



## PRIME MINISTER

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**JOURNALIST:** Mr Hawke, would you prefer to go into the election without Mr Dowding as the Premier?

**PM:** I'd prefer to go into the election with the leader who is the choice of the Parliamentary Party in this State. I've made it clear that I was asked a question about this that might be ... and obviously must be that I have confidence in and give support to the leader of the Party in each State. Now clearly at this time there are some question about that leadership. So one suspends ones position in those circumstances. I understand the Parliamentary Party will be meeting on Monday, that Mr Dowding will be calling a meeting. But it's not for me to intervene in this matter. I haven't to this point and I won't. This is a matter for determination by the Party. When it makes its decision then I will give the Party's decision my support.

**JOURNALIST:** Mr Hawke, how much do you know about Carmen Lawrence and what's your assessment of her?

**PM:** Well I had the opportunity of helping her in her campaign on a couple of occasions. From what I know of Carmen I'm very favourably impressed. She strikes me as being a no-nonsense person, knows what she's about, says what she thinks and I have a very high opinion of her.

**JOURNALIST:** Mr Hawke, would you agree that the present position in Western Australia is unhelpful to federal Labor?

**PM:** Well the most unhelpful position is that there is uncertainty about the leadership and that's why I believe that it's a good thing on the part of a party and in terms of Mr Dowding, his response. They seem to be at one in saying this matter should be resolved and resolved quickly. Once it's resolved that will be a plus for the Party generally - both State and federally.

**JOURNALIST:** If there is a change of leadership Sir, would that help the federal Labor Party overcome the stigma of WA Inc.?

**PM:** Well as I just indicated it's not for me to intervene in the decision making processes of the State Parliamentary Party and I need to be careful in that anything I say is not taken as an intervention. Therefore I simply say carefully that there is not doubt it's a matter of record that as far as the West Australian scene is concerned, I think certainly the State Party seems to be suffering to some extent from the developments in regard to WA Inc. Yours is a hypothetical question; if there were to be a change in leadership would that mean some change in perception, I guess perhaps it would. I can't really develop that point and I don't intend to because I adhere to my position that this matter is a matter for the State Parliamentary Party.

**JOURNALIST:** But there has been suggestions that federal West Australian Labor politicians were involved in moves against Mr Dowding.

**PM:** Well there may have been but I've been in politics that long to know that long that I hear allegations about all sorts of things on both sides of politics and as far as I understand this is an essentially internally generated State matter.

**JOURNALIST:** Mr Hawke, from what you know has the fallout from WA Inc. had anything to do with the latest ...

**PM:** I would've thought that developments in regard to WA Inc. have obviously had something to do with it. But I haven't been involved and I don't intend to be involved in these internal processes. Now what things have moved and what the ... has been in the minds of members of the State Parliamentary Party, I simply don't know and I don't intend to intervene or attempt to find out.

**JOURNALIST:** Prime Minister, what about what's in the minds of the voters, how concerned are you about - in terms of Thomastown - that people can distinguish between State and federal issues? ...

**PM:** Yes I've got no doubt they will because any suggestion to the contrary really involves a very considerable insult to the intelligence of the electorate here. It means that those who would argue that the West Australian electorate would seek to punish, if you like, the State Government by an adverse vote against us, means that they would put at risk their interests as an electorate in having a decent health scheme, for instance, a decent education system, the future of Australia and for each individual elector in Western Australia, his or her future in terms of having a

decent health scheme depends upon whether they vote for the Hawke Government or for this tattered Opposition which cannot produce a health policy. A vote in the federal election determines whether we're going to have a continuation of the massive social engineering that's taken place under my Government in the area of education. Just remember the facts there, that our opponents who are deep in rhetoric about concern for families, but horribly short on action had 7 years before we came to office to do something about education for the kids of Australian families. And in the 7 years before we came to office they lifted the retention rate by 2 miserable points - from 34% to 36%. So that in Australia you had a pattern imposed upon this country in educational terms that if your kids came from the privileged suburbs, the wealthy suburbs, if you came from Dalkeith your kids went on into education. If you came from one of the poorer suburbs, it's a good chance of not. Only one in three went on. Now they lifted it by 2%. We have massively changed one of the most important pieces of social engineering in this country's history, it's now 62% of kids staying on in the education system. If you want to look at the question of what's important for families, in the end there's nothing more important than ensuring that kids independently of their income level of their parents, are going to have a chance of staying on in school. Now we've lifted it as I say from 36 to 62 and our policies will continue that. Their's won't. That's education. In health, we came to office 2 million uncovered by insurance - medical health insurance. Now we have in this country a system of Medicare which is characterised by two features; it is universal and it is fair. Now these people had 7 years in Opposition and on the eve of the election they stand up and confess - we have not got a health policy. So these are the issues. You see this is essential to your question. It's these issues which are going to determine the welfare of Western Australian voters and their kids and I think it's an insult to the intelligence of West Australian electors to say that because they may be disappointed with some aspects of the West Australian State Labor Government they are going to deliberately prejudice themselves and their kids in terms of education, health, wages policy, the economy, by voting for Peacock and his crowd as a protest against Western Australia. That's an insult to their intelligence. I don't believe it will happen.

**JOURNALIST:** Mr Hawke, if re-elected will you serve a full term?

**PM:** Yes. I've made that clear and despite - let me be quite clear about this - the gratuitous and incorrect observation of Senator Button, I will serve a full term.

**JOURNALIST:** So there's no secret agenda ...

PM: There is not, as I said. It was a gratuitous and erroneous observation by Senator Button.

JOURNALIST: Have you told him that?

PM: I have ... observations to him in the quietness of the Cabinet room yesterday.

JOURNALIST: Mr Hawke, what are your feelings for the entrepreneurs of Australia, particularly in Western Australia who appear to be collapsing left, right and centre?

PM: Well now let's get it into perspective. I mean we've got in this country record profits and record investment. Investment in this country in absolute terms and as a proportion of gross domestic product is higher than it's every been. That is not an accident. It is the outcome of the deliberate policies of economic management of my Government. What we have done - and this goes to the core of the issues of the West Australian electorate as well as the whole Australian electorate we'll have to face - what we have done is this, let me quickly encapsulate it because it goes again to the heart of your question, when we came to office, simple fact, we inherited the worst recession in 50 years, that was after 7 years of conservative Government. They have achieved what had never been achieved before in the history of this country, simultaneous double digit unemployment and double digit inflation and the central factor in that historic achievement by the conservatives of the worst recession in 50 years, the central feature in that was their inability to control wages. They had no wages policy, we had a wages explosion and everything flowed from that. The economy collapsed, businesses collapsed left, right and centre into the position of the worst recession in 50 years. Now we came to office and we said we are going to change that and what we have done is by having the accord and a deliberate wages policy which has recognised this simple fact, that the income of workers is not solely derived from wages. We said there are other ways of managing the remuneration and the income of families in this country than simply trying to do it by excessive money wage increases. So look at the - I just give you the last two years and the prospect for this year which goes to this point. It is the case that earnings have increased at a slightly lesser rate than the CPI. So if you look at it in terms of real wages there's been a slight decline in 1987/88 - CPI up by 7.3 and earnings up by 6.6 and for the last financial year 1988/89 the CPI 7.4 and earnings by 7.0. But at the same time real household disposable income in each of those two years went up, the first year by 3.6% and the second year by 3.5%. Now what that represented was the dynamics of economic policy and wages policy. In other

words, by having wage restraint through a wages system, a centralised wages system, a wage restraint which was accepted by workers because they got increases in improvements in their disposal income through tax offsets, through other improvements in the social wage, we were able to have massive expansion, high growth, a move to profits and record investment. That is, restrain wages, higher profits, record investment. Now that's the overall pattern of economic management and achievement under this Government and the contrast with our opponents. Now, in those circumstances of growth there have been some collapses, no question about that. But those collapses have been because of incompetent decision-making by those involved. But the total aggregate pattern is of, as I say, record growth and investment because of the centrality of the wages policy and yet in those circumstances there is little surprise that you have today, for instance, Australia's biggest company, BHP, coming out and knocking the Opposition. It is very relevant to look at that because in a sense BHP encapsulates, if you like, all that I've been talking about. When we came to office BHP was considering closing down its steel making operations in this country. After 7 years of conservative mismanagement Australia's largest company was saying well we think we'll close down. Australia was going to be without a steel industry. We said no, we're not going to allow that to happen. And right today you're getting the whole thing revisited because what BHP sees in the Opposition's proposal is the possibility of the re-emergence of that precise situation of the beginning of the 80s which brought about the collapse of the Australian economy in general and the particular consideration by BHP as to whether they'd close down the steel industry. Is it little wonder that BHP says to the Coalition, well it may be that you can't learn from your mistakes and want to re-visit on Australia the disaster of your previous term in office, but we, BHP, understand and we don't want a bar of it - nor should they.

**JOURNALIST:** Mr Hawke, in the past you've been regarded as an admirer of Brian Burke - would you support his returning to politics sometime in the future?

**PM:** That's an entirely hypothetical question. I'm not going to intervene into that. He is doing an excellent job now as Ambassador for Australia in Ireland and to the Vatican and that's where he is.

**JOURNALIST:** Do you agree with John Dawkins and Peter Walsh who've gone on the record saying that his style of politics is no longer needed in the ALP?

**PM:** I've got no comment to make about Brian Burke's style of politics. I simply say that he is doing an excellent job for Australia as Ambassador to Ireland and the Vatican.

**JOURNALIST:** Mr Hawke the last Morgan Gallup poll has support for Labor in Western Australia as down to 32%. ...

**PM:** Well, that was not today's poll but that was a long time back. I mean, I would think if you're talking about polls there are a couple of polls around today that are more current. I think that when people come to cast their vote, this goes back - I don't want to regurgitate the answer I gave before - but I have faith in the intelligence of the people of Western Australia. After all, I'm one of them. So I'm not going to knock West Australians, I am West Australian and I think we're intelligent people. And why would West Australians, just ask a simple question - why would West Australians vote against themselves to reimpose a wages policy which gave you the worst recession in 50 years, which is what the Liberals and the Country Party want to revisit on this country. Why would West Australians want to visit upon themselves the disastrous 7 years of conservatism that preceded us in regard to health policy, where Medibank was abolished and you had 5 successive changes in Medibank and its destruction. Why would West Australians want now to say we'd give government to Mr Peacock and Mr Shack who can't produce a health policy, who produce nothing now but the promise of additional expenditure of something up to \$2.6 billion, with a \$6 billion gap in their economic credibility. Their Economic Action Plan absolutely destroyed. Why would they want in terms of education to go back to people who are promising the same in education. Under the conservatives how many additional places did they create, as well as just going from 34% to 36% in retention rates and what we've done there, but look at the tertiary area - in 7 years how many additional places did they create? 27,000, 27000 additional places. At the end of this triennium we're ... now, there will be between a 140,000 and a 150,000 additional places under my Government. So in the whole area of education, health, budget policy, why do you believe your fellow West Australians are going to say I'm going to be so silly but because I'm a little bit disappointed with some aspects of the West Australian State Government I'm going to inflict misery upon myself and my children to somehow or another express disapproval of what might happen in the State. I simply don't believe that the West Australian electorate would be that silly.

**JOURNALIST:** Well you've got 9 seats here, how many do you expect to hold on to?

**PM:** Well I expect to hold them all. Now let me say on this, I'm not being cocky or complacent about this election. It is the case things seem to be running well for us now and I'm pleased about that. But I don't take these things for granted and I certainly don't take Western Australia for granted. I have the responsibility together with my colleagues to explain these things that I'm explaining to

you there today - and I'll do that, I'll be here and I'll come back and let me just say this - I'm fascinated to see Andrew Peacock in the Press today saying that I'm frightened to face up to the Press. He's talking about ... contrived debate, that I'm frightened to face up to the Press. I consistently have conferences like this. I do it today and when I come back to Western Australia again and when I come back again I'll be doing that. I'm making myself available to you, you can throw any questions you want to at me about my economic policy, wages policy, international policy, I'm here to be questioned by you and through you to people of Western Australia. Anything that you want to ask me about our policies, I'm here. I ask you to ... if you just talk to your colleagues over there about the availability of Mr Peacock to answer questions about wages policy, health policy.

**JOURNALIST:** Mr Hawke, do you seriously expect to hold all 9 seats in WA. Is that just optimism?

**PM:** Obviously we've got a difficulty in regard to one because of the redistribution, that's Allen Blanchard's seat of Moore. The redistribution certainly makes that difficult, I acknowledge that. There's a difficulty there not because of inadequacy on Mr Blanchard's part, he's been an excellent representative for the constituency. But since the last election there has been a redistribution and it makes that seat difficult. So I put that - I'd love to hold Moore and will be trying hard to do it. But that one will be difficult. But apart from that I expect that we will hold the rest. But I repeat and I want the people of Western Australian to understand I'm not saying that in a cocky or complacent way. I realise that there have been some concerns over here. We'll address them.

**JOURNALIST:** inaudible]

**PM:** Well I don't regard it as a happy hunting ground. I feel at home in Western Australia, it is and I've always regarded it as you know, I regard it as my home State. I feel at home when I come back here. Now it is a bit more of a challenge this time. That's well and good and I'll be here to face the challenge.

**JOURNALIST:** Can we expect to see a bit more of you through this election campaign?

**PM:** I'll get over as often as I can. I mean there is a lot of Australia that I've got to go to but I'll be here as often as I can.

**JOURNALIST:** Mr Hawke, what's your impression of the job done by Peter Dowding?

PM: Look, if there were not a question on now about the leadership, that may be a fair question, that may be a fair question. But it's quite unfair for me to be intruding into that issue and the question of leadership, you know I've said that before, it's not for me and I think you would understand it's not proper for me to come over here and intrude at a time when the State Parliamentary Labor Party is to make a decision about the leadership. It's not proper for me to ... They've got to make their own mind up about that.

JOURNALIST: Prime Minister, have you this week discussed the leadership with Brian Burke?

PM: Have I discussed it with Burke? I wouldn't think it was proper for me to say what discussions I've had with anyone. I can say this with absolute accuracy, that I have played no part, I have played no part directly or indirectly in the event.

JOURNALIST: Have you spoken to Mr Burke in the last week?

PM: Well I'm not going to talk about what people have spoken to me because - as I say that directly - I believe that whether I have conversations or not with anyone within my Party - is a matter for me. I've always taken that view and I don't intend to change it.

JOURNALIST: Mr Peacock said yesterday that WA Inc. has blown up in your face.

PM: Well of course as is true of just about everything that Mr Peacock says, that is wrong. WA Inc. has nothing to do with me or the federal Government. I can understand Mr Peacock in his desperation at the present time making these wild accusations. I guess we'll get plenty of them.

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