



## PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, TINDAL RAAF BASE  
9 AUGUST 1989

E & OE - PROOF ONLY

JOURNALIST: ... this morning?

PM: I really haven't taken any time to look at them. I've been told they are good. But I'm up here to look at Kangaroo 89 and I can tell you it's a matter of very great pride to be here. Not only the obvious efficiency but the commitment and pride of our fellows is something that I find very moving.

JOURNALIST: You spoke to Geoffrey Palmer yesterday. Did you talk to him about New Zealand's position on the nuclear ships ban.

PM: No, not particularly. I was talking with him about that before. The New Zealand Government knows the position of itself and my Government on this. We just disagree with them on that. It's been made clear on many occasions. But I did take the opportunity of saying to him that I hope they would go ahead with the frigate deal. That was a much more immediate concern.

JOURNALIST: What did he respond to that?

PM: I think it's not fair that I go into the details of a private discussion, from his point of view. I believe that he will be supportive and I hope that that's the result that will emerge.

JOURNALIST: If New Zealand didn't want to be part of the frigate deal, what implications might there be for our defence relationship with them?

PM: I've made it quite clear before. I'll say it again. New Zealand can't expect that a decision of that kind would have no impact. We have deliberately, since New Zealand made the decision to cease effectively to be part of ANZUS, we have deliberately increased the bilateral defence cooperation. We've done that with the agreement and the understanding of the United States. You can't have a position where it's essentially all one way, where Australia is accepting more

and more of the responsibility for what must essentially be seen as a shared involvement. If Australia and New Zealand are going to be able to maximise the opportunity for effective cooperation, there must be a degree of interoperability of equipment and training. Quite clearly the capacity of Australia and New Zealand to have an extension of their naval capacity depends upon the way in which we can cooperate. A decision on their part not to be part of this extension of our capacity, which should be a joint capacity, would be disadvantageous and the judgement would inevitably be one that would be somewhat adverse to the relationship as far as Australia was concerned if that was their decision.

**JOURNALIST:** You're about to board an AEWAC, an American AEWAC. Would you like to see Australia have that sort of capability?

**PM:** The concept is interesting but the equipment is extraordinarily expensive and is not necessarily the type that would be appropriate for Australia. We maintain an interest in the concept and we will be looking to see down the track whether there is a version of this concept which is both more appropriate to our needs and our economic capacity.

**JOURNALIST:** The Industrial Relations Commission decision to give a 6.5% wage rise. Is that going to take the pressure off Australian families?

**PM:** It will be part of an overall range of decisions. ... to the approach which affect the standards of Australian families. There are wages and I'm glad to see that the decision has been made which will mean significant increases for people ... lower standard of income who need it and also for those with skills. Secondly there's tax. We've just seen the significant reductions in tax now operative. Thirdly there's the decisions that are taken in the area of social welfare, with very significant increases for families - particularly lower income families. When you take those three strands of policy together then you are having a degree of protection which Australian families need and deserve.

**JOURNALIST:** So you reject the criticism of the wage rise by the Opposition?

**PM:** Well, is anyone taking the Opposition very seriously at the moment on anything?

**JOURNALIST:** ... affect the prospect of tax cuts which you mentioned on Sunday?

PM: Listen, you would've seen, I hope, the transcript of what I said on Sunday and also what I said on Monday. I've said no more and no less than this. That in over six years we have taken the decisions which are necessary to advance Australia's growth and protect Australia's interests. We'll do that at all times. I have said no more than that as we prepare for 1990-91 that all relevant options are on the table. That would be one that would be on the table. But there is no intention to announce that there would be any tax cuts. I said, and the transcript shows, that that would be an option that could be considered. In regard to 89-90 surpluses, they have already been taken into account in the tax cuts that are operating now. Quite clearly, what will continue to be predominant in our considerations is the current account and the protection of our external position. Within that overall framework of approach as I say, everything will be on that table. But there is no promise, no commitment in the area of tax cuts. There wasn't on Sunday, there wasn't on Monday, and as I recall it it's Wednesday today, there's none on Wednesday.

JOURNALIST: ...some hope that you will make a decision on the frigate next week? ... do you think you can get

PM: ... very near future. The Minister for Defence, Mr Beazley, has the intention to bring the recommendation of the Defence Forces to us in the relatively near future. Whether it's next week or the week after will be a matter for decision by Mr Beazley. But it's in the very near future.

JOURNALIST: ... your showing in the Morgan figures out today?

PM: No, I'm more interested in other things up here.

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