



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HOWARD SATTLER, RADIO 6PR
24 NOVEMBER 1989

E AND O E PROOF ONLY

SATTLER: The Prime Minister is in the studio now and some bloke just called me up and said I wouldn't be game to call you the silver haired bodgie. Have you been called that before to your face?

PM: No not to my face.

SATTLER: How would you react if I did that?

PM: If you feel that you need to do that Howard be my guest.

SATTLER: I don't need to do that he obviously felt some compulsion to do that so I will just pass that on to you, as an opening bowl if you like?

PM: That's a pretty easy one to get a four off actually, I hope it's as easy for our batsmen today.

SATTLER: Are you going to get down there?

PM: Tomorrow, I would like to be able to get in for a while today or tomorrow, but I have a pretty heavy program I will try to do.

SATTLER: Would be nice to see Tom get a ton.

PM: That's what I said to you, it would be nice to see Tom get a ton I have picked Tom Moody in my Prime Minister's eleven more than any other batsmen and unfortunately he has not got going. In the first game he hit a six straight over the site board which was still rising when it went over the site board but he got out at about 22 I think. I have always thought I saw in Tom Moody the makings of a great cricketer. I hope he grabs his chance today, I wish him very well.

SATTLER; Alright I think the big talking point this morning, it certainly has been on this program is the Supreme Court decision in Melbourne yesterday which I guess if confirmed by a compensation payout in a few weeks might cost the pilots up to \$10 million. Are you happy about that?

2.

PM: I believe you have been saying that you would imagine I would be gleeful about it. You are wrong about that.

SATTLER: That's correct.

PM: I don't get any glee or comfort and I wish Howard you would be good enough to remember exactly what I have been saying through the course of this matter. It was Bob Hawke and others who pleaded with the pilots not to take themselves outside the system. I said in the beginning, stay inside the conciliation and arbitration system. That is where the processes are. I said if you go outside the system then you are outside it, you expose yourself to all the pains and possible penalties of going outside that system. It was Hawke who pleaded with them to stay in because I said if you go outside then you are outside. But they, you will recall and this is what the Supreme Court judge has found. He said it is the Federation who was spoiling for a fight, the words of the judge. He said they made the accusation, the pilots, in this hearing in the Supreme Court they accused the Government and the airlines and the ACTU of a conspiracy that we were spoiling for a fight against the union. Now the Supreme Court judge has found the opposite. He said and on the evidence it is the case that they were the ones who were spoiling for a fight and outside the system. Now what has happened is a matter of a deep regret to me. That's why I warned them I said don't go outside because then you get exposed to all these things. Now far from getting any satisfaction, I mean it's just as a matter of enormous regret to me that by grossly inept leadership of the Federation that they have exposed their members to this outcome. Now the facts are as I have put them from day one and as the Industrial Relations Commission has now confirmed last week that it is open and always has been open to the pilots to operate within the system. The Arbitration Commission has said these are the things you need to do accept the three conditions of the Industrial Relations Commission which is the same as for anyone else that is in their case lift the embargo on their members joining the airlines, secondly accept the decisions of the Commission and thirdly be bound by the national wage case guidelines. Commission said you do those things which is what every other organisation and workers has to do, you do that you can then make an application, the Commission will be bound by the awards which is now the contract and thirdly if you then become bound you can make an application to vary that contract that order if you think that it's not right you can seek to have it bound. Now that's always been the case and it was by their own action as has now been demonstrated by the judge of the Supreme Court that they decided to take themselves outside the protection of the Industrial Relations Commission. They deliberately chose to do that and now when they have been hit with those consequences, you know they wonder where they are.

SATTLER: But you have almost, you and Sir Peter Abeles got them where you want them now haven't you.

PM: I may as well have not spent my last five minutes talking with you, got them where I want them. I have just spent five minutes Howard telling you that, don't you understand plain language, didn't you hear what I said for five minutes. Didn't you hear me saying that's where I didn't want them. I have spent five minutes telling you that that's exactly where I didn't want them. Do you understand that's what I was saying for 5 minutes.

3.

SATTLER: Yes.

PM: Well why do you now say to me now, I have got them where I want them.

SATTLER: Alright on the other hand then if you didn't want them then and you say you don't, is there any door open to any degree now for them to come back with inside the system?

PM: Again, I have just wasted, haven't you just heard me saying I have spelled out, spent two or three minutes spelling out the door. I just spent that time telling you what the door was.

SATTLER: Yes I understand you.

PM: Well why are you asking me to do it again.

SATTLER: What place have they now got in this whole dispute, the pilots -
but I have spelled it out again I have just given you with respect Howard, I have given you that answer. I have told you that what the Industrial Relations Commission is precise in what they have been told as to what they can do if there is a place, let me repeat it the Commission said three conditions that is lift the embargo on your members fly with the major airlines. Two say that you will accept the decisions of the Industrial Relations Commission. Three say that you will be bound by the national wage case guidelines. If you accept those three conditions which are the same as applied to every other organisation then you the Federation can apply to the Industrial Relations Commission to be bound by the award and we will consider that. Three if you are then by the Industrial Relations Commission accepted as being bound then you can make an application to the Commission for a variation of the award. Now I spelt that out a moment ago that's the route that is open to them. But they have consistently said no we won't do that but I have spelt it out in the parliament, I have spelt it out publicly, I spelt it out weeks ago to some of their pilots in Kilmore in Victoria when we were talking to them.

SATTLER: Well may be the union movement and representatives of it have also misinterpreted your recent stand on the pilots and on what you are saying now.

PM: How can that be when Bill Kelty who is the Secretary of the ACTU who speaks for the trade union movement of Australia has said precisely what I have been saying.

SATTLER: But they are concerned for the pilots at the moment.

PM: They are rightly concerned as I am. I have just expressed my concern, I repeat for the third time on your program, this is not where I, this is the last thing that I wanted. That's why I pleaded with them Howard don't do this. Don't say that you are different. They started in February of this year saying that they were going to have a battle, that they were going to take on and fight their employers, the Arbitration Commission, the trade union movement and the government. They were going to take everyone on this is in writing in their publication in February of this year. Now remember that, that was the deliberate

4.

PM (cont): calculated decision. They said -

SATTLER: No one doubts -

PM: Now wait a minute -

SATTLER: They started it -

PM: But I am not talking about started or finishing because I don't want to claim a victory. Never been about trying to say here is a fight and I am going to win. Never been it I am simply trying to say they made the decision to take on everyone and that's been found by the Supreme Court judge that they were the ones that were spoiling for a fight. It was Hawke in my traditional historical role of trying to be a mediator getting things handled in a system of discussion and conciliation. I pleaded with them I said do not do this, here is the avenue which everyone else uses. And I said this settles it you haven't got the right to destroy the Australian economy with a 30% wage claim that you will fight outside the system because if they had been able to do that, if we had let them go ahead then the whole system was destroyed and the economy was destroyed because every trade union, you talk about the reactions of the trade union, the trade unions made it clear then what their relationship to the pilots was. There was a very simple and direct relationship. They said if the pilots succeed in the 30% we go for it too. That was the relationship and we have seen that that could be allowed.

SATTLER: Well the pilots have since dropped that claim of course because they were clearly losing the argument.

PM: But they have not, they have not said that they will come into the arbitration system and operate as everyone else and pursue their claim. That has been open to them up until today it's still there. It's no good you saying they have dropped their position. The full bench of the Commission told them that they could come in and process their claim but they will not do it.

SATTLER: What about the wider implications for the union movement. This is what John Halfpenny had to say on the program a little while ago or part of it.

HALFPENNY: I think that if you were to take a poll you know around the union movement at the present time who is the least popular, the Government or the pilots federation, I wouldn't like to back on the outcome.

PM: See I take absolutely no notice of John Halfpenny. I mean I have no respect for Halfpenny. I deal with Kelty and Crean, the secretary and president of the Australian Council of Trade Unions. Now this fellow Halfpenny -

SATTLER: One of your former candidates for the Senate seat

PM: I didn't pre-select him, I didn't pre-select him. The situation quite clearly is that as far as Halfpenny is concerned he doesn't like the Accord, he has been at odds with the leadership of the trade union movement and the rest of the trade union movement on wage restraint. The wage restraint which has

5.

PM (cont): been responsible for creating more than 1.5 million jobs in this country and ensuring that we don't have a wages blowout. That sort of situation Halfpenny doesn't like. Now the trade union leadership is understood from the beginning in this pilots issue what was involved, that's why they pleaded also with the pilots trade union to stay within the system. But what a great paradox. Here you have at the beginning of the dispute the trade union movement leadership telling the pilots stay within the system otherwise this is going to happen, giving them all the warning all the warning all the warning saying don't do it because you will smash the whole system if you go the way you are and yourself. And now when their warnings have been brought out you have the Halfpenny's saying this. Now let me make it clear I get no satisfaction whatsoever out of the decision about damages. None at all and the fact is -

SATTLER: Is that that you wouldn't support a claim for damages of say up to \$10 million.

PM: It's not a question of supporting they have exposed themselves to the processes and the employers have taken it and it's taken its course which we said would happen if you go outside the system. But the important thing to understand is this is not a precedent it happened before but the normal situation for Australian industrial relations is it doesn't happen because there are processes within the conciliation and arbitration system for resolving disputes so you never get to that situation.

SATTLER: Well people like Halfpenny are talking about the implications for the union movement generally that unions now will be scared to withdraw their labour or work restricted hours. Do you see any wider implications at all?

PM: The proposition is quite clear that if you look at the experience of the last 6 years. Let's just look at the whole experience not just take this, the whole 6 years. The trade union movement has found it appropriate to work within the conciliation and arbitration system and the ACCORD and there has been a 60% reduction in disputes because they have seen that it makes more sense to negotiate their claims for wage movements in the light of what's in the interest of the community as a whole.

SATTLER: So if you operate within the system it okay to withdraw your labour.

PM: Of course there have been disputes there have been strikes but it has been within the concept of not trying to smash what it's worth in the interest of all your listeners. Your listeners today all of us are better off because the trade union movement has exercised wage restraint. We have had the lowest pattern of wage movement in the post war history because the trade unions have exercised restraint and that's enabled us to have employment growth five times faster than when the Liberals were in power, more than twice as fast as the rate of wages growth for the rest of the world and that's happened Howard precisely, precisely because the unions have exercised wage restraint. Now the pilots said to the rest of the trade union they said to the trade union movement, damn you you can exercise wage restraint we are not going to we are going to go right outside the system of restraint which all of you have exercised, we are going to use our industrial muscle to grab 30% for us.

6.

SATTLER: The airlines with the help of the Government now are proceeding down a path which excludes the pilots federation.

PM: It is not I mean I don't understand, I don't want to be rude but I do not understand what is the point of telling you something if you don't listen. We have not gone down the road of trying to exclude the pilots federation -

SATTLER: I said it is happening -

PM: You said us, we are not doing -

SATTLER: Well the airlines are doing it and one of them is owned by the Government.

PM: The airline has not done that, the airline pleaded with them to be part of it and they said before the Commission if they accept what the Commission has said, the Commission has said as I have told you twice now on the program how the pilots can be in it, how the Federation can be in it and that is the position of my airline, you talk about my airline, the Government airline, that is the position of Australian, that is the position of Ansett. They have not sought to keep them out, they wanted them in.

SATTLER: But they are not in it at the moment -

PM: But of their own decision, do you remember what happened. They resigned, they were not sacked -

SATTLER: Vividly.

PM: The Federation of Air Pilots said to their members resign. I mean who took the pilots out of the employ of the two airlines.

SATTLER: I don't think anyone is disputing that they resigned, but I am saying at the moment the Federation is out of it. Now if the Pilots Federation agreed to the things you are saying today how quickly could they be back in it again?

PM: They test it. I mean they went before the Commission the other day and the Commission told them what I have told you. Now they have asked to adjourn, it was supposed to come on yesterday again and because of these other matters they were in in the Senate they asked to wait until next Thursday. So next Thursday has been set for them to go before the Commission and all they have to do is tell the Commission we accept those conditions.

SATTLER: And they would be back in it -

PM: As I said the first step, they have to say we will accept those conditions. If they say yes we accept them Commission, then they get to the Commission and now we would like to be bound by the award, the Commission makes a decision on that and if the Commission says yes you can be bound, then they can make an application to the Commission to vary that contract because they are then bound by it. And that has been the position right from way back.

SATTLER: So it could all be over next Thursday and people like

7.

SATTLER (cont): the lord mayors around Australia who are saying that you, Mr Hawke, you saw the ad in the this morning's Australian -

PM: No, I haven't seen it.

SATTLER: Sallyanne Atkinson who we had on the program earlier would like you and Sir Peter and Ted and the pilots to sit down around a cup of tea in her offices in Brisbane, that's all a waste of time.

PM: Sally is a good friend of mine.

SATTLER: She said she was a good friend of yours too which I thought was interesting for a Lib.

PM: Why not, I mean she is not bigotted, neither am I. I mean I have friends on the other side of politics of a different persuasion, I am not bigotted in that way.

SATTLER: You don't see a role for you to intervene, that's what I am asking.

PM: Hawke has been in this from way back urging, as I said to you before, urging the pilots to stay in the system. If they, you can put it as simply as this, if the pilots had not regarded themselves as different from every other union of wage and salary earners, if they had said we are the same as the others we will and millions of others have then none of this would have transpired. It was because the pilots said no, we are going to jump right outside of that system expose ourselves to all the American type common law position by jumping outside the system and saying it's alright for all you mugs, you do it but not us, and this has happened. I am desperately sorry that they didn't listen to us.

SATTLER: Now despite all of what you have said today, what are the political implications for you with disputes like that which I mean everybody knows about, everybody talks about it, the pharmacists, the deficit, all those things -

PM: The deficit is not in dispute.

SATTLER: It's not a dispute alright, but it's an issue. What are the political implications for you leading up to the next federal election and is it likely to impact on John Bannon and the Labor Party in South Australia tomorrow?

PM: Let me take the last part first Howard. In South Australia the simple question that the electorate of South Australia have to decide is who is going to govern the State of South Australia for the next 3 years. Is it going to be John Bannon, who has one of the greatest records of state premiership I would say around this country for very very many years. Is it going to be John Bannon governing South Australia for the next 3 years or is it going to be John Olsen and the Libs and it's my judgement Howard that the judgement of the South Australian electorate by a majority will be that for the next 3 years they want John Bannon governing South Australia and not John Olsen.

8.

SATTLER: That means, does it, that you hope that the people vote on that basis and not on the basis of these federal issues which -

PM: There is nothing that they can do in casting their ballot tomorrow which will determine federal issues. All their ballot tomorrow will determine is who governs South Australia for the next 3 years.

SATTLER: I wonder why both parties then have fallen in and offered all this cash for people to help pay off their mortgages.

PM: Because they think that something, they have made the judgement -

SATTLER: John Bannon has done that too.

PM: Yes, sure sure Howard the two Johns.

SATTLER: Do you think that John Bannon has made a mistake by falling for what the Liberals offered then.

PM: No, John Bannon will make the judgements that he thinks is appropriate and that he is capable of carrying out. I mean I just get back to the point, that is the decision and the only decision that the electors of South Australia can be involved in tomorrow, who is going to govern the State of South Australia for the next 3 years.

SATTLER: Will the next federal election be for the house of representatives or is there any likelihood that a half senate election will proceed that?

PM: I answered that question many times before. There has got to be a half senate election, there has got to be a half senate election and I have indicated that the house of representatives election will be held with it.

SATTLER: Despite what might happen tomorrow or in Queensland a week later.

PM: In Queensland, now you are getting on to an interesting subject.

SATTLER: Because you think you are definitely going to win that.

PM: I think we will win both. For Wayne Goss to win in Queensland would be an absolutely enormous achievement, you know that gerrymandor he has got to get a massive vote but I think he

SATTLER: Alright and that could well determine when the next federal election is held -

PM: No no it won't determine it at all. Why should it?

SATTLER: I don't know, I thought that if you thought you were on a roll, Labor, that you might decide now is the time to go.

PM: Again Howard I repeat, you don't seem to have heard or accepted it a moment ago, that is in South Australia they will be

9.

PM: (cont) voting on state issues. I mean I think they have probably got some feelings about some of our decisions or where we are that they might not like very much, so I don't think that you know I draw the conclusion out of a victory in South Australia and a victory in Queensland if that's how it turns out and I believe it will, the only thing I draw is a conclusion from that, okay I jump straight into an election.

SATTLER: Thanks for your time today.

PM: Thanks Howard.

SATTLER: Thanks for all the lessons on industrial relations.

PM: It's not a question of lessons, I wasn't trying to give you a lesson but I really was trying to explain in a non partisan way just what the factual position has been.

SATTLER: All I know is I would like the planes to be back to normal again.

PM: You could have had the planes back to normal several months ago if I had said to pilots, yes, you can be different you can have a 30% wage increase, there would have been no dispute, no problems in the airline industry at that point. But what would have happened is that all the trade unions would have said okay 30%, there would have been strikes everywhere and you would have had a destroyed economy.

ends.