



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE ON DEPARTURE FOR NEW ZEALAND - 1 FEBRUARY 1990

E & OE - PROOF ONLY

JOURNALIST: ... think you'll be able to squeeze in a bit of business, given you have three days in Auckland?

PM: ... a serious question?

JOURNALIST: What do you hope to achieve on your New Zealand visit over the next few days?

PM: Well I'm scheduled to have some discussions with Mr Palmer, the Prime Minister. We will be covering a range of issues of mutual concern. Also of course I hope to see something of our athletes and performance at the Games.

JOURNALIST: The CPI figures yesterday Mr Hawke, what's your reaction to them?

PM: I'm glad to see that there's some reduction in the annual rate of inflation. It's not something that we should get wildly excited about. But the move is in the right direction.

JOURNALIST: Do you think with today's balance of payments as well there might be cause for a further easing of monetary policy?

PM: Well we'll have to wait and see what the balance of payments figures show. I don't know what they are. We have no indication in advance of them. We won't be moving irresponsibly in the area of monetary policy. As we've said all along, we'll watch the developments and make the appropriate decisions.

JOURNALIST: But you're hoping your decision will be vindicated though by today's figures.

PM: The decision has already been vindicated. The balance of payments figures, as we've said, the reason we didn't wait for them is they don't reflect the current situation at all. They reflect decisions of nine months ago.

JOURNALIST: ... balance of payments figures are good today, might it be enough to call an election on Mr Hawke?

PM: We don't just go on one particular thing like that. I've been fascinated by all the speculation on the election that you people have been engaging in. Mr Peacock seems to think about it every day. But we just go on with the business of governing the country. ... of it obviously go virtually its full term. I'll make a decision in the relatively near future about the date of the election.

JOURNALIST: Prime Minister the Treasurer yesterday seemed to back away from the idea of an increase in the fuel tax for road funding.

PM: What idea of an increased tax was there? I mean I'm not aware of one. I'm simply - I at a press conference responded to a question 'would you have difficulty selling an idea?'. I was wanting to make clear that there'd been a very gross misrepresentation about the proportion of revenue to the Government allocated to roads under this Government. In fact this last year slightly up on the proportion of revenue available to the previous government from oil that was made available to roads. I was making that point and then someone seemed to say oh well now he's talking about an increased tax on petrol for roads. Now I can't help it if people jump to conclusions. So Mr Keating wasn't running away from any idea. No idea had been formulated.

JOURNALIST: ... it could be considered, but be considered before the next election?

PM: All things are raised. People raise this idea, that idea. I didn't say simply because I was referring to what had been happening to the proportion of revenue from oil going to roads. There was nothing in that and you ought to read the transcript very carefully. I made no proposal about an increased tax. You don't want to get carried away by an analysis of fact and say out of that analysis of a factual situation which the Prime Minister gave therefore he is moving to some increased tax. There was nothing there to sustain that proposal at any point. So Mr Keating has neither advanced nor retreated from an idea which wasn't proposed.

JOURNALIST: (inaudible)

PM: I'm afraid you're ... competing questions there. I can't hear you. And I've got to go. See you later.

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