



NATIONAL 9 NETWORK CANBERRA BUREAU
PRESS GALLERY PARLIAMENT HOUSE CANBERRA
PHONE: (062) 73 3300 FAX: (062) 73 3097

Date: 11 February 1990

Time: 0900

Source: National Nine Network

Programme: Sunday

Within 3 months, and many pundits are predicting sooner rather than later, Australia must vote in what's shaping up as the closest Federal election in years. So Sunday's first studio guest in this important year is the Prime Minister. With better trade figures, easing interest rates, and the longterm Labor leadership again being discussed - much to talk about. Here to talk with Mr Hawke is Alan Ramsay of The Sydney Morning Herald, as well as Sunday's political editor Laurie Oakes.

OAKES: Mr Hawke, welcome again to Sunday.

PRIME MINISTER HAWKE: Thank you very much Laurie.

OAKES: The Macquarie Radio Network has been reporting this morning that you are going to announce on this program today the date of the elections. Here's your chance.

PRIME MINISTER HAWKE: Thanks. (amusement all round)

OAKES: You're not going to take it up?

PRIME MINISTER HAWKE: No, no, I think I'll see the Governor General first.

OAKES: And when will you do that?

PRIME MINISTER HAWKE: When I think it's appropriate, Laurie.

OAKES: Well can I ask you this: Parliament is scheduled to meet on Tuesday week.

PRIME MINISTER HAWKE: Um (affirmative noise)

OAKES: Will the Parliament meet then? Are you going to do that?

PRIME MINISTER HAWKE: Well, if I answered that question one way or the other it would give you some sort of an answer to the timetable. I'm not going to make any

announcement about the timing of the election until I think it's appropriate, Laurie, either directly or indirectly.

OAKES: That refusal leaves open an election on the 17 March?

PRIME MINISTER HAWKE: I suppose hypothetically it does.

OAKES: Do you want to leave that open?

PRIME MINISTER HAWKE: Well, I just...um...am not going to deviate from what I said to a number of pressing inquirers. None of them is sort of devious as you or clever as you Laurie, in trying to get there, but it's the same answer. I'll make my announcement when I'm ready to.

OAKES: But you said a few weeks ago that Parliament would sit?

PRIME MINISTER HAWKE: Well, it will have to sit sometime, won't it?

RAMSAY: Prime Minister, if we can try another way.

PRIME MINISTER HAWKE: Yes.

RAMSAY: Um... the climate has improved for the Government lately...

PRIME MINISTER HAWKE: Yes

RAMSAY: ...and your opponents seem to be doing all they can to help you. Is it tempting - although we're only talking about 3 months - is it tempting to go soon rather than later?

PRIME MINISTER HAWKE: I 'spose the honest answer must be that when they are making just a mess of things, I think that what's really happening, Alan, is that they're revealing...ar...what people knew about them; that is, they hadn't done their work. And as that becomes more apparent I suppose there's some temptation. But you've got to take a whole range of things into account. Quite...quite clearly the...er...this Parliament is, in everyone's judgement, now run its term. So any time between now and May is acceptable. Now, there hasn't been a Prime Minister, I guess, in

history who won't operate on the basis that he'll chose the time which he thinks he can maximise the opportunity of..of..of victory, and that's what I'll do.

OAKES: Your momentum seems to have stalled in the last few days, as a result of Senator Button's comments on...on this alleged deal for the succession.....

PRIME MINISTER HAWKE: I don't feel that judgement. I mean I made it quite clear that Senator Button didn't know what he was talking about. And I think in this sort of..er..context, the electorate will say that the Prime Minister probably knows more about his intentions than Senator Button does. I mean, that's so obvious that it hardly requires any more conversation, I think.

OAKES: But what is it about John Button. I mean this is not the first time, far from it, that he's embarrassed you with this sort of frank comment. Why does he enjoy this sort of immunity? Is it because he..er..his role in planting the knife in Bill Hayden all those years ago?

PRIME MINISTER HAWKE: Oh, I don't know about planting a knife. That's your assessment, not mine. But John is one of the foreleaders, he's leader of the Government in the Senate. I guess he feels that in that role he has a little bit more...discretion. I'm not sure that he's always used it as wisely as he might, but my relations with Senator Button are good. I mean, let's when we're talking about John Button, understand that he's been an outstanding Minister for Industry. Absolutely outstanding. And I value his contribution to this Government enormously.

OAKES: Seriously, though, despite what you're saying for election reasons, we've got to expect, haven't we, that Paul Keating will become leader sometime in the next term if you win? You've got to make the changeover sometime?

PRIME MINISTER HAWKE: Become leader in the next term?

OAKES: If you win.

PRIME MINISTER HAWKE: Well, I believe we'll win. And I've also said that I will remain leader for the whole of the term. Now, I'm not going to change that statement.

OAKES: If there's no chance of becoming leader, then why is Paul Keating there in the tabloids every day with his kids, engaging in all that fairy floss that in the past he's refused to be part of?

PRIME MINISTER HAWKE: Well, you'll have to ask Paul that. But....

OAKES: He clearly wants to be leader...

PRIME MINISTER HAWKE: Well..er..he has made no secret of the fact, but the question is of time. And..ah..after I've, as I say, hopefully, and I believe I will, have the led the party to victory in this coming election, I'll take it through the full term. Then the ..er..party will be in the fortunate position of..ah..having there a person in Paul Keating who wants to be leader, who has eminent capacities for that job. But that will be....and that timetable that I'm talking about. And to the extent that he is showing his human face, that's no more than I've suggested for a long time that he should do, because as you know, both of you, he has very great human qualities which..er..are not always apparent because he's seen as the tough, hard, calculating Treasurer. But underneath that there's a very warm human being.

RAMSAY: Prime Minister, back in 1983 you were asked - you had been Prime Minister 3 or 4 months - and you were asked how long you'd like to remain Prime Minister, and you said 3 terms.

PRIME MINISTER HAWKE: Um (affirmative noise)

RAMSAY: And that if you couldn't do in 3 terms what you wanted to do, then you thought it was reasonable then to get out and give somebody else a go. Now, why do you now not take your own advice?

PRIME MINISTER HAWKE: Well..ah..3 terms, you've got to

remember the first term was rather short, where you had the election in March of '83 and the next election was the end of '84. Um..and..ah..these things ought to be said now, that..ah..the party clearly wants me to stay as leader. And if I can say so, modestly as far as the polls are concerned, the people want me as leader. And I must say I've never felt fitter physically, or more on top mentally. And I'm a better leader now than I was when I started; by definition, I mean, you'd be a fool if you weren't. So if you take all those things together I think..ah..ah..it adds up to doing this next term.

RAMSAY: Only one extra term?

PRIME MINISTER HAWKE: Oh, I think so, Alan, yeah.

OAKES: Why are you so sensitive about this succession question? Is Paul Keating really that much on the nose that you..you..

PRIME MINISTER HAWKE: I mean, I would have thought that if you..if you just played the reel which showed Hawke absolutely relaxed about this issue, and a couple of interviewers who seem to be agitated about it, I..I'm..I'm not sensitive, I'm totally relaxed about it. You know my relations with Paul are excellent...

OAKES: But do you think that if..if people believed he would become leader in the next term, that the Labor party would suffer electorally?

PRIME MINISTER HAWKE: Well, I see that that's written, and that's why of course..er..an Opposition which is devoid itself of policies, who can only reveal its own ineptitude, is trying to divert attention from those facts by asserting what isn't true; that is, that if you vote for Bob Hawke, it's really a vote for Paul Keating. Now there are 2 things about that: one, as I say, it shows an attempt on their part that they can't talk about their own policy positions, they've got to divert. And of course it's...I must say it's a backhanded compliment to me, and I thank Andrew for it.

RAMSAY: Prime Minister, assuming Peter Dowding, the West Australian Premier, gets the chop tomorrow, you're not going to be displeased, are you? It's going to help you over in Western Australia, in the coming election?

PRIME MINISTER HAWKE: Well, Alan, (couple of unclear words) when I went to Western Australia during the week, it was a very difficult situation for me because there was...a move was on for..ah..replacement of Peter. I tried really to..to be as standoff as far as I could from that. I was asked a question about..ah..Carmen Lawrence. I answered what I had to about her in terms of my truthful understanding of her, ah..what I know of her, ah..answered that. But it's a matter for them. If..if that happens, um..indications seem to be that it may happen, well I guess the people of Western Australian will have some different perception about..ah..the state Government there. I guess that's right. I mean it would be silly for me to deny that.

RAMSAY: And you would gain from a Carmen Lawrence honeymoon? Is that what you're saying?

PRIME MINISTER HAWKE: Well, I'm not..ah..putting it that way. But, wouldn't it be silly for me to get up and try and say to two blokes like you who follow politics closely, who know that the indications are that the state Government over there is not looking too brilliant, to try and say to you, now if there's a change of leadership that may not be a plus. I mean, I'm not going to be as silly as that; I think it probably will be a plus, but I'm...I'm...I can't put myself, and I'm not going to put myself in a position of being part of that process over there. I mean, that is for the state parliamentary Labor party....

RAMSAY: Well, the Victorian Labor party isn't looking too flash either. Does the same thing apply to them?

PRIME MINISTER HAWKE: No it isn't, absolutely..er..er..no..er..analogy there, I think, and again there's no suggestion, as far as..er..er..Victoria

concerned, as far as I know, that..er..wanted it changed, their leadership there. I haven't seen or heard anything to that effect.

RAMSAY: No, but aren't the same sort problems besetting the John Cain Government down in Victoria, the same sort of problems that they've got over in Western Australia? Allegations and..and persistent and continuing allegations of economic mismanagement?

PRIME MINISTER HAWKE: Oh..I think they're somewhat different. Let..let me say this at any rate, I mean, the important point as far as I'm concerned if this Alan, and Laurie, that, and I made the point while I was in Perth, that..er..you've got to take a rather peculiar view of your viewer - ordinary Mr and Mrs Australia - to believe that..um..we're going to be punished, or punished in any significant way, for some perception on the part of the West Australian voter, or a Victorian voter, that they don't like something that the state Governments have done. I mean, it means, as I said in Western Australia, that people are unintelligent, are masochist, that they're going to say: we know that this election is about Federal issues, and I'm going to vote to give myself the abolition of Medicare and all that's involved in the nonsense of the..er..Opposition on health..

OAKES: ..But Prime Minister...

PRIME MINISTER HAWKE: ...on education. I'm going to do that, I'm going to punish myself..er..by..to..to punish Dowding or Cain.

OAKES: ...(overtalk gabble) people in Queensland will vote for you because they like Wayne Goss. The Opposition must...

PRIME MINISTER HAWKE: ..I believe there is simply no analogy there. Let me make the point in regard to Queensland, as I have to others who have raised this point, that in..ah..ah..Western Australia, Laurie, and Victoria, there is not and never has been any suggestion

of venality, or corruption. None whatsoever. Whereas in Queensland, what you were faced with was a generation of conservative corruption. There's no analogy whatsoever.

OAKES: Except over in Western Australia. I mean, you're well aware, some of your people say, federal people have been giving it an ubdulong (phonetic) there lately simply because the climate against Labor is so strong.

PRIME MINISTER HAWKE: The climate against the state Labor Government..er..er..was not, was not good, and there's been some perception that a change of leadership would be helpful. I considered that earlier in the program, yeah.

OAKES: Prime Minister, interest rates.

PRIME MINISTER HAWKE: Yep.

OAKES: Can home buyers expect mortgage relief soon?

PRIME MINISTER HAWKE: Well, I'm not going to dodge the question or answer, but I must give, you know, a preface to my answer, that I have to be extraordinarily careful in anything I say in this, because I don't want to be saying something which of itself can influence the money market. But let me, with that preface Laurie, make these points, briefly. Ah..interest rates, as you know, have been kept high by us under Government policy, with tight fiscal policy and tight wages policy, because the simple statistic, and let me put it this way: last year..er..we..er..er..we consumed about 4% more than we produced. There was about an 8% increase in consumption, 4% increase in production, and that gap more imports. Now we can't keep on doing that, so high interest rates to slow things down. Now, it has been evident, recently, that those policies have been working, therefore, the change which has seen a reduction in the cash rates and the bill rates, and obviously mortgage rates, are related to what the banks themselves have to pay for their working capital. Now,

the conditions are there for a reduction in mortgage rates, but when that is made will be a decision by the banks in the light of any further changes that may take place in the level of the cash rates and the associated bill rates. I think the conditions are there for it, and obviously the market, if you look at the relationship between the 90 day bill rate and the cash rate, the market is expecting that situation to occur.

RAMSAY: Prime Minister, how to you get people to believe you? How do you convince people that..er..it's not all a fiddle? That they're going to ease the conditions before the election and then as soon as the election is over, and if you win, up they go again.

PRIME MINISTER HAWKE: Well there it's very easy. I mean, don't depend upon me, look at what the market's saying. The market has been saying, the whole range of analysts, in fact they were ahead of us, a lot of them were saying: look you should be easing them now. We were the ones who really waited. So the markets have er..have er..validated by their comments and by their actions, the policy decision that we've taken.

OAKES: Prime Minister we'll take a break there. We'll be back in just a moment.

OAKES: Welcome back. Prime Minister, 6 months ago on this program you said that because of the budget surplus tax cuts could again be on the agenda in the next round of wage negotiations with the ACTU. Now those negotiations are under way, can we still expect more tax cuts?

PRIME MINISTER HAWKE: Well, it's obviously..er..er..and that'll be on the agenda. And..er..we are in the fortunate position, I mean, well I can say to your viewers, well, look, don't speculate about what we might do, look we've been there for 6 years, and on each occasion we've been able to negotiate with the ACTU and then have confirmed by the Commission an arrangement

which means, in essence, that is distinct from the past, under the conservatives, where the cost of employment was simply loaded onto the employer and therefore onto inflation. Part of the remuneration, if you like, the total disposable income situation of employees comes about as well by a relationship of tax cuts and the social wage, so it'll be, it'll be on the table.

RAMSAY: What about childcare, Prime Minister? That's going to be an issue.

PRIME MINISTER HAWKE: Well, I've talked about that, Alan, yeah, and we're in the fortunate position, as you know, of having a good story on childcare. We've more than doubled the number of places....

OAKES: But the Opposition's going to...sorry Alan...

RAMSAY:they're going to quadruple the spending that you've already promised.

PRIME MINISTER HAWKE: Well, errrr, I'll deal with..er..what the Opposition may or may not be doing in that area, at the appropriate time. But it's a fair comment, that childcare will be one of the things they will want us to look at. And we'll have some discussions with them about it.

RAMSAY: And will you be making a commitment during the election campaign, on this particular issue?

PRIME MINISTER HAWKE: It's..er..one of the issues that we may be addressing. But I just want to make it clear, Alan, in regard to that or any other issue, as distinct from the Opposition, if we are making any commitments, whether it's in regard to childcare or anything else, we'll be making it absolutely clear how those things are funded, as distinct from, as you both know, the..ah..credibility gap, fiscal gap, that the Opposition now have, which is over \$6 billion.

OAKES: Well, Prime Minister, the present wage deal doesn't expire until September. So why are you negotiating accord mark 6, 7 months ahead of time.

PRIME MINISTER HAWKE: Look, if you look back over the

period, you always negotiate in advance. You can't wait until the thing's....I mean, what a funny...

OAKES: ...But you'd wait until you were sure you were in Government, surely?

PRIME MINISTER HAWKE: But..but that sounds like the way the Opposition do business: I mean, we haven't got a policy, we'll think about it, and then after the event, we'll then tell you we haven't got one. What you do when you're managing an economy, is you have your fiscal policy, your wages policy in place, you see that if that's going to expire in advance, you say, now what's the next step. That's what we're doing.

RAMSAY: Seven months ahead of time is a long time?

PRIME MINISTER HAWKE: Well, it's not, it's not unusual in terms of what we've done in the past....

RAMSAY: So it's not just the wave of a fistful of dollars in front of the voters there at election time?

PRIME MINISTER HAWKE: No, it's certainly isn't. I mean, it..er..obviously isn't. We..er..did a..er..er..a wage tax deal last year, and you remember all the talk there was from the Opposition? That was when Howard was the leader, and the tax cuts were going to be there in front of next (phonetic), and we gave the tax cuts last year because we were going to have an election. Now, it's a nonsense. When you're conducting economic policy, you've got to be able to let the business community know, as well as employees, what the picture is so that they can plan both in their places as consumers and employers in terms of their cost. And they need to know not on the day, they need to be able to plan in advance. Now, it's responsible for us, in the early part of 1990, to work these things out so that your viewers, in their role as wage and salary earners and in their role as employers, are going to know the economic environment in which they're operating. And it's only from the Hawke Labor that they'll know that. How in the hell would they ever know from this

uncoordinated, unfunded, mish-mash, which is the Opposition position.

OAKES: How did your election strategies show the Coalition as knowing nothing about industrial relations; the Government is the expert in the field, the ones who can deal with the unions? That being the case, why do you keep following in the footsteps of the Opposition? I mean, now you're talking about enterprise bargaining; you're embracing that.

PRIME MINISTER HAWKE: Well, it's a nice, provocative way of putting it, and you know it's not right because we have, in fact, been into this before the Opposition were talking about it. Under the Section 115 agreement, this sort of thing's been going on. Who was it that introduced..ah..award restructuring? It was us. We don't talk, as the other people do, as they do about health, announce yes, we're going to have a health policy, and not have it; talk about enterprise bargaining. In a gradual, evolutionary way, we have introduced the elements of enterprise bargaining under the overall umbrella of award restructuring. Because when you take the metal trades, for instance, now what did you have there? You had about 350 different classifications. We said you're going to get that down to about 8 or 9. Now you don't do that by having negotiations simply at the national level. That's then got to be reflected down in the enterprise. And that's what's been going on. We haven't been making noises about enterprise bargaining, we've been bringing it in, in an evolutionary way. But the difference, Laurie and Alan, between our action and their talk, is that at all points, the relationship between enterprise bargaining and national aggregate wage outcomes has been there, enabling us to say, this is what for the nation the aggregate wage outcome will be. You don't have the Prime Minister, when you ask him a question about outcome, doing the Andrew Peacock. When you ask the

crucial question at the press conference, the absolutely critical question, what's going to be aggregate wage outcome - leader of the Opposition: who's to know? At least it's an appropriate response because no one would know under their position. Under ours, where you have a relationship between enterprise bargaining and the centralised system, we're able to tell employees and employers and everyone who's planning the economy, what the aggregate wages outcome is going to be.

RAMSAY: Now, Prime Minister, something a bit more basic: road funding.

PRIME MINISTER HAWKE: Yep.

RAMSAY: It's become a lively issue since those 2 big, terrible bus crashes....

PRIME MINISTER HAWKE: Yes, it has, Alan....

RAMSAY: How about a commitment on that?

PRIME MINISTER HAWKE: Well, let me just preface the answer to that by saying what the facts are: that in our period of government, we've spent 18% more in real terms on roads than in the 7 years of the Fraser government. That's not an opinion, that's a fact. So let's...

RAMSAY: ...We've still got a lousy road between Sydney and Brisbane.

PRIME MINISTER HAWKE: Alan, I'm not saying that the road system is perfect, my friend. I'm simply setting the scene by saying, the fact that under the Hawke 7 years of government there's been 18% more in real terms, that's almost a 1/4 billion more, spent on roads than by our predecessors. That doesn't mean that we've got to be complacent. Now, we will be prepared to discuss with the states this issue. I mean, I've made \$110 million available for the black spot program, but I think most concerned people, and I hope you would agree, that we've related that to trying to get them, the states, to come in to accept national standards in regard to road safety. So we're prepared to cooperate with the states,

but maybe that we'll need to go further than the \$110 million that we've talked about.

OAKES: Prime Minister, another issue that's arousing some heat. The question of foreign investment in commercial television networks. The..er..your Minister Ralph Willis has made conflicting statements, keeps moving the goal post. When's the Government finally going to make up its mind on the issue?

PRIME MINISTER HAWKE: Um..the Minister is having further discussions on this issue. I expect he'll be coming to us within a fortnight with some consideration, but I'm obviously not going to, even on a program which is as interested in these issues as I know this program, this station is. I not going to....

OAKES: Well, every network's affected by this.

PRIME MINISTER HAWKE: Sure, sure, sure. Well, er..what we're faced with of course, as you know, in the television industry, in this country, is that because of some unreal..um..um..pricing decisions that were taken, um..the fundamental, what I believe is the fundamental health of the television, I mean, I believe we've got a magnificent television industry, fundamentally, in this country. But its capacity to operate has been..er..disrupted by some unreal pricing decisions, and loaded with interest burdens which are..are..are unreal in relation to the nature of the operation. Now, ummm..that is..ah..colouring, if you like, people's perceptions about ownership, because they are saying the only we're going to be able to deal, ah, with, ah, ownership, and perhaps ownership threats, is by opening up..ah..ownership..ah..some say almost an unlimited way for owners. Now you've just got to understand in this issue that I think the Australian people, generally, have some fairly strong thoughts about how far they're prepared to have, er, their media in general and television in particular, owned overseas.

RAMSAY: But do you acknowledge that by the Government

delaying on this decision, by procrastinating if you like, that you're helping Kerry Packer's attempt to regain the Nine Network?

PRIME MINISTER HAWKE: What I, what I acknowledge is that if I make any decision, one way and another, it's going to be seen to be, and in a sense..in effect would be. I mean, put the question in another way, Alan. If I were to say unlimited overseas ownership, that would be helping Bond media, and so where do you win in that situation?

OAKES: Prime Minister, we're almost out of time, but your wife Hazel's over the front pages of all the papers today, and going on 60 Minutes tonight, that she once consulted a divorce lawyer.

PRIME MINISTER HAWKE: Yep.

OAKES: I mean, what did you do that drove her to that?

PRIME MINISTER HAWKE: Oh, I think that's fairly recorded. I..I..I had the..the opportunity this morning of hearing Hazel on the subject, and she is rather irate about the way it's been represented. That's it's saying, as I think when you read the story, she...er...she took that course of action to see what her options were, and she asserts that she never had any intention, she file, she didn't seek to..er..I think that my life is a pretty well-documented sort of thing. As I've said before..er..Laurie, there are parts of it of which I'm not particularly proud, there are many parts of which..of which I'm very, very proud. And I think the fact is that..er..after 40 years or more, Hazel's, through that period, made the decision, sure there have been some warts, but the pluses, in her judgement, and I'm very glad she's made it, fairly significantly outweigh the..the minuses. I thank her for making that decision because she's been a marvellous partner.

OAKES: And we thank you for appearing on the program. We'll see a lot of you in the election campaign.

PRIME MINISTER HAWKE: Thank you very much Laurie, Alan.

For private research only. Whilst every effort is made to ensure accuracy for the benefit of our clients, no legal or other responsibility is taken for errors and omissions.

(Transcript by Monitair Pty Limited)

Inquiries to Peter Harvey, Press Gallery, Parliament House, Canberra.