



## PRIME MINISTER

TRANSCRIPT OF JOINT NEWS CONFERENCE WITH THE HON BOB BROWN, MINISTER FOR LAND TRANSPORT, SHERATON HOTEL, BRISBANE, 27 FEBRUARY 1990

E & O E - PROOF ONLY

PM: Ladies and gentlemen, I'm very pleased to be here with my Minister for Land Transport, Bob Brown, to announce the commitment of the Government in its fourth term to a new Provincial Cities and Rural Highways Program. This will be to supplement our additional, our existing programs and it will mean that in important areas of Australia, more funding can be provided to upgrade our road system. ... roads, the regions where the next Labor Government may fund appropriate projects, with the cooperation of the relevant State Governments. ... as far as Queensland is concerned, the area of North Queensland and west of the Divide and in Victoria, the Calder and Midland Highways and the Lincoln Highway in South Australia, roads in Tasmania and other major regional roads with high cost benefit ratios.

Now I repeat, the distinction between what we are doing and the Opposition, is that these additional commitments are fully funded and, in our case, will be funded out of the additional tax we're imposing on luxury cars. I release with this commitment to the roads program the updated scoresheet on wages fiscal discipline which will show here the funding for these promises of \$100 million a year in the next three years. And, as distinct from the Opposition's unfunded talk about another \$.5 billion, here these will be funded and have no adverse impact upon the Government's budget position.

So we take the position of our roads seriously. I put it in the context of making the point that in our seven years in Government we have spent 18 percent more in real terms on roads than did the Opposition in their period in Government - which represents some \$235 million in real terms annually. More spent by this Government. And in terms of the misuse of statistics that have been floating around this country as to the proportion of Government revenue that is dedicated to roads, let me make the point quite clearly that in this our last year that we've been responsible for road funding, we have allocated 19.42 percent of our total revenue from oil to roads which compare with 19.06 percent. In other words the best part

of half a percent more of our revenue available to us dedicated to roads in our last year, compared with the last year of the Fraser Government.

So however you look at it, as a proportion of revenue or in terms of the real level of funding, the record of this Government exceeds that of our predecessors. But we're not satisfied with that. We've announced, as you know, the \$120 million black spot program and that depends upon cooperation from the States, accepting national standards. That \$120 million is available to remedy the worst spots on our highways around Australia which have been responsible for fatalities. But in addition to that now a further \$100 million to supplement existing programs.

Bob, would you like to add anything to what I've had to say?

BROWN: Well thanks very much, Mr Prime Minister. What I'd like to emphasise, ladies and gentlemen, is that this initiative now which the Federal Government has committed itself to represents probably the fourth major initiative which has been taken by successive Labor Governments. It's a part of that continuum of Federal Labor's commitment to the development of a national, integrated, coordinated and efficient land transport system.

The first element was the establishment of the national highway program in 1974. The next two elements were the Federal, the Hawke Government's commitment to index the amount of money which is going into roads at the federal level in order to make sure that the level of it is maintained at least in real terms. The third part of that four part program was the adoption at the beginning of last year of major roads of national economic importance which would identify and fund now as national arterial roads.

This is the fourth and this, of course, it complements the Prime Minister's black spots program to which he's already made reference. A commitment on the part of the Government to put another \$110 million into those spots around Australia where crashes have been occurring, where people have been dying and as a result of that we're going to lift them out of the system as well.

This is a project of enormous significance because what it does, is to supplement those existing programs and to make it possible for us to identify other roads of national economic importance and to target funds specifically into those roads. And that's what we'll be doing.

The Prime Minister indicated in Queensland, for example, that we'll include roads in Northern Queensland which are important nationally, which are important to develop our capacity to export and to replace imports and to overcome

the current account deficit, as a contribution towards it. The roads on the western side of the Divide in Queensland, the additional assistance to the Pacific Highway, additional assistance for those roads in provincial and rural Australia which we feel probably hasn't been sufficiently picked up under those existing programs.

So that's the essence of it - an initiative of major national importance. I'm delighted to be associated with it and, of course, I'm delighted to be here with the Prime Minister when he announces it.

JOURNALIST: Prime Minister, could I just get clear with respect to the Pacific Highway, are you saying that extra funds are now available if the State Government upgrades, lifts its priority ... existing funds

PM: Well, what we're saying is that under the, forget this new program, under the existing funding arrangements there's the capacity for work to be done there. But we are saying that if the State Government wishes to give this area that you're talking about priority, then funds are available out of this amount for that area as well. But I don't really want to add to that.

BROWN: I think we should understand that the Pacific Highway is not a national highway, it's a State highway and there wouldn't be very much sense in our attempting to determine national priorities on the State highway system. If the New South Wales Government wants to accord it a higher priority, then there is provision, as the Prime Minister indicates, under this program for us to pour more money into the Pacific Highway. I would expect that that would be one of the results. But the priority needs to be determined by the New South Wales Government, not only in terms of the existing assistance that we provide at the national level for New South Wales, but also in terms of the amount of money which New South Wales will provide for that road out of its own resources. And we're prepared to help, but we can't take over the, the full responsibility nor would any Federal Government ever do so.

JOURNALIST: ... cents in the dollar raised from petrol taxes, what now is the Federal Labor Government returning to motorists with this latest addition?

BROWN: Well, what we're returning to motorists with this latest addition is another \$430 million, that's including the black spots program, over the next three years. But I would appreciate it if the media and the Australian community could get rid of this simplistic nonsense about the need to establish some type of connection between the money we raise in a particular type of tax and what we spend on road funding. What this Government has been about is to determine priorities between all of those conflicting and competing programs. And, as you know,

the Prime Minister has just indicated, that in our seven years we have increased funding in a period of very tight fiscal restraint by 18 percent over and above the seven years of our predecessors. That represents, in terms of dollars, an additional \$10.6 billion in today's terms, in today's prices that we've put into the road system. We shouldn't, any more than we say we'll determine how much we'll put into education on the basis of how much income tax school teachers pay. That would be absurd. It's equally absurd for us to say that we will determine our level of road funding on the basis of how much tax motorists pay. Motorists still have kids at school, they have parents and friends in hospital, they have parents on pensions, they're concerned about defence and they know that when they pay a fuel tax it goes to help the Federal Government and the States. Because the States pick up a fair amount of that as well, and local government. It helps the three levels of government then to meet those commitments. So we're not about y'know, that whole question of hypothecation, determining how much we'll put into roads on the basis of how much tax comes from any particular source.

JOURNALIST: Prime Minister, to put this into perspective, am I right in thinking that \$100 million will build about 20 kilometres of a four-lane highway and if you split that between the States, it's a bit over three kilometres each?

PM: Well, if that's what you regard it as the only way in which you could spend this money, those statistics may be accurate. Bob can confirm them or not. But if you look at the statement you'll see that what we're saying to the States is this money is this available to ... on the priorities that you want to spend and it can include, it's their decision, some assistance in regard to relevant rail areas. So this is something which supplements a position which we've already made clear that that is a position of an 18 percent real increase in overall funding over what existed before. It's not as though here, this is all that's going to be available. It's simply the recognition that if more can be done it ought to be done, but it ought to be done in the sense of fiscal responsibility. We're not going to have, as I say, the drunken sailor approach of the Opposition. The documents released today, Laurie, show this will be fully funded. It will not mean therefore that other services have to be cut or that you detrimentally effect your ... situation.

JOURNALIST: But don't you concede, Prime Minister, that 20 kilometres of four-lane highway across the nation is a piddling contribution?

PM: If that's all that you were applying to roads and that's exactly how you were going to use this amount. Obviously it's a misrepresentation of the total Commonwealth Government effort. I mean, either you say

that yes, well you're going to try and do something more in identified areas of need and whether it's that sort of highway that you're talking about or some other form of outlay which will meet needs, is something to be determined in association with the States.

JOURNALIST: But Mr Brown is talking about pouring money into the Pacific Highway. I mean, it would hardly make much impact at all there would it?

PM: Well, I think you heard what Mr Brown said, is that if the New South Wales Government makes a decision in respect of that amount of money which will be available to it under this enhanced program, if they want to give that priority then this money would be available for those purposes if that was decided as a priority.

JOURNALIST: Mr Hawke, there's a major road, major tourist area from Sydney to Brisbane. Isn't it a farce to say simply that this is the State's concern? It's just an adjustment that you're making in terminology. It sounds like ... buckpassing as to who's ...

PM: No question of buckpassing. Mr Brown can say something about this in a moment. Let me make the general point that for better or for worse in this country we live in a federal system where there is a division of responsibility. That's not my creation or Mr Brown's creation. That is the Constitutional fact of life. They have a responsibility in the area of education, for instance. They have a responsibility in the area of roads. They have responsibilities to a whole number of areas. But what my Government has done if you like is to take the area of education and of roads - just to take those two - we have made a massive increase in the way in which the Federal Government provides assistance to States in areas where they have a primary responsibility. You want to look at education, you know the figures are there. There's a more than doubling of secondary education allowances, the trebling of Austudy, all these sorts of things where we have supplemented the fundamental responsibility of the States. And so it is in the area of roads. I can't change the Constitution, don't want to change the Constitution and create one national Government. There are State governments with a responsibility. What we've done is very significantly to enhance, very significantly to enhance the Commonwealth contributions. Just look at the figures. An 18 percent real increase in funding by my Government compared to the period of the Fraser Government. Put in annual terms, that's \$235 million per annum in real terms over and above what was done before. And as I say, you've got the \$120 million black spot program and now this additional \$100 million a year program. I don't know whether you want to add to that?

JOURNALIST: Why did you take 6 years to index road funding?

BROWN: If perhaps I could supplement what the Prime Minister has already said about that. I think it's quite remarkable, you know, that we've become so blase about the amount of money that's going into roads. The Prime Minister has already indicated that from the three levels of government, over the last seven years, there's been almost \$30,000 million that's gone into roads. And when we think in terms of those we feel as though we can dismiss ... new initiative which is going to put another \$430 million. That's not chicken feed, that's, that's big dollars. That comes out of the taxpayers pocket and the taxpayers are entitled to expect that that money will have been spent properly and this Government gives them an absolute assurance that it will. That it will. \$430 million is not chicken feed. That's a big injection into the road system. It was the same sort of thing that was said when the Prime Minister indicated that we would provide another \$110 million to assist the States to remove some of those black spots, some of those dangerous spots, some of those crash centres where people are dying. We were told that a half, an extra half a million dollars would have the effect of saving an extra one life a year on average. \$110 million means that the Hawke Government will be assisting State governments and local governments to save another 220 lives on average every year. And some people people tell you it's peanuts. Well, 220 lives a year really isn't peanuts and those amounts are substantial. It's not, Laurie, just a question of how much can be ... dual divided carriageway for example can be constructed with \$430 or \$300 million extra over the next three years. It's a question of what we're going to put back on top of, and what we're putting it on top of is a commitment over the period of the ACRD program, for the Federal Government to fund the nation's roads to an extent in excess of \$6,000 million. These are enormous amount. How can it possibly be said that these are small amounts, or insignificant? And in addition to what we've already done, we're going to look at some of those other roads of national economic importance on the Prime Minister's initiative. No Prime Minister has ever shown so much concern for the national road system or national land transport or road safety as this Prime Minister has. And that's obvious to everyone. We're meeting our rhetoric with funds, solid dollars that the taxpayers are committing through us to supplement those programs.

JOURNALIST: Mr Hawke or Mr Brown, are you happy with the progress the State Governments have made in coming up with a uniform set of road laws ...?

PM: Well, Mr Brown's obviously been the one who's been associated with the negotiation with the States and I think he can obviously more easily answer that.

BROWN: Let me say that some of those attempts that we've made to achieve uniformity, and the Prime Minister

referred to the fact that we've inherited a federal system, yes we have. We've inherited a federal system. We've inherited with all of those enormously important Constitutional and democratic safeguards associated with the fragmentation of power under federal systems. And we've also inherited a number of problems and the one that you refer to is one of them - the question of uniformity. We've said that a person who's driving a car drunk doesn't suddenly do something moral and legal when he or she reaches a State boundary. So we need that uniformity. But as a result of some of initiatives that we've taken I want to give credit to all of the State Transport Ministers and Territorial Ministers from wherever they come. We had it tested over forty years to achieve uniformity in many of these critical areas. We are now doing it, we are now doing it. Of course there are some problems there, some sticking problems. I hope that the State and Territory Transport Ministers and governments will see their way clear to adopt the package that the Prime Minister presented to them. And if they do that, as they should, as they should, that will make an enormous improvement in the whole question of road safety right across Australia and we will start to reduce that 2,800 people who died on our roads last year and 30,000 people who were injured on our roads last year, at a national cost of \$6.2 billion. We'll start to reduce that, but we have to have the support and the cooperation of State and Territory Transport Ministers and increasingly, as a result of the sort of initiative that was offered by the Prime Minister to them, increasingly they're responding.

JOURNALIST: Mr Hawke, with the new impost on luxury cars, there's likely to be some elasticity in that market. If you don't get the amount of money that you're anticipating as a result of the tax for this road project, do you guarantee it will be made up from other areas?

PM: Yes. Let me make two points about that. We're responsible in the way we go about this and in drawing up the ... we asked for estimates from the best source - that's from Treasury. Now we can't do any better than that and our figures which are contained in the scoresheet are based on the information and advice provided to us. So we are confident in the accuracy of their advice. Obviously we have shown the capacity in the past to find savings if it's necessary. Now if you took the worst case assumption, if you took the worst case assumption and there was some difference in the elasticity outcome, if we can use the economic jargon, then we would find the necessary minor additional savings. We've shown the capacity to do that over this period, but we've acted on the best advice available to us.

BROWN: In fact, could I say Mr Prime Minister, that \$100 million by the way, tends to be on the conservative side.

It's very possible that because of the elasticity considerations that you refer to, that the total amount that would come in from that could be in excess of \$100 million. As the Prime Minister has indicated we are earmarking every dollar, every dollar from that to go into roads, so -

JOURNALIST: ... if it's a larger amount does that mean ...?

BROWN: That's what our statement is indicating.

JOURNALIST: Prime Minister, on the question of tax again, if there were to be further personal tax cuts in a fourth term of the Labor Government, would they be fully funded and not as a result of traffic ...

PM: Now, let's now get this, further tax cuts into perspective. You know the answer I gave yesterday and there's not a great deal of mileage in it I can tell you. What I've said yesterday, I was asked a question would there be further reductions. I said if, if it were regarded as appropriate and economically responsible, that would happen. There is nothing on the agenda about further tax cuts. I'm simply saying in the course of the term, if that were to emerge. Now the statement I made carries it's own answer. We're not going to be - in terms of what I said yesterday - we're not going to be talking about tax cuts if it were not economically responsible. It wouldn't be economically responsible if you couldn't do it in a way which lets the integrity of ... overall budget considerations in shape. But I can assure you that it's not something which is, you know, specifically on the agenda. It was an answer to a question which I believe was asked in good faith and it was nothing more than that. If a circumstance arose where you thought it was the appropriate thing to do, well then you'd obviously consider it and do it, but it's not on the agenda.

JOURNALIST: Mr Hawke, are you concerned ... developments on the Japanese financial markets could very likely delay any fall in interest rates in Australia?

PM: Well, I noticed the comments in today's financial Press from within the financial community that their expectations of a capacity for further falls in Australian interest rates could still be accommodated within some fall in the Japanese market associated with an increase in Japanese rates. I have no reason to differ with that suggestion that's been made from within the market.

JOURNALIST: Mr Hawke, in the event that the uncertainty in the Tokyo market were to gain momentum, and create a shakeout in your financial ..., how would the Government handle the situation here in a .. caretaker capacity?



PM: Well, obviously there are some things that you can do in a caretaker period. We would not walk away from the responsibilities we have for the management of this country. But we obviously want to honour the type of convention which says you don't make major decisions during an election period. But I have no reason to contemplate that any such major decisions in the economic area would, would be required.

JOURNALIST: Prime Minister, there's been allegations that while you've been dogged by the pilots and their families, the children have been placed in danger by your entourage etc -

PM: Their children have been placed in danger by me and my entourage? You would have to be joking. I mean, let me interrupt here. I will not cop, I simply will not cop any suggestion that any children of pilots have been put in danger by anything that I or my people have done. My people, Federal Police, have contacted the Australian Federation of Air Pilots when they saw that these people were wantonly bringing young children into potentially dangerous situations and said, look the Prime Minister takes the view, of course that you are perfectly entitled, as you are, to demonstrate, make your point of views known. But they pleaded with them and said, look don't have little kids there because you never know what may happen, so please don't have them there. And the people from the police who contacted them were given the assurance it wouldn't happen and we saw yesterday - I mean, an appalling situation yesterday. There was one of these pilots in his stolen uniform, I might say, it's quite clear they were in stolen uniforms, with a small child in his arms. I mean, the irresponsibility of these people. We're the ones who pleaded with them not to create that type of situation.

JOURNALIST: Back to road funding, Prime Minister.

PM: Yes.

JOURNALIST: It took six years for the Federal Government to index road funding. Can you give an assurance now that it is indexed, that it will be continue to be so?

PM: Yes.

JOURNALIST: Mr Hawke, this morning on talkback radio you condemned ... caller in regard to Asian immigration. He said he was backed by opinion polls. How many Australians, do you think share a racist position with that caller?

PM: I don't know the answer to that question. But you would have to say that in a country of 17 million people there are obviously some who share his mistaken and dangerous view. There are obviously some, I can't put a figure on it. But what I can say with absolute certainty

is that as long as I am Prime Minister of this country there will be no aid, comfort, succour or support given to those views and I say it, as I said this morning on that program, for two reasons. The moral reason I think should be clear to everybody. In my life there is something that has been fundamental to me from as long as I can remember and that is the repugnance of any suggestion that any human being on the face of this earth is inferior because of the colour of his or her skin, the shape of their eyes, or anything like that. I find that just morally repugnant and I will resist that attitude with all the force and vigour at my command. I also said that it was economically insane and indeed treacherous to the interests of this country. ... I made the obvious point that we live, fortunately, in the most dynamic, fastest growing economic region of the world. And what sort of condemnation do we hand on for our children and their children if we say to the nations and the people of Asia, you're a second-class mob or a third-class mob. We want to trade with you, but as far as our immigration program is concerned, you can't come here because you are inferior to other people in the world. Very rightly and inevitably in those circumstances, the nations of Asia would say, alright if we are inferior citizens, don't worry about trading with us. So if you want to do something which would most certainly condemn, the future generations of this country, to a second or third class economic status, just embrace that morally objectionable, repugnant philosophy.

JOURNALIST: Prime Minister, do you think the Reserve Bank Governor should be commenting on issues like foreign debt during an election campaign which ... bound to become an issue, and do you agree with his assessment of Australia's position ...

PM: I see no reason why Governors of the Reserve Bank shouldn't make comments. I guess no-one, including yourself, would probably object to him making comments if they were getting up the Government's nose. Of course they're not. They are objectively making a point that the policy stances of the Government are relevant, are working. So that's the basic answer to your question. I have no objection to the Governor of the Reserve Bank making comments at this time any more than I have an objection to the Business Council of Australia just coincidentally having a summit on debt during an election. I mean, I know there'll be no political significance in that, they've assured us of that.

JOURNALIST: Mr Hawke, if you're re-elected, would you see yourself making some changes to your mega-ministry? And secondly, would you support what seems now a reasonably widespread feeling in Caucus that there should be a bit of opening up, freeing up of the ballot for ministry after the election, for conditions of the ministry?

PM: I think the mega-ministry system has worked very very well. Let me make this point that I'll at a later stage of the campaign be developing in some more detail. But if you wanted one sign of the gross irresponsibility of the Opposition and the price which they are asking Australia to pay for their internal hatreds and divisions, it is their promise that they would break up the mega-ministry of Foreign Affairs and Trade. There is not one analyst of the Australian political and economic situation who does not acknowledge the appropriateness, the effectiveness of having Foreign Affairs and Trade joined. Everyone knows that that's right. But because of the hatred and the bitterness and the divisions between the National Party and the Liberal Party and for no other reason they are saying they'll break up Foreign Affairs and Trade. And at, may I say, an absolute criminality as far as the interests of Australia are concerned to accommodate the bitterness of the coalition. So the answer is no I will not be changing the mega-ministry ministry concept. It may be Michelle, let me say this, that you may want to see perhaps in one or two areas a marginal increase in ministerial assistance. Let me be quite specific in the area that Bob's in, Transport and Communications. I think the concept is working well. There's been in this last period however a large number of very significant issues in both Transport and Communications. It may be, and I'll talk after the election with my colleagues who've been in that area to see whether they think that perhaps a little bit more ministerial assistance would be desirable there. That's no change of the mega-ministry situation but it's just an intelligent assessment of whether some additional assistance would be desirable. Now as far as the second part of your question - no I remember that - the second part of your question. I witnessed with a certain amount of interest after the first election that the ministry was able to persuade their colleagues that there was no need for a ballot. Substantially the same the second time. But of course that's not surprising. It's not surprising that the Caucus took the view that the ministry was good because, as you know, Dr Hewson doesn't get many things right, but he did get one thing right. I remind you of what Dr Hewson said. Dr Hewson said that the Hawke Government is the most professional government, is the most professional government and probably has the best ministry since the war. Now Dr Hewson is right. Absolutely right. It's a view shared by the Caucus in the past. A tremendous ministry. Now I think, having said that, that -

JOURNALIST: They all want to get into it though.

PM: Yes, well it's a class act. As Dr Hewson has said, the best since the war. I mean it's the one thing that Hewson said that I think he got absolutely right. Now I think that after the next election, which we'll win, that there probably will be an election because we are in the fortunate position, the very fortunate position as

distinct from our opponents that we have a great fund of talent. A great first eleven or first eighteen or whatever particular number you want to choose. A great frontbench and a lot of talent on the backbench. So I'm in the fortunate position of knowing that after the election when they have an election in the Caucus that once again I will be given a ministry of outstanding talent.

JOURNALIST: The Opposition tell us that their sophisticated reception meters -

PM: How does that feel Bob? ... What about here, how does that feel? Now when I say boo, what do you feel like? This is serious of course.

JOURNALIST: Point taken Prime Minister.

PM: Thanks.

JOURNALIST: They're now going to rejig their campaign because the electorate, or at least the people who are plugged into these meters, weren't, I believe, assured by your statements on living standards. In other words, they've detected a huge credibility gap out there in the electorate for you with your assurances on living standards.

PM: Well thank you Paul for that question. Let me say first of all in regard to the basic point about the question as to what was the reaction to the debate. You'll notice that I said afterwards that I was relaxed about the outcome and I'm pleased to see that generally speaking people seem to have made a judgement about the debate. I don't go to that any further. But on the question of living standards - well just before I get to that I must, I just really do want to say something about the debate and reactions a little bit more generally. ... fascinating position of course now where Mr Peacock is seriously asking you to believe, all of you, is asking you to believe, all you people, that it was a clever strategy that they'd worked out before the debate not to ask many questions. Really. They sat down and they worked out before the debate having a national advertising campaign there are questions to be asked of the Prime Minister. Consistent with that public advertising campaign that there were questions to be asked of the Prime Minister, then given the opportunity on national television when they had the Prime Minister there, that they decided not to ask him any questions. I simply ask you do you believe Mr Peacock when he says that? I mean there's one thing that came out of the debate very clearly and it's this. Not only have the Liberals not got the answers, they haven't even got the questions. Now let me go onto the question of living standards. I don't know how many mistakes that Mr Peacock made in the debate but just a few have hit the headlines today. Could he have got the Landcare promises

more mixed up than he did? I mean you've got spokespersons for the Leader of the Opposition's office running around trying to say what he meant and what he didn't mean and how much he's committed and how much he hasn't committed. He was quite wrong on the question of what his Opposition spokesman had said on allowing mineral exploration in Stage 2 of Kakadu Park, the question I asked him. He was wrong in his answer. Because it's come out quite clearly, as I said on the program, that in October, as far back as October, that his shadow spokesman had indicated that there could be mineral exploration in Stage 2. And if you, well just go on and on, all the things he got wrong. But coming to living standards, he was wrong on that. The University of NSW, the independent study there, has indicated that on average there has been an improvement in standards. That doesn't mean that in certain categories that it has been reasonably tight. It does mean, when you undertake that analysis, that this Government has undertaken to do what it should do, and that is to really look after those most in need in this community. I can't tell you just how touching it is to receive letters, as I do, from people saying what the Family Allowance Supplement has meant to them. Now just think, just get an idea of the dimension of what that's meant for standards of people who most need help. You take the case of a single income family on \$320 a week. Now the family allowance supplement has meant for them they get \$110 a week tax free with three kids. \$110 a week tax free which is equivalent to a wage increase of \$170 a week. That's the human element of the the national aggregate which is over \$2 billion a year being paid to low income families to help them look after their kids. So when you talk about standards, you don't just look at what's happened to real wages, as Mr Peacock has said. But standards and real disposable income is made up, as I've said and I repeat, it's made up of these things. It's made up of wages, money wage movements of prices, of tax cuts, of jobs. How many more - employment and the families, and it's made up of what happens to social justice payments. And when we take all those components, then on average - this is not Hawke's statistic, it's the statistic and the accepted statistic of the independent body of the University of NSW that on average those standards have increased. So it's quite clear. But the final point, let me make. I'm rather surprised really, if I may say so, that the analysts haven't picked this up. I've made it clear in the Parliament before. I suggest it's worth pursuing Mr Peacock. Just have a look, I suggest again, refresh your memory on page 53, page 53 of the document which they entitled Future Directions and which I christened Futile Diversions. Look at page 53 which you'll recall Mr Peacock said Future Directions still had authority within the Liberal Party. On page 53 of Future Directions you will see this. The acknowledgement that there'd been a change in the terms of trade which had affected Australia. And then the criticism, the direct criticism in these terms. Labor has attempted to protect certain

sections of the community from the effect of a reduced national income. Now please understand the fundamental significance. There's nothing more significant in a sense in this whole misrepresentation campaign of the Opposition. What are they trying to do in this campaign? They're trying to say there's been a reduction in standards and attacking us. In their own document on page 53 they said that there'd been a reduced national income flowing from the terms of trade, a reduced national income and attacked me, and attacked the Government for trying to protect certain sections of the community from the effect of that reduced national income. Now you can't have it both ways. You can't be parading around the country attacking this Government because there's been a reduction in standards and in your own document on page 53 attack the Government for saying that in the face of a reduction in national income you've attempted to protect certain sections of the community. Mr Peacock ought to be nailed on it. I mean is it possible to have it both ways? Can you on page 53 of the document say there's been a decline in national income which means a fall in standards and attack the Government for trying to protect standards and then on the other hand run around and attack the Government because standards have fallen.

JOURNALIST: With general reference to living standards and specific reference to the events of lunchtime yesterday what's the price of a pot?

PM: A middy is \$1.20 mate and let me say, let me say ... When I went to this group who were all very supportive I was going to put more on and they said no, \$5 is enough. I thought \$5 was a bit light-on myself. But ... \$5 was enough. But \$1.20 I believe is a middy mate. A lot more that when I was consuming a few of them too.

JOURNALIST: In your speech on microreform ... on airlines ... airlines deregulation. Will you go to the next Labor Party conference and pursue your attempt to get a change in policy on the ownership of Australian Airlines?

PM: I said on the program this morning we've got some processes underway in the party where they're looking at what's involved in the funding - capital requirements of the airlines, Michelle. We'll get the reports and consideration of those committees what they feel about it. The Minister will report to me. We'll make up our mind in the light of those reports.

JOURNALIST: Prime Minister, if you go back to debt for one minute, do you accept the assurance of the BCA that the debt summit is not politically motivated or do you think it's designed to damage your ...?

PM: I suppose, I mean if they wanted to be absolutely sure ... had any political connotations, I suppose they

could put it off until after the election. I mean then no-one could possibly say, could they, ... no basis for criticism. I don't think that's occurred to them. I think they think it's appropriate to have it at this time.

ends