



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, SHERRATON HOTEL, BRISBANE,
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E & O E - PROOF ONLY

JOURNALIST: Prime Minister, what's the situation on Bougainville and what steps is the Government taking?

PM: Well the situation is obviously tense there. We haven't waited for these latest developments. I insisted some several weeks ago that we should have discussions with the Government of Papua New Guinea so that in the event it's judged necessary to mount an operation to protect and rescue Australian citizens, we would have the prior understanding of the Government of Papua New Guinea that we'd do that. So those arrangements have been made and we are in a situation where if the judgement is made that it's necessary to move to provide that protection and evacuation it can be done. So obviously our people are constantly monitoring the situation.

JOURNALIST: Are there any moves to get Hercules aircraft up there?

PM: All I can say is that we won't go into details about what arrangements will be made. Our Defence Forces have been ordered to be in a position to do whatever is judged necessary to protect Australian lives.

JOURNALIST: Are you angry by yesterday's murder?

PM: You must always be angry when an innocent person is killed.

JOURNALIST: Mr Hawke, will the ACTU be getting their demands for a 7% wage increase?

PM: It doesn't operate in terms of the ACTU making demands and their demands being acceded to. What happens is - as has happened now for the best part of 7 years - is that we have a consultative approach where we talk not only with the ACTU but with employers as well, they put their point of view as to what is a basis for a reasonable and predicted aggregate national wages outcome. They'll be putting that position to us, we'll consider it. We will come to a decision which will enable the country to know for the next 12 months what the wages outcome will be. That is a capacity that we have as a Government which no alternative political grouping has.

JOURNALIST: Could the economy sustain wages tied to CPI increases?

PM: Now we've made it quite clear that we're not going to buy the concept of automatic wages indexation. To have the objective of maintaining real wages is a legitimate aspiration and we will be talking with the trade union movement and with employers about the ways in which their legitimate aspirations can be met. What is important in running the Australian economy is that you do have control of wages so that you are able to say what the wages outcome is going to be for the ensuing period. We've been able to do that now for the last 7 years and that's what's been a critically important factor in the creation of the 1.6 million new jobs. If you can't run wages - as we can run wages - then you can't run the economy and that is the fundamental difference between the Government and the Opposition, who of course would have open slather in the area of wages and repeat the wages explosion of 81/82 which brought this country to its worst recession in 50 years.

JOURNALIST: Will the forthcoming election put you at a disadvantage do you think in negotiating with the ACTU in the forthcoming wage talks?

PM: Not at all.

JOURNALIST: Mr Keating in the Financial Review this morning suggested a \$6 to \$7 a week tax reduction for the ACTU.

PM: To say he suggested it, he said that the question of a tax cut would be on the table and the question of wage increases, tax cuts, superannuation, all those elements will be on the table and the decisions will be taken which will be in the best interests of the Australian economy, as we've done before.

JOURNALIST: Can the average worker expect their wages to be maintained or would they be looking at erosion of their wages.

PM: The worker can look to a position where the objective of maintaining a gradual improvement of standards, not only through the wage packet but through the social wage and issues like superannuation, will be achieved.

JOURNALIST: Prime Minister, Mr Keating also said that he favoured May as an election date. Any comment on that?

PM: You saw my comment yesterday. I said it's a fair chance of being right. You ought to go off and lay your bets. I mean as much as I love Brisbane and Queensland I'm not going to announce the date.

JOURNALIST: The Goss Government has today announced the mortgage relief scheme. Is that a show of no confidence in your -

JOURNALIST: No of course it isn't. With respect it's a rather strange question. You know that that was a commitment that was made during the election campaign and the commitments that Mr Goss makes are commitments that Mr Goss will keep.

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