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PRIME MINISTER

**TRANSCRIPT OF INTERVIEW WITH JOHN MCKENZIE, 4CA CAIRNS,
18 SEPTEMBER 1989**

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MCKENZIE: Thank you for joining me.

PM: My pleasure.

MCKENZIE: Today you are to talk to us in far north Queensland. You have probably just heard me talking to Bill Ludwick, the Branch Secretary of the AWU in Brisbane.

PM: I just heard the very end of it, John.

MCKENZIE: People suffering here in far north Queensland, as you would be well aware, over the years of your tenure as Prime Minister. I suppose one thing you have really been renowned for is your compassion for people who are suffering. Is there anything you can say to those who have lost their jobs here in far north Queensland at the moment.

PM: You talking as a result of the pilots dispute.

MCKENZIE: Sure.

PM: Well the first thing I'd say is that the strength of the Australian economy, the enormous growth of the tourism industry in the period since we have been in office is a direct result John, of the fact that we've had a wages accord and a wages system under which the workers of Australia have exercised very very considerable restraint and that has meant this enormous increase in jobs, a trebling of the number of jobs in tourism in particular. A trebling of, well quadrupling of turn-over in the industry, and a trebling of the number of overseas tourists. Now that's all happened because we have been able to have workers in this country very responsibly exercising wage restraint. And what this dispute is about now is a situation where the pilots are trying to smash that by breaking right outside the system undoing what all your listeners, workers and their dependents have done. Now there would be much greater problems if we just gave into the pilots, which we are not prepared to do. Now having said that, of course, I am desperately concerned about the fact that the action of the pilots has imposed this hardship on people in Australia, in general, and to some particular

extent in your area. I met with the tourist industry here last week John. And let me say these things about this. Firstly, they were very responsible. They said, we are not asking for compensation, but there are two things that they asked me to do and which I was more than happy to do. And I would particularise that in regard to your area. Where there are people who are suffering financially, as a direct result of this pilots dispute, I would say, and I hope I could use your program to say it That their bankers should exercise consideration and restraint in dealing with those problems. They should help to accommodate them because this dispute will end, and the fundamentals of our tourist industry and of your area particularly, remain unchanged. People are still going to see Australia for what it is. That's one of best the tourist destinations in the world and within that situation, John, they are going to see your area as one of the most attractive parts of Australia. So the fundamentals remain unchanged and I would ask bankers, and those who are in a financial relationship with operators, to accommodate them during this period. The dispute will end, its not going to take an indefinitely long time. And they should be assisted during this time. That's the first thing. Secondly John, even before the tourist representatives came I had talked about the possibility of some assistance to the industry after the dispute. They raised this with me, and I have indicated that I will provide some federal assistance to undertake a campaign when the dispute is over just to let the rest of the world know that we are back to normal. And that the facts are as I said. That Australia still remains the best tourist destination in the world. And amongst that it is very hard to beat the northern part of Queensland.

MCKENZIE: I have got to bring up a point there on your commitment to ensuring this will never happen again. I have had people in mum and dad businesses going broke. I have had people part-time and full-time employed in the hospitality industry saying, why should we wait for it to be all over. Why should we go back to the hospitality industry, because we can't guarantee there is a structure to ensure this will never happen again. How strong is your commitment to ensure this sort thing can't happen again?

PM: Well that's what its all about. The very fact, and with respect it should be so glaringly obvious. If we allowed the pilots to say to the rest of Australia and to all your listeners, look, you have played the game, you have exercised wage restraint, and on the basis of that we have built up this enormous growth in the economy and in the tourism industry in particular. But if we allowed the pilots to say, well, frankly bugger you, we will just go and exercise our strength and get 30 per cent increases. Then you have got no guarantee because everyone else will do it. The whole thing will be wrecked. It is only by making sure that the pilots are not allowed to wreck the system that your listeners, and the people you are talking about, can have any confidence in the future. They can have no confidence if the pilots are allowed to wreck the system.

MCKENZIE: Talking about compensation a moment ago, the Member of Leichhardt, Mr Gayler would have informed you, I presume, of the sort of anger that stirred up here in the tourist industry here in north Queensland. And some of the operators are saying, look if you are going to give compensation to the airlines for that, the way you are doing it, couldn't you make it contingent on perhaps airfare packages that would stimulate some more business coming ... a reduction in airfares ...

PM: You go right to the very heart of what this is about. Two things to say. The airlines are not getting any compensation in a different way from the tourism industry in regard to the losses generally that they are suffering. They are not getting anything for their general losses. The one thing that distinguishes the airlines in this dispute from the tourism industry, is that the tourism industry can and is standing down its employees. The airlines can't. And the compensation, the word that is being used, the financial recompense, is financial assistance, however you want to describe it, that is limited to what the airlines are faced with which the tourism industry isn't. So they can't stand down their employees, because if they did the whole thing would stop. So they are getting financial recompense for that. The tourism industry is and can stand down their people. But for the general loss that the airlines are suffering they are not getting a cent of compensation. Now going to your point about fares. The very fact of making sure that this dispute is won is going to mean that the airlines are going to get enormous productivity improvements. Once they have recouped their losses, got back to normal operation, then they will be employing something like between four and 500 less pilots. The pilots will be flying more and out of that significant productivity increase there will be the capacity in the airlines to have a better approach to fares than they otherwise would have. And we have said to the airlines, that we expect that once they have recouped their losses in this dispute, then we expect the productivity improvements to be shared with industry generally and that includes in particular the tourism industry.

MCKENZIE: On a personal note, it must be rather strange for you after so many years as chief advocate for the ACTU to be really working, in some ways, very strongly and very closely with employers. Does it seem rather strange to you at times?

PM: Well what I have always tried to do is to see what is the best way in which you can advance the interest of the country generally. I believe when I was President to the ACTU, and in fact this is a matter of record, I had lots of dealings with employers. I had a good relationship with employers as well as leading the trade union movement. What I always try to do at the end of a dispute was to say, well look, what's the thing which is going to recognise the

interest of the parties immediately concerned and the community generally. And that's how we got disputes settled. In this case we have a position where the pilots federation has just made it clear John, from early this year, that they were going to smash the industry. Have you actually, are you aware John, of the things that the pilots planned from the beginning of this year to smash the industry.

MCKENZIE: We have heard rumours.

PM: Well I'll just say that they are not rumours. Just could I, have you got time if I could quote to you from their own publication. Now this, I mean they are coming out and saying that they are terribly upset about what has happened in the tourism industry. Shedding their crocodile tears, the federation. Just let me read you some of the things John, from their publication that is called 'Deadline '89'. And its the Australian Federation of Air Pilots. Now here you are in February they say, this publication will be issued regularly and cover many of the questions that you will have in the months that come such as the actions companies may take in the case of prolonged industrial action. That is what they talk about, prolonged industrial action. That's in February 89. They say that they will pursue every means available to obtain their claim. Now let's go on to some of things they then say. Then, this is may I remind you, early February and April. They say at some stage in one's working life, the potential to face a non-income period, and they call that NIP, non-income period. The potential to face a NIP exists. Now may be an appropriate time for the prudent pilot to review both long and short term financial arrangements. They then said, be prepared to adjust your lifestyle in the period leading up to and during the NIP, for example, eating at home is cheaper than eating out. They then say, establish other employment opportunities. Many people have acquired a taxi driver's licence. Then they say, this period is an excellent opportunity to complete many of the things that you may have been wanting to do. You may decide this is an excellent opportunity to have a complete break from the house, to go fishing, work on the car, start a lawn mowing business.

MCKENZIE: I say to you they are probably getting a bit fed up with it by now though.

PM: They might do. But just let me give you the last quote. This is the pilots starting in February. They say, a major reason for the stopworks being called was to inform you of the major battle ahead should the existing system not become flexible to remedy your real salary situation. Should it reach that stage then it will be a real battle, as we will be fighting the Government, the Arbitration system, the companies and all the vested interests. Now in other words John, the Federation, starting back in February, were

quite prepared to smash the tourist industry. And not only prepared to, they were planning to do it. Now what I'm saying to your people is, my Government has not been prepared to allow this to happen. Sure, in stopping it happening there has got to be some, you know there is some intermediate problems and we will do what we can, when the dispute is resolved, with help in advertising, to build the industry up quickly again. I plead with the banks and others to help people who are in temporary difficulties. But the real point is that the Federation was determined to do what no-one else was doing, every other workers were abiding by the system, they were going to smash it. Smash the tourism industry. We are not going to allow that to happen.

MCKENZIE: One final point, I have only got 30 seconds leading up to news. One of the local operators would like you, in your capacity as Prime Minister, to exert any sort of influence you can on the companies, on Strong and Abeles, to get our quota of flights as soon as possible back into this city.

PM: Yes. Well I will certainly say to them that consistent with what they have got to do with the rest of Australia, that they will do as much as they can to help up there. But they have got to, obviously, try and do it in a rational way in regard to the whole of Australia. But let me make this point. I don't think I have to say very much, because, ask who are the biggest investors in the tourism industry in this country, amongst the biggest investors. It's the airlines.

MCKENZIE: Thank you for your time this morning.

PM: Thank you John, very much.

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