



PRIME MINISTER

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E & OE - PROOF ONLY

JOURNALIST: Mr Hawke, do you endorse the comments made by Mr Kelty the other day calling for workers to retaliate by displaying hatred to the coalition and employers?

PM: Hatred is not, as I think you probably know from my background, something which is part of my makeup. I don't like the concept of hatred and I attempt not to practice it. I understand what Mr Kelty was saying, he was relating the present proposed policies of the Opposition to what has happened in the past. He recognises that it is the workers of Australia and their families, those dependant upon them, who've paid a heavy price in the past, Paul. And what Mr Kelty fears and properly fears is a revisiting upon the ordinary people of Australia of the tragedy of the past. I don't want to take a great deal of time in revisiting the statistics upon you but they are very firmly in your mind as to what happened when these policies were imposed before. The worst recession in the 50 years and that meant in the 12 months before we came to office another quarter of a million Australians thrown out on to the unemployment scrapheap. And Mr Kelty knows from experience, he also knows from the fact that he's spent so much of his time in the last two years knocking back wage increases that employers have wanted to impose because he knows that that would destroy the economy. So he's saying the sufferers from the policies, industrial relations wages policies, of the Opposition would be ordinary working men and women and their kids. And he says that is hateful. Now I wouldn't ask the workers of this country to indulge in hatred because it is not part of my makeup and I don't think it really is part of Mr Kelty's, but I think he is asking them to detest those policies and what they must mean -

JOURNALIST: ... will you talk to him and ask him to tone down his language?

PM: I don't know about asking him to tone down his language. If I had any discussion with him, I'm quite

any rate, that I have a different view of language on this issue, but I totally understand the concern that he has and I totally understand, Paul, the concern that Australian workers ought to have.

JOURNALIST: Prime Minister, on the child care ...

PM: No, I think that's not accurate because, firstly if you take those, that part of the assessment that deals with the word as co-operation with the States, they have up to this point co-operated and I have no reason to assume that they would not. We have had no indication that they wouldn't co-operate in the future as they have in the past. And let me say I'm sure that the Labor Premiers would have commitment to cooperation in this regard and it would be very strange if Mr Greiner should not. Mr Greiner has been remarkably silent, I must say, in regard to what it means for NSW, if his Federal colleagues were to come in it would mean \$120M of funds to NSW. There is no doubt that from the point of view of NSW which side their bread is buttered on as far as this election is concerned. On the 28,000, all I can say is that those are the best estimates of what the response would be given the significant increase in effective demand which is associated with our policies. What you have got to understand is that in terms of the supply of places it is a function in part of the level of effective demand. And what we are doing in the area of improved fee relief, which is very substantial and which I think you don't question, will mean that there will be a significant increase in effective demand. And that's, all I can say, is the best estimate made by responsible people on the sort of response there will be.

JOURNALIST: Mr Hawke, ... operational subsidies ... your package, do you guarantee now to maintain ... at the level they are at the moment?

PM: Well, the proposals that have been drawn up have been drawn up on the basis of continuation of the existing arrangements.

JOURNALIST: Does that mean they will continue for the ...

PM: That is the position that has been put, but the costings that have been arrived at have been clearly put, they come to the best part of some 400 million and the basis of operation in the future will, as I understand it, be on the same situation as it has been in the past.

JOURNALIST: Mr Hawke, the Labor policy previously has not been in support of commercial centres, why do you change and do you think in retrospect that that policy was wrong?

PM: Well, I think we needed to concentrate our resources in the first instance on increasing the support for

community-based care, but then as we have gone on and we have done that, and remember what these sort of figures are, we will under the additions we have already been made and under the committed program in '92 as it is there'll be a more than trebling of those places. On the analysis which has now been undertaken it seems appropriate that assistance should also be given in the commercial sector and this is now a well-rounded program with a very very significant increase in expenditure on the part of the Commonwealth. We'd certainly justify the description that I have made, that this has been the greatest expansion in child care facilities in the history of this country. Let me make the point that this was an agreed position. There has been some attempt to suggest that there may have been some basic division amongst my Ministers but let me say that this is a rounded and balanced approach which has met with the approval of the Cabinet as a whole.

JOURNALIST: But do you concede it's a major shift in policy area?

PM: Well, it is a development, it is a development in policy. If we operated on the basis that we would have exactly the same policy stance in year 10 of this Government, in the fourth Government, as we had in year one it would be a very peculiar sort of Government. You deal with the first immediate priorities and then you expand your program. I mean, for instance, let's look at the broader thrust of macro-economic policy. It was appropriate, as soon as we came to Government, to give the economy a ... and then you have the, that is by Government's policy in its decisions, because you had as I say the worst recession in 50 years. It was appropriate in those circumstances to give the economy a lift. But as the economy got going we then moved in to very substantial cut-backs in real terms in Government outlays. Now that is the mark of intelligent and sound government, that you develop your policies according to the needs and the developing needs of the society. Now in regard to child care we committed ourselves at the beginning for using relatively limited resources, expansion in the community-based centres and now we believe that with a combination of our additional expenditures there and the to effective demand that was associated with fee relief that there will also be an expansion of places in the commercial sector.

JOURNALIST: (inaudible)

PM: I think that there is a sufficient flexibility in, both in the platform and in the attitudes of the Party, to enable this to be done. I think it will be welcomed generally within the Party and within the community.

JOURNALIST: Prime Minister, how do you respond to ... criticism this morning that the policy speech ...

PM: I must say that I was amused by those observations, Peter, amused because for reasons best known to the commentators who have made those observations, they seem to think that the Prime Minister and his Ministers have only exposed the Government's proposed policies for the next term yesterday here in my policy speech. They conveniently overlooked two things. Firstly, that on 22 February I delivered in Sydney a most detailed set of proposals for micro-economic reform in the fourth term. Now for some of these commentators we may as well not have spoken, we may as well not have delivered that address. The program for micro-economic reform for the fourth term wasn't delivered because I didn't do it yesterday. I mean, what short memories some people have. And let me make the point about that delivery on 22 February, two points. Firstly, I put it against the background of the still unanswered challenge, and I repeat it, I am still waiting to hear from Mr Peacock or any spokesperson for the Conservatives, an answer to the challenge I made in December at the National Press Club and repeated elsewhere, where I said that there has been no period in Australia's peacetime history to match, to come within a bull's roar of the record of massive micro-economic reform that has been initiated under my Government. And we still have a thundering silence from the Conservatives to that challenge. Answer, why, because they know it is impossible to answer. In the 30 of the 33 years since '49 when I came to office, for 30 of those 33 years of Conservatives were in office. They did nothing in terms of micro-economic reform of any significance. And in seven years we have very significantly turned round the structure, the attitudes in the institutions of this country, but we have not been satisfied in this election campaign to rest upon that performance, a performance unmatched in the 30 years of Conservative Government. As I say, on 22 February I laid down the ten point program. I remind you of it, it went to aviation, telecommunications, industry policy, shipping, the waterfront, electricity generation, railways, export of services, international trade, education and the labour market. Now each one of those areas detailed our program and our policies for the next term. Now secondly, in answer to the question - that was 22nd February - in regards to macro-economic policy it was quite clearly laid down by my friend and colleague, Paul Keating, in his statement at the beginning of the campaign where he laid out our wages, tax, superannuation proposals for the fourth term. There you had a continuation of the basic macro-economic framework of the past. And what has that produced? You know what it has produced. It has produced a 12.2% reduction in real non-farm unit labour costs, it has produced a rate, an average annual rate of employment growth of 3.5% which is precisely five times the 0.7% employment growth of our predecessors. It has given an indication of the continuation of our fiscal responsibility which has seen as I have said a \$30 billion turnaround in demand by the public sector upon the resources of the community, and

importantly, importantly, particularly for those commentators who ... nothing, Mr Hawke said nothing yesterday about our debt problem. Importantly it laid out the superannuation policy for the future, a policy which is going to mean a direct attack upon the question of savings, a reduction of reliance on overseas debt and a policy which is directly relevant to dealing with the problems of inflation. So that is what I say to those who say Mr Hawke yesterday didn't deal with the problems of micro-economic reform and macro-economic policy. For God's sake, let the analysts and the commentators just remember that there isn't only one day of the campaign - as good a day as it was.

JOURNALIST: Just on that 22 February speech, Mr Hawke --

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PM: Yes.

JOURNALIST: ... the major criticism ... the Government made by ... economic adjustment in the next term if the Government's re-elected compared to the last term. Can you say whether the pace of adjustment in the next term will be the same, faster or slower?

PM: I think it would be faster, I say it Paul not because it's the easy answer and perhaps the most convenient and the most politically advantageous. But there is a simple truth about change and that is it's the hardest thing about change is the first step, to get people to face up to the realities of a new, more challenging environment. Of course, let me for instance give you an example of that Paul. I can recall that when, in the earlier parts of our Government, we started to talk about the need for award restructuring. There was enormous hesitation. Indeed I think it doesn't overstate the case to say antagonism in certain areas of the trade union movement. And it took us a good deal of time because we believe in consultation and not confrontation to get the concept accepted in the trade union movement, that if they were really going to discharge their obligations to their members they had to be prepared to discard outdated work practices and attitudes to organisation in the workplace. That took time. But now those processes, as you know, are strongly underway, and indeed, if I had to nominate one of the sources of excitement of the Prime Ministership, it has been now for instance to go into workplaces and see the enthusiasm with which workers and their organisations are embracing these changes. To be precise, one of the most exciting experiences I've had in the last few months is to go into the steelworks in Newcastle and to have management confessing its sins of the past and workers doing it. Management saying to me, the exact phrase that management used to me, you know Mr Hawke, until these changes came about under your Government, our attitude was that we asked workers to leave their brains at the gate. He said that was absurd. And unionists were there working with management saying we've got to change these

practices, we've got to do things more effectively. So that's the reason Paul why I think that it's going to be faster in these next three years because we have overcome to such a considerable extent some of the attitudinal barriers of change.

JOURNALIST: But how can you be so confident, particularly about award restructuring when, this morning in the papers ...

PM: Yes, I've read it.

JOURNALIST: The Metal Trades Federation ...

PM: I could, if we had time and I know we haven't, I could take you Paul - and you would be amongst them - I could take you to the doomsaying statements of the last seven years. The Accord was dead, the whole thing was going to blow up. I could give you a list, including some by Paul Kelly, statements ... We'd need a pole vault to get over the pile of what was going to happen to the Accord. How many times has the Accord been dead..., the burial services conducted with appropriate solemnity by the doomsayers in the media. But let me say this. The Accord is vibrantly alive, well and operating. It operates in an environment of people who are going to try and do the best they can for the people. They will make threats, they'll make statements, but I'll tell you this, the Accord will live. It's again going to survive the doomsayers. I believe that the discussions will go on in the days ahead and I'm confident that the Accord in general and in the metal trades in particular will survive. You know, I'm a, I'm a punter - I haven't got much time to do it - but could I give you this advice. When you're punting, it's a good idea to look at the form of the runners and also, if you're inclined to take account of tipsters, to have a look at their record too. And I'll tell you what - in the race that's on for Australia's future, the horse called the Accord has got an outstanding record of achievement. I've told you about it in part but let me just add a bit to it. Rate of employment growth five times faster than before; a 60% reduction in the level of industrial disputes; business investment - the highest level on record; profits - the profit share picked up from the 11.2% in '82 to the highest points on record. So the horse called the Accord has got good form and the tipsters who've tipped against the Accord have done their dough.

JOURNALIST: (inaudible)

PM: I don't think it will be necessary for me to get involved. It may be that I would have a discussion with Mr Kelty if, you know, if I've got the time. It may happen. ... If I regarded it as desirable or necessary I would do it. Because one of the great things, one of the great features about this Government of course has been that we treat the representatives of working men and

women in this country as people who should be talked with and not confronted. And if I believed that it was helpful to have a discussion, if I thought that things were going a bit off the rails, I'd be prepared to do it.

JOURNALIST: ... no frills launch ... Andrew Peacock?

PM: Well, I mean what I say when I have said from the beginning and indeed really before we got into this election campaign that I regard it as the most important election since 1949. It's not rhetoric. I deeply believe it because I think it will shape the sort of country that we take into the 21st century. And believing that and the seriousness of this matter I, with my colleagues, felt that we should have a very serious launch. The introductions were not extravagant, but I think they were appropriate, a magnificent singing of the national anthem by Claire and two introductions by the Sheffield Shield contenders and then the speech. Now it seemed to me that that was the appropriate way of doing it. It will be for the people to judge, Bob, as to whether they want more razzanatas. But I believe that in that simple uncomplicated presentation I was best able to put before the people of Australia the starkness of the choice they've got to make. I wouldn't have wanted to do it any other way.

JOURNALIST: (inaudible)

PM: In regard to the first question ... I have got an idea but I don't think it's fair to all my colleagues to start flagging who would take Lionel Bowen's position. Let me simply say that it will be filled by a person of competence and commitment and proven track record. Now you can all start guessing.

JOURNALIST: Michael Duffy.

PM: But I have no comment. As to the second, I believe that with the Australian business community that what we need is a system where businesses wherever they are in Australia are going to know what the law is and what the practices are. I personally would prefer a situation where the, if there is Constitutional doubt that all the States would ... the relevant powers to the Commonwealth. And this is obviously an area we've got to have some serious of discussions with the States. But it just seems to me that we do pay a fairly high price in this country for the fact of federation. I'm not trying to undo that, that is a fact of life. It does seem to me that it's fairly intelligent that wherever the facts of the federal system pose manifest problems, then if we politicians are really concerned about the best interests of the country we could tackle them. For example, that's what's motivated me in the area of roads. I mean, that's why I've tried to use ... \$120 million to fix that in the blackspot program. I've tried to use that as a basis for getting accession of agreement from the States to uniform

standards. That's why we got last year the famous Hobart declaration on education where, great credit to John Dawkins for the initiative and for the State Minister who responded positively. It's a very interesting statistic that's buried away in the material which was distributed yesterday, that some, each year, I think, there's some 70,000 Australian children moved interstate. Now it just is a tragedy in my judgement that you can have a problem for all those families because of different educational standards and criteria and curricula in the States. So that's what we're trying to do in every area.

JOURNALIST: (inaudible)

PM: I would want that to happen. We obviously had to look at, in part, at the implications of the High Court decision and then that goes to one part of the area which is, as you'll appreciate, the actual process of incorporation. But I would hope that as soon as we are re-elected that the new Attorney-General will enter into discussions with the relevant ministers of the States to try and see if we can get a mature Australian answer to this problem.

JOURNALIST: (inaudible)

PM: I don't believe that I run a risk of losing that because that involves the unstated premise that the Australian electors are there waiting to be played as a bunch of suckers. The fundamental truth of this election, as we now get to the point where we're just about a fortnight away from polling day, is this, that my opponents have treated the Australian electorate as people lacking in intelligence, that they can make a series of unfunded promises, including in the area that you're talking about, about three quarters of a billion dollars and say we'll give you this, we'll spend this money, but say nothing, nothing, refuse to answer questions, dodge your questions as to how they're going to pay for it. Now if you believe that, and I were to believe that, then perhaps the people ... perhaps if I were that desperate to hold onto office, and may I say to ruin this country, perhaps I should say well what was the their offer? Billion? Yes, better up that - I'll make it because the nugs will buy that, they'll like a \$1.5 billion unfunded promise better than they'll like the \$1 billion dollar unfunded promise. And so the difference is I and my colleagues have a different view of the Australian electorate. I recognise that roads are an issue of concern. We've addressed it, but we've addressed in a funded way. What I am offering are two things, two things. The blackspots program which is already there and in the campaign this additional \$100 million a year funded and directed to identifiable areas of need. That's the difference. I am not in this next fortnight going to change my judgement about the Australian electorate, because I would need to share the judgement of the Liberals. That is that you can make

promise after promise after promise, totalling up to something like \$6 billion, unfunded, and that they'll cop a leader or a potential leader standing in front of them, when asked by me and by you where's the money coming from Mr Peacock, and say, well I'm not going to tell you. Do you have a list Mr Peacock of slashing cuts in expenditure in the area of social welfare - I don't know, I haven't thought about it. But I'll have to, but I really haven't thought about it. If you think, like Mr Peacock, that the Australian electorate will buy that, ok, I don't. I believe that what the Australian electorate is about and what it wants is a Prime Minister who is going to say yes if there are identified areas of concern, including roads, what can you do about it, well I can do a bit more. On top of what I might say is the 18% real increase in expenditure on roads under my Government compared with my predecessors - \$235 million a year more that we've spent a greater proportion of the oil revenue being spent in this last year than was spent in their last year - 19.6 against 19.5 against 19.06. We've got the record of doing more but I'm not going to jump in to this auction based upon some assumption about the lack of intelligence of the Australian electorate. It's not on in regard to roads or anything else. One more question than I've got to -

JOURNALIST: (inaudible)

PM: Well, there was no reason for not mentioning it other than this. There was a limit to the amount of time that I had and I have made it clear, Michelle, in answer to questions during this campaign that I am still committed to the Treaty. Now let me take this opportunity of making the point clear again. I mentioned the concept of a Treaty fairly early in the last Parliament and expressed hope that it may come to fruition. As you know, all of you know, who've followed events in the Parliament in the last three years or so, the time of my Minister, Gerry Hand, has been overwhelmingly taken up really with two things. Meeting the unjustified attacks that have been made upon him and his administration and secondly, upon getting the ATSIC legislation through the House. That has meant that he hasn't had the time that he would've liked to have had on this matter. I have discussed the issue with him and we believe that now ATSIC is in place, or being put in place, that that is going to provide a basis for now getting in an organised way the views of the Aboriginal people around Australia on this question of the Treaty and also to try and start to get a process of discussion within the non-Aboriginal community. I am still committed to the concept of a Treaty and I hope that now that we have got behind us, those two issues that I referred to, that we will be able to process it in the life of this Parliament.

JOURNALIST: John Cain, Prime Minister, why wasn't he invited yesterday?

PM: I don't believe he wasn't invited. I think Mr Cain had his Parliament sitting yesterday. I'm not aware that he wasn't invited.

JOURNALIST: (inaudible)

PM: What a long bow that one is. What a long bow. As far as the comparison between the Government and the Opposition if that's what you're implicitly trying to do, let me put it this way. Graeme Campbell is no John Howard.

JOURNALIST: ... Mr Hawke, how long do you think it will be necessary to hold national standards ...

PM: Well we have expressed the view in the hope that by the end of this Parliament we might have been able to reach that point where we have got a sustainable relationship. I've said that before in the hope that that may, may be too optimistical, we hope by the end of this Parliament, but certainly by the mid 1990s.

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