



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH JOHN LAWS, RADIO 2UE,
23 AUGUST 1989

E & O E - PROOF ONLY

LAWS: OK, well you better tell them, because they'll want to know - one garlic tablet per morning?

PM: Yes, one garlic tablet after breakfast and you won't get the flu.

LAWS: OK.

PM: You've got to do it every day, John.

LAWS: Really?

PM: Yes.

LAWS: All the time?

PM: All the time.

LAWS: OK, well I'll try it. Yesterday one of your many Press Secretaries -

PM: Eh? I've only got two, mate.

LAWS: Well, one of them rang my only one and said that the word was that I was pro pilots. Well, I just wanted to clarify that, I hope he listens to you more than he listens to me because that isn't the case. I am pro people getting what they believe they're worth, if in fact they are worth it, but that should surely be the criteria shouldn't it?

PM: Well, I guess we all tend to believe we're worth more than the market can stand, so if it was just a question of what you believed it wouldn't be a good test. I think the real thing is what the community can stand, John, I think that's the real thing, that's the issue here. I'm not, if I may say so quickly, although I'm tough at the moment against what the pilots are doing, I'm not anti pilot and I'm not against people being paid a decent salary, but the big thing, John, if they were to win this, the whole wage system is dead and Australia is dead.

LAWS: Yes, well that's really the basis of the argument and that's a very valid one. I mean, it's right and proper that you did your best to dissuade them from going for what could be seen by some as an excessive increase, being 30 percent, but when you say you're not anti pilot, I'll tell you what that some of the comments that you made in the newspapers in the last couple of days, you could have fooled me and you could have fooled the pilots.

PM: Well, what I'm against, and violently against, is what the pilots are doing but why would anyone be against, anti pilot. I mean, pilots have got a very important job in the community, very important job, and I respect the job that they do. But what I'm against is the blatant greed they're exhibiting and the way in which they're going about this exercise.

LAWS: Yes, well I suppose there are plenty of other people in the community who exhibit blatant greed. We see it time and time again. We see it in the upper echelons of top business management where, I believe, a chief executive in the large Australian company now averages something like \$900,000 a year. I suppose that could constitute greed in the eyes of some?

PM: I guess it could and in fact it does. I think many executives have been greedy when you consider that the people they employ, the ordinary wage and salary, your ordinary listener, or his or her wife or husband, have exhibited over the last six years a remarkable restraint -

LAWS: Extraordinary restraint.

PM: If it hadn't been for what your listeners and their wives and husbands have done, we wouldn't have had a million and a half more new jobs in this country. It's been the restraint of your people, you know, you talk and represent the average bloke and woman in the country, they've exercised restraint and Australia's reaped the benefit. That's what annoys me, whether it's a greedy executive or a greedy airline pilot.

LAWS: But you don't come out against the greedy executives.

PM: Don't we? I mean -

LAWS: Well, you don't stop them.

PM: Well they are not in the Conciliation and Arbitration system, but no-one has been tougher than Paul Keating and I and Bill Kelty in addressing the Business Council of Australia, the Confederation of Australian Industry and pleading with them to exercise restraint. But we haven't got them in the Conciliation and Arbitration Commission.

LAWS: Well, that's the whole point the pilots are making. They choose now apparently not to be within that system, which I suppose is a choice they're entitled to make isn't it?

PM: Yes, sure it's a choice they're entitled to make but they've got to take the consequences. They're -

LAWS: Absolutely and the consequences can be disadvantageous to them.

PM: They can and will be. But just to get this into some sort of context about what sort of conditions the pilots were in before, could I just give you, John, a couple of quotes from what their own former President had to say. This was just a year ago in October. This is Captain Fitzsimmons and this is what he's saying about them and I just very brief quotes. He said I'm talking about the agreements I've got within the Arbitration system, that's what he's talking about when he said it contains and maintains some of the best working conditions in the world of aviation - point one. Point two - you're the only big systems in the world who have a block guarantee of pay, (c) there is no other pilot group in the world that enjoys your overall standard of pay protection. Now that's the condition that they're in through the system.

LAWS: In fairness, that was said a year ago.

PM: That's what I said, I said it was a year ago.

LAWS: Yes, they might consider times have changed in a year. But when you say the business executives are outside the system, that's right, that's their choice to be outside the system and I would have thought it was the choice of any Australian and he may well lose by it -

PM: It's not a matter of choice as far as executives are concerned. I mean, with employers you don't have the Conciliation and Arbitration system setting the conditions of executives and employers. It may be that, you know, you'd like to have that but that is not the system but with these people, they're in there and as a result of that system operating in a centralised way, you've had a position in Australia where you've had the containment of wages, where the whole of Australia, every one of your listeners, is better off because of the restraint that's been exercised. Now, these people are in a situation where they've got the benefits and if they are allowed to get away with a 30 percent increase on conditions which, you know what they are at the moment, an average of \$80,000 a year for less than ten hours a week flying.

LAWS: Yes, but I think that's a fairly facile argument.

PM: Well, what's facile about it? They're boasting about it.

LAWS: Yes that's right, but they spend \$42,000 of their own money getting into a position to be able to do this sort of job. They spend endless hours away from their family, that's their choice, you know, I'm not siding with them, that's their choice to do it. But -

PM: But what about all the amount of money and time that other people have to spend and not, not to work less than ten hours a week at the job they've trained for.

LAWS: Yes, but that's physically sitting at the job. Obviously a lot of other time goes into it. Now you -

PM: Not an enormous amount of time.

LAWS: Now listen you can fly an aeroplane because you said you learnt in seven hours.

PM: Yes. I'm not special about that.

LAWS: No, I believe you, I believe you.

PM: I'm not special about that. Anyone can.

LAWS: That's right, but you know how to fly an aeroplane. I doubt you know how to fly a jumbo?

PM: Of course I don't.

LAWS: OK, but if you -

PM: is it being suggested in respect of flying today, then don't bring me into it. I mean -

LAWS: Well you brought yourself into it.

PM: But I'm simply - don't make any more out of what I did John, about mentioning myself than I intended it meaning. That is simply because I did learn to fly, I know all the nonsense that exists about the mystery, the magic and the glamour of flying. I mean, that's part of the problem. Here are these people doing an important job for the community, but has been surrounded about the fact of flying, a glamour and a mystique, which is supposed to mean that these people, now getting \$80,000 a year on average, for actually flying less than ten hours a week, that there's something mystical and magical about it. The only point I was trying to make - no more and no less than this - that once you've learnt to fly you know that after all it's not a terribly difficult thing to learn. What's then involved of course is gaining more experience and it is a very responsible job.

LAWS: And being checked every six months to see that you're capable -

PM: what about the blokes, what about the blokes who service the aeroplanes? The mechanics. All the years they acquired, a five year apprenticeship and then more and more experience getting up to actually servicing those planes that the pilots and the passengers get into. Now if those - and they're not working eight hours a week they'll be working the best part of 40 hours a week and if any one, any one of those mechanics who were in fact servicing the aeroplanes didn't do their job properly, didn't do their job properly, then the life of the pilot and the passengers is as much at stake as if those pilots don't do it. But -

LAWS: No, but can we talk about that? I fail to see that there's anything terribly glamorous about hanging around Bahrain airport for eight hours because there's been some problem with an aeroplane there. I fail to see there's too much glamour in trying to get an aeroplane out of the sky that has had some monumental malfunction as we saw recently and we're seeing time and time again. To me that's not too glamorous, to me that's -

PM: With these domestic pilots, I'm not sure how much time they spend hanging around Bahrain. I mean they're not really -

LAWS: We were talking about -

PM: I'm talking about this dispute, these pilots and I'm talking about comparing these fellows who actually fly no more than ten hours a week, that there's something special, mystical, glamorous about them that entitles them, on their average existing salary of \$80,000 a year now to get 30 percent more. I'm saying compare them with the fellows who've exercised the restraint, who if they didn't exercise the same amount of care and commitment in servicing the planes and getting them ready, would create just the same sort of problem for passengers as pilots if they didn't exercise their restraint.

LAWS: But what does that mean?

PM: It means -

LAWS: The people who fuel the aeroplane, service the aeroplane, should be making as much as the pilot?

PM: No it doesn't. It means that if they are prepared to exercise the restraint that they are and which has brought about a position where we're creating jobs more than twice as fast as the rest of the world because the workforce is exercising restraint for the benefit of Australians, then

these people who are also within the system of getting a rate of pay which their own leaders have said is amongst the best in the world. I mean, they shouldn't be entitled to break the system because the simple fact, which every one of your listeners must understand, is if they are allowed to get out of the system, break it 30 percent increase or anything like that 30 percent increase then the whole wage system is broken -

LAWS: That's right -

PM: And then we will have the economy broken down, inflation go rife, interest rates go absolutely through the roof, the economy buggered.

LAWS: Yeah, but if they're not worth it, and you don't believe they are worth it, obviously, if they're not worth it, then surely that should be negotiated between them and the people who run the airlines?

PM: It should be negotiated within the system on my judgement and if they're going to say 'no, we're just want a straight power game. Okay, this remains a democracy where people can opt out if they want to ...

LAWS: ... yeah ...

PM: ... but, ...

LAWS: ... but you make it very difficult for them to operate

PM: ... they, they, they, they have been using their power. They have been using their power. As far as the airlines and the Government is concerned, our power will be used. Not because I want to hurt an individual pilot, not because I want to denigrate pilots or the profession of the pilots, but because I want to protect the Australian economy. That's paramount.

LAWS: Yeah. The situation as it develops, came at a very unfortunate time for you inasmuch as the Government was rolling along according to the stories that we hear from the corridors of Canberra, you were on a high and very confident, and why not? The Government was in great shape. So, it arrived, as an election isn't very far away, at a pretty unfortunate time to add insult to injury, didn't it?

PM: No, I don't see it that way at all. I simply repeat what I said to you before, it would've been an unfortunate any day or any week, this situation would've been unfortunate. Because, there has been this overwhelming adherence by the ordinary working men and women of this country, basic acceptance by them, and by the community of the benefits of restraint, and that's been enormously important in having a situation where we've created the jobs and become a more competitive economy; and any day that there had arisen a situation where one group was going to threaten to destroy all that would've been unfortunate. And I just, on this one, I think that the Australian community will be overwhelmingly in support of a situation where you have the Government trying to protect the economy, and that's what's involved.

LAWS: We had an interesting day yesterday, when I looked at the story from the other side, which I choose to do with as many stories as I can and the reaction, in fact, from the majority of listeners - I couldn't get a bus driver. We had all the lines open, all morning. I couldn't get a bus driver. I spoke to a number, but I couldn't get one to agree that his job was as responsible as flying an aeroplane. Do you regret making that statement?

PM: No, no, no, no. Look, I don't regret trying to make the point that I've been trying to make; and that is I repeat,

I'm not trying to denigrate the responsibility of pilots. What I'm saying is that there are many people in the community, who if you used the test of responsibility for the lives of others, would be able to use that argument. Including, including, ...

LAWS: No, no, hang on. Be fair.

PM: No, I'm using the proposition ...

LAWS: ... yeah, but, I mean if you had a bingle in a bus, chances are you're going to walk away. If an aeroplane falls out of the sky, there's very little chance. I mean, there is a difference, isn't there?

PM: But, it's the lives and safety of your passengers are an issue; and let's go to the aeroplanes. I mean, of course, every person with a greater or lesser degree has some sort of apprehensions about when they're flying, but the point I'm making is this: that the pilots are the ones, who are at the end of the line and ultimately have the responsibility if something goes wrong. But what about the people who have the responsibility if there's anything every, anything goes wrong with the plane?

LAWS: Oh, yeah. Absolutely. But, ...

PM: ... do, do you have ...

LAWS: ... but I don't understand the point you're making. Do you believe that they should be able to ...

PM: ... No. I'm simply ...

LAWS: ... as much as the pilots?

PM: No, I'm simply ...

LAWS: ... well, what's the point?

PM: The point is a simple one. That what the pilots are attempting to use is the particular nature of their occupation. Now, what I'm trying to say is firstly, in regard to becoming a pilot, becoming a pilot: there's nothing terribly flash about acquiring the basic qualifications of becoming a pilot.

LAWS: To fly a little chipmunk?

PM: Of course. But what I'm saying is that ...

LAWS: ... even I did that.

PM: Yeah. But when you get to the bigger planes it's just a natural progression from actually learning to fly; and you compare - I mean, if you want to compare the blokes that are flying today, with their predecessors, not Bob Hawke and the Chipmunks, but with the people who are flying

commercially. You know, in that early post-war period. You look at the differences in flying today compared to then. The facilitation for flying. Firstly, the sophisticated automatic pilots that operate now, which are flying the plane, which are actually flying the plane for most of the time. And now, the radar. When these blokes' predecessors, here in Australia, when they were founding the aviation industry in the post-war period. Did they have radar? They had to fly through every bit of bloody awful weather there was. No assistance in avoiding all the toughness.

LAWS: Yeah but, ...

PM: ... no sophistication ...

LAWS: ... fine, ...

PM: ... but I'm simply making the point not to denigrate these people but to say, that in terms of the conditions under which they operate, it's a relatively easier situation than their predecessors and I'm saying, in terms of the welfare and safety of every single person that gets onto an aeroplane, John, that from the un-heralded, un-glamorous mechanic in the hangers, every minute he's working on those planes has a responsibility which if not properly discharged, can endanger the safety and life of the pilot ...

LAWS: ... absolutely, but ...

PM: ... and, and, and in respect of those people, they are not saying 'well, we are in the airline industry, there's something magical about us'. They are working a full 38-hour, 36-hours a week or more, and ...

LAWS: ... yeah, but ...

PM: ... and they are exercising restraint in regard to what they get paid.

LAWS: Yeah, but they do alright. Can I just tell you this? An aircraft re-fueler, thanks to penalty payments and other allowances, earns sometimes a great majority of the airline pilots. So, you know ...

PM: Not a great majority. I wouldn't accept that. There's people ...

LAWS: ... well, I mean, there are airline pilots flying for \$31,000 a year. I spoke to a young bloke yesterday that spent \$42,000 - his mother I spoke to - \$42,000 getting his licences. He's now running up hours in the Western part of Australia earning \$16.00 an hour.

PM: That's sort of thing's happening because people want to get, I mean, why do they want to do it? There is, it goes back to what I was saying, there is this glamour, there is this mystique of being a pilot. Now, I can understand it because it is a thrill. It is a real thrill. I know that.

LAWS: Absolutely. And I imagine that's why a lot of people want to do it.

PM: And, and blokes are prepared to spend \$40,000 or \$X to satisfy their craving and their desire to be a pilot and beyond them. But what I'm saying is that 'you spend what you like to satisfy your craving and your quite understandable thrill to become a pilot'. Beaut. Good. I can understand it.

LAWS: And your desire to make a dollar?

PM: And, once you've done it though, don't think, my dear boy or collection of boys, that you're going to wreck the Australian economy. Pay what you like, if you want to satisfy your craving and your desire and understandable aspirations to fly an aeroplane; but don't come along to the Australian people, to the Australian Government and this Prime Minister and say 'because I've spent that money to satisfy my thrill and aspirations to become a pilot, that you're going to wreck the Australian economy'.

LAWS: Yeah, yeah, but they're not saying that.

PM: They might not be saying it, but I'm telling you what, that everyone else understands that if they're allowed to get away with this, that's what will happen, because let there be no doubts John, if the Australian people, through the airline companies and this Government succumb to this threat - let there be no doubt about it ...

LAWS: ... even a 10% increase, that would wreck the Australian economy ... we must be really heavily in the balance if 10% increase in the airline pilots ...

PM: They're not talking about 10%, they are talking about 30% and not being negotiated according to the guidelines.

LAWS: No, but they want to negotiate with their employers. Now, if everyone says 10%, that's not going to wreck the Australian economy?

PM: What I'm saying is that they've got to accept that they'll do it within the guidelines. If what they are doing is the exercise of power for an objective of 30% - that's out! If they want to have a negotiation, within the system, that's open to them. They refused to do it. They said to the Arbitration system 'that operates for anywhere else, not for us, because we are pilots'. Well, I've got news for them. They are pilots, they are important, they do a very, very, very good job. But, because they happen to be pilots who've satisfied a desire, a legitimate and understandable desire to become pilots, and this thrilling and satisfying job of being a pilot, because they've satisfied that desire, they are not uniquely going to be able to wreck the Australian economy.

LAWS: No, because they go outside the guidelines, and nobody has any argument with that. But when you stop and think that the judges were outside the guidelines, and they were, the Government, the Government ...

PM: ... the judges weren't within the guidelines. The judges were within a system, the Remuneration Tribunal had a system ...

LAWS: ... yeah, but it's a pretty good remuneration ...

PM: ... no, no ...

LAWS: ... compared to what the others are getting.

PM: What I'm saying is that when the Remuneration Tribunal for judges brought down their recommendation, we wouldn't even go to the point of accepting that. They've had to wait.

LAWS: That's right. But they've got 12 percent and they've got some more coming and I think that the Family Court Judges got 30 percent. Now that's outside the guidelines.

PM: It's not outside the system which operates for that group of people....

LAWS: That...

PM: ...under the law.

LAWS: So they have a different set of guidelines.

PM: Of course they do.

LAWS: What about the new Government....

PM: Just a minute, just in case, you know, you think that's a smart and telling comment. You have a...

LAWS: Yours or mine?

PM: No, yours. That they are under a different set of guidelines.

LAWS: Well they are.

PM: Under the legislation, I mean, it's not our idea, or some fancy idea we've thought up. There is a system under the law which governs the way Judges are awarded. There is a system. And the pilot can't get into the Judges Remuneration Tribunal system. That's for Judges. For the pilots, there is the Industrial Relations Commission. That's their system where their guidelines operate.

LAWS: Yeah but you can't say that nobody can ever get outside the guidelines.

PM: Well I can say in respect of the Judges that they have their guidelines, under the Remuneration Tribunal which would even go that far in, I can say in regard to wage and salary earners, their system is the Industrial Relations Commission and they operate within that. And I'm simply saying...

LAWS: But if they want to go outside they can go outside.

PM: They can, yes they can, the pilots can. They can go outside, but they are not going to get support. They are not going outside because they like the atmosphere out there, they're going outside because they've got industrial muscle and they say they're going to use that industrial muscle to smash the system. They're not.

LAWS: Well when you say wage and salary workers are inside the guidelines, why didn't you perform when sales executives, chief executives of companies went outside the guidelines?

PM: Because they're not in the system.

LAWS: Yeah, but they got out of the system.

PM: They were never in it.

LAWS: Of course they were. They were in it when they...

PM: Come on, lets have facts rather than unsubstantiated opinion.

LAWS: How do you know?

PM: I'm telling you that the managers that you're talking about were never in the system. Chief executives of companies have never been under an award in the system.

LAWS: But how do you know that? How do you know that they didn't start in a factory. You don't know where they started of course they may have been in the system?

PM: I mean this is just talking about it in an earlier stage of their career, of course you're right, they've got out...

LAWS: ... work their way out of the system.

PM: Yeah, but the pilots didn't. The pilots didn't start as a first year pilot in the system and when they became a senior pilot, out of the system. This statement here by Fitzsimmons, applied to all of them from the junior to the seniors, they didn't go outside the system. They got the best conditions in the world, John, by this statement, in the system ...

LAWS: Yeah, okay, but a lot of people start in the system. I mean I used to belong to Actors and Announcers Equity, right, so I was in the system. I worked my way out of the

system, this place is full of people who have worked their way out of the system. You can do that. If I can do that, and you don't go crook at me, or you haven't yet, well why can't they do it. If they choose to, they might be wrong and they might lose, they might be worse off, they mightn't get any increase but surely in a democratic country they have the right to try.

PM: And they can if they are doing the sort of thing that you're talking about, progressing up the scale...yeah but sure they do. I mean if a pilot converts from being a pilot and goes up in the company to becoming a manager, then he's out of the system, he is. These people are not, they are staying as pilots in your system, that's the...

LAWS: Okay well lets go back to me.

PM: You're talking about one system and I'm talking about the Conciliation and Arbitration system which is the system which determines the wages and salaries and conditions of people employed under awards in that system. If they move out of that employment relationship as pilots can do, move up to become managers, they are out of that system and then their salary is determined according to a decision by the Board or the top management, and that's perfectly right but while they remain as pilots operating in a wage and salary relationship then the Industrial Relations award covers them.

LAWS: Okay, well I started in the system as a broadcaster, and I'm still a broadcaster, but I went outside the system. What ...

PM: You sure did. The thing is that when you started, if you were under the award, I don't know whether you were.

LAWS: I was.

PM: Then your wage and salaries were determined by the Award. I don't know what you got paid. Then as you went up ...

LAWS: ... eleven quid.

PM: Eleven quid, and it's a bit more than that now, because you are not only an employee, I don't know what your relationship is, but you're a part owner ...

LAWS: No. No, I'm not.

PM: Well whatever you are, you are not now simply an employed servant under an award, and this is right, I mean ...

LAWS: Because I got out of the award, but why can't anybody, I'm not saying they're right, you know ...

PM: Everyone can do it, and I'm saying in respect of the pilot ...

LAWS: ... let them do it.

PM: Let them do it, I'm saying in terms of moving up out of the ranks of the employed ... that's what they do. We're talking about those who stay within the employment relationship but if a pilot, just take Bill Smith. He's a pilot now.

LAWS: Right.

PM: Why when he's a pilot, what his union has chosen to do, and has got the best system in the world is to say, Bill Smith and all his mates have said 'we are a union, we are operating within the Arbitration system'. We'll determine Bill Smith's wages and conditions by operating within the Conciliation and Arbitration system and Bill Smith does it - he operates that way. But then Bill Smith, he's a John Laws of the air, not of the airwaves, he's a John Laws of the air, he's got a bit more talent, he's got a bit more ambition, so he ceases to be a pilot and he goes up, he goes into the management structure. He's then out of the award system, the Conciliation and Arbitration system. He's had this upward mobility that you properly referred to. Once he's moved out of that employment relationship, goes up there then his salaries and conditions are determined as a matter of negotiation by the board of the company as other executives are. So John, there is the fluidity, if Bill Smith the pilot, changes from being a pilot, moves up, expands, gets to the top, then he's out of the Conciliation and Arbitration system. But while he is operating as a salaried employee, then how he's chosen and how his union has chosen to operate to determine that, is within the Conciliation and Arbitration system by award.

LAWS: Okay, well we would assume that the fellow who runs Australian Airlines.....

LAWS: Okay. Well we would assume that the fellow who runs Australian Airlines, good bloke, James Strong, is an employee. To my knowledge, he doesn't have a share of Australian Airlines. He's an employee. I think he gets about 400 or 450?

PM: No. He is a contracted management salary person. And what has been done there is, as consistently been done, is they haven't been under awards, never been under awards. It is a matter of their salary being determined by the Government and the Board. Now what we've done, and what I know you'd agree with, that you would say that Government enterprises, while they exist, should be competitive, should be bureaucracies, they should be competitive.

LAWS: Absolutely.

PM: And what we've done there is to say, alright, we've looked at what's been paid in other enterprises, as we did with the bank. We had a situation where we had the Governor of the Reserve Bank getting about a tenth of what was being

paid to bosses of the private banking system. So you had to have a system where in these enterprises your top management was getting some sort of comparability with the people that they were, you know, competing with and, in some cases, almost controlling. Now with Strong, the head of TAA, well it's Australian now, it was TAA.

LAWS: Yes.

PM: There nothing was changed in terms of the way the salary was determined. It wasn't under an award, it was a contracted salary position.

LAWS: Yes, but you had to pay him to keep him?

PM: We had to pay and if we were going to have a situation where we thought we could get the best.

LAWS: That's right. So you had to pay him to keep him ...

PM: Yes.

LAWS: ... because his service was invaluable.

PM: Yes. And in the case of the pilots, we have paid a situation which has kept them all, in which they have said themselves that it's the best in the world. The ego about now is saying, we want to use a position of very, very considerable power to extract a lot of 30 percent and knowing that in doing it we wreck the system. Now there is no comparison between what the impact of going to a 30 percent to these fellows would be and what was necessary to pay the heads of public enterprises like the Reserve Bank, the Commonwealth Bank and so on.

LAWS: Yes.

PM: No comparison.

LAWS: Yes.

PM: I'd pay them what's necessary to make those enterprises competitive. That's not going to wreck the system.

LAWS: Tell me this. If an airline pilot with twenty years experience, right, fairly valuable sort of bloke to have around, one would think, if he were to go along to Ansett or to Australian Airlines and say well look I want to stay, can we negotiate a personal contract with me. There's nothing wrong with that?

PM: But what will happen now ...

LAWS: I mean, he put the contract (inaudible)

PM: There will be negotiations between the airlines and their pilots. I mean, the Federation, in this sense, will be irrelevant. The Federation won't be negotiating with the airlines and provided that any increase that's awarded doesn't

give increases in their salary rates outside the guidelines, then they may well negotiate positions which will give them significant increase in income. But it won't come, it won't come, John, from getting salary increases in their rates outside the guidelines. They will have to keep within them. But what the airlines may very well do is to say what we want you to do is to not fly something less than ten hours a week, we'd like you to fly something like twenty hours a week. Now if you get an increase in salary, in rates, in accordance with the guidelines and they, in fact, negotiate a significant increase in hours as could reasonably be done, they may well get an increase in income, a significant increase in income, but it won't be what they're talking about now - a 30 percent increase in salary on something less than ten hours a week.

LAWS: So you mean it would require an increase in productivity?

PM: Yes. A significant increase in productivity.

LAWS: Are the judges working harder?

PM: The judges are working very, very hard.

LAWS: Are they working harder than they were working before they got their 30 percent increase?

PM: Well, they didn't get a 30 percent increase. And what the judges have done is operate within the legal framework of salary determination which applies to them. That's what they've done. They haven't gone outside it. They haven't said, alright, we're going to, you know, jack up, only work half the schedule in overtime or less than that, we're only going to work eight hours a week.

LAWS: So they don't have to increase their productivity?

PM: Well, they deal, as expeditiously as they can, with a number of cases before them. And is anyone suggesting that judges only work eight hours a week.

LAWS: Not so far?

PM: No.

LAWS: Not so far?

PM: No.

LAWS: I don't know that anybody's analysed it. Maybe somebody (inaudible)

PM: Well, the Remuneration Tribunal has and has made a decision, or make a recommendation, that they should have got a much greater increase and we didn't do it.

LAWS: Yes. Strong story this morning, but only rumour so it should be broached. Is there any truth in the story that the Australian Government's going to underwrite the airlines for

any losses incurred?

PM: Underwrite them.

LAWS: Yes?

PM: There's no question of underwriting them. If they are operating in a situation where they are going to incur enormous losses and they come to us with a situation which says, well, we want this to be taken into account in regard to charges which we put upon them, well they can put that case. We have given no commitment about that at all.

LAWS: Would you be inclined to give them a hand?

PM: I'm not making any commitment about that. They raised the point and I said, well, this dispute is on, it's a question of principle, let's go into it and we hope we can fix it, you know, quite quickly. If you want to raise that later, if it's a long dispute, raise it, but without commitment, because they understand there's a question of principle here which applies, not just to the pilots, but to all of their employees and to the whole community. And that's a quite hypothetical thing that's been raised. I've said no commitment about that. If this goes on for a long time, let's look at it then.

LAWS: Yes. But not beyond the realms of possibility?

PM: Well, they're perfectly entitled to raise it, but no way which in this early stage there'd be anything be done. I mean, if you were looking at a situation where it went on and on, then they would be entitled to raise this with us and we'd look at it because we've got a position here, of course, John, as I mean you've been generous enough to concede right through, I mean there's been no argument about us on this issue. And that is that the whole economic interest of this country is at stake here and when that is the case, well when the Government has got to be prepared to look at all the ramifications to defend the Australian economy.

LAWS: Yes. How do you believe this will end?

PM: It will end, in my judgement, by a negotiation either between the companies and their individual pilots or a negotiation within the arbitration system by their return and a negotiation which, in my judgement, would mean an increase in salary rates. When I'm saying salary rates, not out of line with the guidelines. In other words, 6 percent or that sort of order. But with the possibility of an enormous increase in productivity by the pilots having to agree to work longer hours. Now, in one way or another, I think that's the basis of the outcome and that is a perfectly proper one. The other way is that the guidelines have been adhered to, but there is an increase in the hours worked, an increase in productivity and a benefit for pilots in a sense, for the airlines and for the paying customers because if you get a significant increase in productivity that will have its impact

upon the fare situation.

LAWS: So when the dust settles, will the pilots be better off?

PM: Well, if they accept that working for longer hours, for increased income, means they'll be better off, then answer to that is yes. And I don't think really, John, whether we have some arguments at the edge about the ten hours, or eight to ten hours, one can hardly argue that either absolutely or in comparison with their colleagues around the world, that they are overworked. I mean, they say that themselves that they are not by comparison with the rest of the world. So if you have an outcome in which they work longer hours and get greater income as a result of working longer hours and you get greater productivity, then everyone will be better off.

LAWS: Do you feel inclined to take a call or two from a listener?

PM: Sure, John, sure, sure.

LAWS: Well you have to stick those funny headphones on and I'll pop one up.

PM: Okay.

LAWS: You right for it.

PM: Either one of these.

LAWS: Yes, anything that's got a noise coming out of it. It's about eight minutes to ten. My guest is the Prime Minister of Australia, Bob Hawke. If you'd like to talk to him, and I see the board is full, keep trying, 929 5555. Hello.

CALLER: Hello, is that you, John.

LAWS: Yes. The Prime Minister is here.

CALLER: Thank you very much.

PM: Hello.

CALLER: Good morning.

PM: Good morning.

CALLER: I can't understand you talking about greed and restraining ourselves because, now what about this \$30,000 for stamps and unlisted stationery that the politicians have got. Do you think that's restraining. Don't you think that's greed?

PM: No, I don't because it's not worth a ...

LAWS: ... stamp?

PM: ... it's not worth a cent or a stamp to politicians of either side. But the politicians on both sides will be using this for the purpose of communication with the electorate. They don't get a single cent into their income. So, I mean, how is that greed. They don't make a penny out of it. What's involved is communicating with their electorate. So there's no question of greed.

CALLER: They most make a penny, but it is ...

PM: Well how, if they don't make a penny themselves, if they don't make a penny, how is it greed.

CALLER: But this end result?

PM: That's the end result. If it doesn't get into their pockets, if they're not personally better off for one cent, how is it greed.

CALLER: You don't stinks. They won't let the people, they've got to get in touch with them for their next re-election, you see and that's what it's all about and you talk about the economy of Australia, don't you think it's a bit late?

PM: No, I don't. I think, in fact, that anything that can be done to enable a greater communication between electors and those who are elected, whether it's a Labor Member of Parliament, a Liberal or a National Party. I think anything that increases communication is a very good and a sensible thing and I hope that all sides of politics, not just my own, I hope that the Liberals, the Nationals, the Democrats, I hope they'll all use it because in the end we're going to have better Government if there's more communication between those who are elected and those who elect them.

CALLER: Look, I know dozens of people that get literature through the mail and they don't even read it. It's waste of paper, waste of money and you're always talking about this glamour and magical bit. You place so much importance on glamour?

PM: Well, I don't really. I mean, John has known me, for instance, I know John, how long does it go back.

LAWS: Twenty-five, twenty-six.

PM: Twenty-five years. And I think John would tell you that I'm not a flash sort of bloke. I mean, the glamour and all that does with this sort of thing has never been part of the thing that turns me on whether when I was President of the ACTU or when I've been a Member of Parliament. All the pomp and ceremony is the part of the job that, you know, leaves me for dead. All the nineteen gun salutes, all that sort of thing, it means nothing to me I can assure you and, I mean, I think John can confirm that. It's not part of my bag.

LAWS: Well why did you keep bringing it up about the pilots?

PM: No, look, she, can I just, is it Mrs, who is it, Mrs.

LAWS: We don't know.

PM: Well, Mrs ... or whatever. I just don't like saying nothing, I'd like to know your name.

LAWS: Ma'am, I always call them Ma'am.

PM: Ma'am. Okay. Ma'am. I really am not trying to say that there isn't, you know, real legitimate reasons for pilots feeling that there is something, you know, special about their job. I mean, I can, the only reason I mentioned that I learned to fly myself was for no more and no less a reason than to say this. That I understand, you know, the attraction of flying. It just is a magnificent feeling to get up there in an aeroplane and fly. I mean, it just is a magnificent feeling and there has been projected in all the literature, I mean, you don't see novels and you don't see advertisements about aircraft mechanics, the people who make the plane safe. I mean, what the ... advertising, all the glamour is about the pilot. Now that's understandable because that's the bloke that's up there, that's the one you see. There's no glamour about the bloke who slogs away day after day, out there in the hangers, making the aeroplane safe. And I'm simply saying that there is this mystique and glamour about the fact of being a pilot. Now that's alright, I'm not worried about that, but I don't want that translated into a situation where because of that people think that they can move from that to bust the Australian economy. That's the only point I'm making that it is a very important job. I'm not dismissing that.

CALLER: But two standards. One that suits you judges and it's not saying that judges don't deserve their right. I'm not saying the pilots don't deserve theirs. But what I'm saying is that there seems to be two standards.

PM: No, well there's not. I mean, this is where, with respect, Ma'am, you're wrong. In regard to the judges, we have, under the law, under the law, a Remuneration Tribunal and under that Remuneration Tribunal the question of salaries of judges is considered.

LAWS: And, Ma'am, with respect, that law was in place before this Prime Minister came to power.

CALLER: Oh, yes, yes. Well I'm not, I couldn't, I don't want to get personal about these things.

LAWS: No, well let's not. I think the questions have been answered and we've got a lot of people waiting. Please don't say I gave you short shrift because that's not my intention, but there are a lot of people waiting. I think you made your point. Hello, hello. Just hang on, just hang on, we'll tidy up that line. Yes, go for your life.

CALLER: John, look I'm disgusted. This is quite a unique

industry, this airline industry.

LAWS: Okay, well you talk to the Prime Minister, not me.

CALLER: Prime Minister.

PM: Yes.

CALLER: We're in quite a unique situation. Look the aviation industry ...

PM: Who's we?

CALLER: Well, the aviation industry in Australia who's going into deregulation next year.

LAWS: Are you a pilot?

CALLER: No, I'm not a pilot. I'm within the industry.

PM: Well what do you do in the industry, mate?

CALLER: An engineer.

PM: An engineer.

CALLER: Yes. Are you with one of the major companies.

CALLER: Yes, I am.

LAWS: You're one of the good blokes then. The Prime Minister likes you. You keep the aeroplanes up there.

PM: I mean, when you say you're an engineer, do you maintain the aeroplanes?

CALLER: Yes, I do, yes.

PM: Yes, yes, good.

CALLER: We are just as skilled as any engineer in the world. At the moment we are suffering crisis because our engineers are not getting paid enough within Australia and overseas airlines are poaching us to other airlines in the industry and we just can't compete.

PM: Well, of course, that's not right. What is happening, in fact, that, as you know, or at least, I mean, I'm not asking, no, which of the two airlines do you work with?

CALLER: Well, I'm not going to go into that.

PM: No, no, but I don't want to know, no, I can't identify you, but it's relevant to my answer, which of the two airlines do you work with?

CALLER: Private side of it, how about ... put it that way.

LAWS: That'll do, the private side.

PM: You work for Ansett.

CALLER: I never said anything.

PM: Well, no, but see what I'm getting at is, I'm not trying to identify you and I never could, but I'm simply making the point that, in fact, the Australian airline industry is attracting, because of the quality of its service, we do work for international airlines. Now I know it is the case that some of the airlines would like to be able to pay fellows who are, in fact, employed as maintenance engineers, they'd like to pay them more because, in fact, there's a, you know, relevant shortage and so on. But they haven't. I mean, what they've done is they've stayed with the airlines and we are, in fact, not only doing our own work but doing some of the work of others from overseas. Now, look, I would like, I mean, if you are in fact working as an engineer, a maintenance engineer, with Ansett, as you suggest, I would like, and I'm sure a lot of us would like a situation where you could, in fact, be paid more. But there are a whole lot of people in the Australian community who, over the last six years, could have been paid more if they'd just exercise their muscle. They could have gone out and exercised their muscle and wages could have been higher. But, in fact, they haven't done that and, in the result, we've had one and a half million new jobs created right around the Australian economy which is a rate of job creation more than twice as fast as the rest of the industrialised world. Why? Because the organised wage and salary earners of this country have exercised restraint, as I say, a matter which John Laws very generously has consistently recognised. But the community has benefitted because people have exercised restraint. It's not a question of saying that, you know, ideally we wouldn't like to pay more, we'd like to do that wherever it's warranted, but, in the end, the great bulk of Australian workers have accepted that they don't only have to look at their own immediate interests, but whether they're going to create a situation where there's more employment for themselves, for their kids and so on. Now that's the balance.

CALLER: I understand that, Prime Minister, but with due respect, Qantas is sending 747's to be maintained all over the world because we can't do it ourselves. The skilled engineers are leaving in droves because they're not getting competitive wages with what they're getting overseas. They're leaving Australia, I'll tell you now, they're leaving Australia in droves. I'm not talking about one or two, I'm talking about ...

PM: Yes, but let's give the whole picture rather than part of it. It's always, you know, an argument. I mean, I've been around in public life for thirty years and I know how easy it is to have one side of an argument. But also you've got a situation where people are coming to Australia. It's not just simply a question of people, you say leaving the job, they're also people coming here. And Australia is not the only place which has got skilled people. There are others who have got skills overseas and are wanting to come to Australia and are

coming. Now if you, in the end, stripped of everything else, your argument is simply this. If you've got power, if you as a worker or a union has got power, use it to get more money because that's what's necessary.

LAWS: Yes, Is it fair to say, is it fair to say power really and I know you'd like to be fair. What about the difference between power and talent?

PM: But, look, that's what I said in the first part of his answer to question. I would love to have a situation where everyone that's got the talent, that's qualified themselves, could get the sort of show which they think, you know, that a nice lovely person to be entitled to. Now that would be beaut. But in, for god's sake, in this tough competitive world we can't just let our wages system blow out here. Look, we tried it once and it was in this decade, in 1981, this ideal was applied. Just let it blow, don't have centralised wage fixation, don't have guidelines, don't have principles, just let the negotiation go and what happened. Well, in other words, we don't have to be theoretical about this. Just at the beginning of this decade that happened, wages blew out by seventeen percent, the economy collapsed, we got the worst recession in fifty years, we got double-digit unemployment and inflation and the whole economy collapsed. The worst recession in fifty years when what happened is what you're saying. Just don't worry about principles, don't worry about guidelines, let it go. Well, my friend, I am not prepared to let it go.

CALLER: I don't expect you to let it go, Prime Minister, but what I'm trying to say to you is we are in a field of international competitiveness here at the moment. We're not just talking about average Australians. If an average plumber here could walk to New Zealand, fair enough. But the engineers and pilots are in a field which is up for grabs by international carriers every day?

PM: Look, as far as the pilots are concerned, was it said before, the day they, when was there stoppage, that we had, that Ansett and TAA had a shortage of pilots. Was that said?

CALLER: Yes, it was. (inaudible) pilots at the moment?

PM: You are saying that we couldn't operate Ansett and TAA because of a shortage of pilots. There was an effective shortage of pilots which were stopping it operating. Now you know that that's not right.

LAWS: Not right.

PM: It's not right. The simple fact is that the pilots wanted more money and it wasn't a situation where Ansett and TAA had to be offering more to keep their system operating.

LAWS: That's why they don't have to do it.

PM: And, in fact, what the pilots said, look, we think we're

in a pretty strong position and we want 30 percent increase on top of our average \$80,000. And what the airlines have said, we might have given in to you before mates, we may have given in to you before, but it's a different ballgame now and it is. Now, look I'm not unsympathetic to what you're saying about the engineers because you are right in saying that (a) a very important job, (b) you know, that it's competitive, but the points that you're not realising are, in fact, because of the quality of the people we've got here, we are doing, in fact, overseas work. We could do more if we had more people, there's no doubt about that. But we are training more and we're getting people from overseas. It's not a one way traffic and if, you know, there was a capacity to pay more, you would do it, but what's been worked out between the unions and the airlines is a restructuring under the restructuring processes which will go a considerable way towards meeting the legitimate concerns of maintenance engineers in the industry.

CALLER: I hope that we can keep what engineers we have here and the skilled ones at that ...

PM: Sure.

CALLER: ... but I feel that if we don't this country is not going to be able to compete in an area which is becoming more competitive day by day and I feel that if we don't do something to try and maintain our standard, I think we will be falling short of what average Australians would expect.

PM: The standards will be maintained by the whole award restructuring process which will mean, not only more pay according to the restructural principles and the guidelines of the Commission, but, importantly, we will have a situation in which the whole training and retraining processes will be facilitated which means you'll get even better training, more flexibility on the job and more satisfying work. That's precisely what's being done now under the principles. And under the wage fixing principles, we're about getting better training, more satisfied employees, better remunerated employees in a way which is going to benefit the whole economy. That's what's happening in the rest of the workforce and we want the pilots to understand that they can't be in a category of their own.

LAWS: Okay. We've got to leave you. We'll take another quickie here. Hello.

CALLER: Hello, John.

LAWS: Yes.

CALLER: Yes. Could I speak to the Prime Minister.

LAWS: He's right here.

CALLER: Hello.

PM: G'day.

CALLER: Yes. Look, I'm an airline pilot. Well I was an airline pilot until last night. I'd just like to query what you're saying about flying being glamorous. I don't think there's much glamour ...

LAWS: Keep your voice up a bit, you're a bit quiet.

CALLER: About pilots being glamorous. It is not glamorous at all.

PM: How long have you been flying for?

CALLER: I've been flying for about seventeen years now.

PM: How many years?

CALLER: Seventeen.

PM: Seventeen. And what rank did you have?

CALLER: I don't think it's applicable.

PM: I really want to be responsible and positive in my reply to you. After seventeen years what rank did you have?

CALLER: I don't think that's applicable.

LAWS: How much money were you making?

CALLER: I'm making \$45,000 a year. Or I was till yesterday. I've just been offered a job outside the industry yesterday for \$140,000 a year. My suggestion is to virtually any pilot out there that they should look outside the industry because they're wasting their talents in the airline industry.

PM: I think, my friend, if I could just interrupt you - if you're earning \$45,000 year and you've now been offered \$140,000 ... my recommendation is you're a mug if you don't take it. Go and take it.

CALLER: What I'm trying to say to you though is that the majority of airline pilots are highly intelligent, skillful people, and most of them have management experience.

PM: Now come on. Most of them have management experience. Look my friend, I'm prepared to accept everything you've said, that you are a pilot, you earn \$45,000 after seventeen years and you've just been offered \$140,000. I'm prepared to accept all that because I've got no alternative but to accept it. I will not accept a blatantly absurd proposition that most of the pilots have had management experience. That my dear friend is absolute bloody nonsense and you know it.

CALLER: No, I don't.

PM: Well tell me. OK. On what do you base the proposition that the great majority of pilots have had management experience?

CALLER: What do you think flying in a cockpit means?

PM: You say managing the crew? I will accept that.

CALLER: And it's highly dedicated. You are constantly checked every six months. Your job is on the line every six months. I wish your job was on the line every six months because you wouldn't be there if -

PM: Well that's a very intelligent intervention. Let me say that I operate under a system where I've had to put my job on the line, I've had to put my job on the line, go for an election and so far it's ... every time. We'll see what happens next time. But I don't think your case is helped by that gratuitous insult.

CALLER: I'm sure you are the ones who started the insults.

PM: I'm not. Because my friend, what you don't understand is that I do have a high regard for the job that pilots do. You'd have to be out of your mind not to have a high regard for the job that pilots do. All I'm about is not to denigrate pilots but to try and get some perspective, get it into perspective. The job that you do, or that you used to do before you go out to do this other one -

LAWS: What's the new job, out of interest?

CALLER: Managerial.

LAWS: Beg your pardon.

CALLER: It's managerial.

LAWS: What sort of management?

PM: There's a difference between managing a crew in an aeroplane, which is very important and managing outside. What sort of job is it?

CALLER: As I said, it was managerial in marketing.

PM: That's beaut. I think you should do it. I'd hope you'd feel this, that - You, know I, as a passenger, I've flown probably more miles than 99.5% of people in Australia. I know the importance of pilots. I respect them. But I just want you and the Australian community to get this in perspective. There are a hell of a lot of people in the community whose contribution is important. Every time you've got into that aeroplane, as you know - and I don't think you'd dispute this with me - every time you've walked up the steps into that aeroplane you know better than anyone that your life, your safety, as well as that of your passengers, has depended upon the quality of the work that's been done by mechanics in those hangars. Those people, those people have had to do five years training and apprenticeship and acquire a hell of a lot of experience to get that position where they are in fact maintaining and servicing your planes.

CALLER: Can I just butt in there. I started off being an engineer. I had a look at the conditions and salaries and I thought I'd be an airline pilot.

PM: How did you your engineering? By apprenticeship?

CALLER: By apprenticeship.

PM: How many years did that take?

CALLER: I didn't finish it because I could see that -

PM: How many years apprenticeship did you do?

CALLER: I beg your pardon.

PM: How many years apprenticeship did you do?

CALLER: I think it was about nine months.

PM: You think it was about nine months. You're not sure. I see. OK. Where did you do it?

CALLER: ... 17 years ago.

PM: Did you do it with an airline?

CALLER: No, I didn't.

PM: So after nine months - what you said to me, you were an engineer before you became a pilot.

LAWS: He was an apprentice.

PM: But now you are a person who did nine months apprenticeship. You said to me, to John Laws and to some hundreds of thousands of people, before you became a pilot you were an engineer. It turns out you did a nine months' apprenticeship. Is that right?

CALLER: No. What I'm saying is -

PM: I'm asking a question. I'm not trying to be difficult. You said you were an engineer before you became a pilot. To try and be constructive, I was trying to get the background.

CALLER: I've got a choice haven't I.

PM: Wait a minute. You've also got the choice of putting it straight. You've said you were an engineer. I asked you how you got there - apprenticeship. You said you did nine months' apprenticeship. Does doing nine months' apprenticeship make you an engineer does it?

CALLER: No.

PM: Well why did you say you were an engineer?

CALLER: You haven't listened to what I'm trying to say. You don't understand what I'm trying to say.

PM: I really want to be helpful to you and to listeners. Just tell me how you became an engineer. You did nine months' apprenticeship.

CALLER: I started an apprenticeship, right, but I decided from that point, after about nine months, it was going to -

PM: But you said you were an engineer. Were you or were you not an engineer or were you a person who did nine months' apprenticeship?

CALLER: If that's your clarification then -

PM: It's your clarification mate. You came onto this program, apparently seriously to talk about an issue in which I'm desperately concerned. John Laws is concerned and so are his listeners. You purported to have something to say about this, that you were a pilot for 17 years, before that you said you were an engineer, so you could talk about the relationship between engineers and pilots. Then I find out -

CALLER: I'm not talking about that at all. You still don't understand. You don't seem to want to understand.

PM: I want to understand my friend whether you were an engineer which is what you said.

CALLER: I've told you that I was an apprentice.

PM: Nine months' apprentice and you say that makes an engineer. OK.

CALLER: I have never said that I was -

PM: I don't know John, what did you hear?

LAWS: Yes, I heard that. I think we'll just give that a miss. You've been having such a good time you've forgotten what time it is. Barrie Cassidy is ripping his hair out. Can we take one quick one?

PM: Sure.

LAWS: One quick one. Hello.

CALLER: Hello John. I'd like to take the Prime Minister up on three points that he's mentioned this morning if you'd be happy to give me the time to do so. Firstly he's made considerable mileage out of the fact that pilots were quite happy to take full advantage out of the wage indexation system and the arbitration system for the last few years and are now prepared, or now want to get out of that system and

go for broke. I'd like to refer him to the fact that between November '85 and the middle of last year politicians received the same national wage increases as the rest of the workforce give or take a few percentage points - and they're only very minor points. I have the figures right in front of me here. Early this year, in March in fact, the rest of the workforce were awarded \$10 per week out of the national wage indexation system. The politicians in January of this year got 11.8% and with the further prospect of 10.9% in January 1990 and a further 90.8% in January 1991. Don't you think the Prime Minister is being a little bit hypocritical to say that we want the best ... when they themselves have benefitted from that wage indexation system for the last four years, but has taken the pilots ... to get a compounded increase of 36%?

PM: Absolutely on the contrary my friend. What has in fact happened is that time after time the Government has knocked back the recommendations for increases for Members of Parliament. In fact to the point where the Remuneration Tribunal has become significantly frustrated and said what's the point. What we in fact did in the light of recommendations for significantly greater increases than we were prepared to accept and operating under the system which was set up to determine the remuneration of Members of Parliament, we then, in an attempt to get a lesser outcome than had been recommended by the Independent Remuneration Tribunal, we took the matter to the Conciliation and Arbitration Commission so that the decision that would be made would be one which would be regarded and endorsed by the Conciliation and Arbitration Commission as it then was - now the Industrial Relations Commission - would be endorsed by them as being consistent with the wage fixing principles. So the history is one of knocking back increases by the legally established Independent Remuneration Tribunal, knocking them back because they were too high and could upset the general wage fixing system and then they've continued to recommend larger increases, then taking those to the Industrial Relations Commission to get them to give decisions which they would regard as being consistent with the wage fixing principles. That is the fact.

CALLER: But Mr Prime Minister, during those four years that you picked up the national wage increases like the rest of the workforce, do you think you were the only group in the community that had to knock back higher wage rises that you would've otherwise have been granted?

PM: What I'm saying is that everything that the Members of Parliament did was in accordance both with the Independent Tribunal - in fact not in accordance ... refuse to accept the degrees of increases that they nominated and would only take increases that were endorsed by the Commission. That's what I'm saying and that's not a question of opinion. John knows, you know that that's a fact.

LAWS: Yes, that is fact. I mean you can't deny it, it's fact.

CALLER: I'm not denying that you've taken what your own tribunal has recommended. But there seems to be a double standard once again that just because you have a tribunal that says that you deserve a pay rise but the rest of the workforce doesn't deserve it, it seems to be -

PM: It's not a double standard. We're saying in respect of the rest of the workforce that that's exactly what we want them to do and to the great and overwhelming credit of the workforce that's what they've done.

CALLER: The double standard is that you accused pilots before of wanting the best of both systems. You said they were quite happy to take what they could get out of the wage indexation system for four years but now they want to opt out of that system when it suits. Don't you think you have the best of both worlds?

PM: On the contrary my friend. I mean obviously you don't want to hear what I'm saying. John understands what I'm saying, I'm sure listeners do. We have in fact not opted out of the system. On the contrary. We have denied ourselves what the system has offered to us and said no, we are not going to do that, we will not have anything more than the Arbitration Commission will endorse.

CALLER: Obviously we'll just have to agree to disagree on that one.

PM: Sure.

LAWS: Listen, we've got to call it a day because I've kept the Prime Minister waiting too long. Perhaps you'd like to talk to me about it later and I'll do my best to give you a hand if I can. Prime Minister, for me it's been a pleasure. I trust it's been a pleasure for you.

PM: It has indeed John. It's always a pleasure. Thank you very much indeed.

LAWS: I'll look forward to seeing you very soon.

ends