by our own level of export activity. So the light has always been there of a strongly growing economy. What we've got to do is to bring that back to sustainable levels. On that point let me say Peter there is evidence, not yet overwhelming and conclusive evidence, but there is evidence I believe of the beginning of that slowdown of activity to acceptable levels.

THOMPSON: Just a final one. Earlier this year you said living standards would rise in the foreseeable future. Is that still possible?

PM: In 1988-89, the financial year just finished, that has obviously happened. You've had a significant increase in employment, significant increase in company incomes, significant increase in farm income and wages moving in line with inflation. So it's happened in the financial year that I was talking about and in this year ahead the exact outcome of course will depend upon the ability of the economy to achieve just what I was talking about. That is reigning in the excess levels of demand. But you will have in this situation a continuing high level of farm income because commodity prices are going to stay up, company income looks reasonably good and you will have wage increases in line, approximately, with what's going to be happening with inflation. But the exact outcome of course will depend upon how we as a community handle the degree of restraint that is still necessary.

THOMPSON: Prime Minister, thanks for the taking the time to join us this morning on AM.

PM: It's been my pleasure Peter. Thank you.

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