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PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH VINCENT SMITH, RADIO 5AA
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SMITH: Our special guest on the program this morning is the PM of Australia, who yesterday launched probably the most ambitious program of reform for Australia - the complete revamp of relations between the Commonwealth and the States. The founding fathers had some almighty blues when they were putting together the Constitution and I suppose any future change will not be achieved without some disagreement. But the founding fathers said the scene almost 100 years ago, and it is fitting that any major review, any major change should be ready for the centenary of federation in the year 2001. Like the PM I hope plenty of the changes can be operating long before then however, for they are sorely needed.

Good morning to you PM.

PM: Good morning Vincent.

SMITH: How are you?

PM: I'm very well, and you?

SMITH: Fighting fit, thank you.

PM: Good on you mate.

SMITH: You must be pleased with the reaction this morning.

PM: Yes, it's been very positive and I think it reflects a great deal of credit upon our politicians, and the media and our people because I think there is an understanding that we've all got a responsibility, irrespective of our political persuasions, to try and do the best for our country now to get it in shape for the 21st century.

SMITH: I suppose in a way the climate is right, it's almost been created hasn't it, for suggesting such reform.

PM: I think the climate is good. We've got, I think, a range of very capable political leaders around the country now in the States and in saying that, I don't, in any sense just reflect

PM (cont): the fact the majority are of my political persuasion because I went out of my way yesterday to point out that in NSW the Liberal leader there Nick Greiner has been very open minded and responsive to the sorts of things I've been saying.

SMITH: Well he says he believes you're fair dinkum and he supports what you've talking about.

PM: So the attitude is good. I think there is an understanding when I think particularly people have taken on what I've been saying recently that when you look at Europe, by 1992 those twelve independent nations of the European community would have created a situation where there will be less impairment to the free flow of goods and services between those twelve nations than there is between the States of Australia. And I think that sort of hit people between the eyes and makes them realise that we've really got to do better.

SMITH: It rather makes it an urgent task for us as well doesn't it?

PM: It is and that's why I said yesterday, Vincent, that I don't want some long drawn out voluminous enquiry which looks at everything and then some years down the track says well here's our report. I want us to be able to deal with issues as we go along so that if something is capable of being fixed, quickly, then that's done. Other things of course will take longer but let's commit ourselves to a process of change. It took me, I was very interested in your introduction, Vincent, it did take our founding fathers the whole of that decade of the 90's in the last century to prepare for Federation. The first convention was in Sydney in 1891, then they went over to Adelaide in 1897, and then back to Melbourne in 1898, and it wasn't until the 1st of January 1901 that Australia came into being. Well we ought to realise that we should now use this decade leading up to the centenary of Federation in 2001 to make and consistently go on making the changes that are necessary to equip Australia to go with confidence and with the most efficiency into what's going to be a very, very tough, competitive 21st century.

SMITH: On the Constitutional side, do you see it as a major re-write of the Constitution.

PM: Not necessarily major, I mean it just depends what pace of change the people want. But I think there are some things that can be done pretty quickly. For instance, as I said yesterday, I think that we can get, at the next election, a referendum up and passed I would think, giving four year terms because whoever is in govt, it's better. I think everyone realises that if they have four years rather than three, to go about the process of government and Dr Hewson, I pay him credit, seems to share that view, so I think we can get agreement on

PM (cont): that. Other Constitutional changes may take longer but I think we ought to use this period, this decade to look at those changes in the Constitution on which we can get agreement, because the ninety years up till now have been barren basically. It's all been political controversy when it comes to referendums. So what I want is a process where we can sit down together, the political parties, the Constitutional lawyers and interest groups, and say well, can we get agreement on this or that issue for Constitutional change.

SMITH: Would that anxiety for consensus tend to compromise some of the reform do you think?

PM: Well I think the answer to that is without consensus and constitutional change you don't get change. That's what our history of the last ninety years shows.

SMITH: So you have to have a consensus then?

PM: The last time we got Constitutional changes was in the 60's, when you had a Conservative Govt proposing and Labor Opposition supporting the change in the Constitution to give power in regard to Aborigines to the National Govt. Now that was where you had bipartisanship. Unless you have that, change is very hard to get.

SMITH: Do you think there will be ... I can hear some of the clamoring now I suppose, people saying that this is just Canberra lusting after more power, a socialist scheme for centralised power.

PM: Well this is bloody nonsense if I can be quite direct because as said yesterday what I'm about is putting everything on the table and if there are areas where it looks as though it's better to give the power or the delivery of the service back to the States, well, let's do it that way, if we can be persuaded that that's the best way of doing it. And yesterday I gave back a power, which is worth \$400M. We have a bank account deposits tax and I said well look I'm prepared to hand that back to the states, it can be an area where they can make the decisions about that. It won't affect the need for central macro economic powers to be with the Commonwealth. So I'm not about trying to get more power. I'm just trying to get a situation where the citizens of this country are going to have their services that they want delivered in the most efficient way and if that means, for instance, in some areas the States saying well you can probably do that better alone, well we'll do that. In others, we are saying well you can do it better in the States, well let's do it that way. Not everything will require the same sort of solution.

SMITH: That offer yesterday, was that seen, or did you want it to be seen as a demonstration of what the Commonwealth is prepared to concede to the States.

PM: I wanted it as an indication of my sincerity about the purpose of this exercise and it was something that the States wanted and I believed it was something that they could have.

SMITH: What do you see as the most pressing need for change.

PM: Well, it's very hard to put one priority but I nominated yesterday two areas where I thought we should really start working. There's a lot of room for combined effort to get better solutions in the area of health and social welfare delivery. Now if you look at the area of health, particularly as it affects our elderly citizens, you have this interchange between the Commonwealth and the States. The States are responsible for the hospitals, but we put an enormous amount of money into that and the hospitals are a service for our elderly people in many respects, but there in regard to their elderly people's accommodation, we're in the field of nursing homes and hostels. And we're both, Commonwealth and States, in the area of delivering services to the aged in their homes. Now inevitably where you have the States and the Commonwealth interacting in those areas of hospitals, nursing homes, hostels and domiciliary assistance, then there is overlap and there is duplication, not only of services but of monitoring of the delivery of services. Now I think those are areas where we ought to see change. In the area of transport, we've really got to do something about getting a more efficient, co-ordinated Australian transport system. So that's going to require a lot of co-operation between us and the States in the area of rail, so that rail ceases to be as it is now, an enormous financial burden upon the taxpayers but by getting both a more efficient co-operation between the States and a better integration with road services, that we can deliver to our economic enterprises in this country, a more efficient transport infra-structure.

SMITH: You conceded yesterday that maybe there was a need to have a look at uniform non-bank financial regulation and under considerable heavy questioning.

PM: Oh no, not under considerable heavy pressure, I didn't specifically include it in my speech, I knew I would get a question about it, and my answer was consistent with exactly what I had said in the speech, and that is, that we ought to have two criteria that we're aiming at in that area. One is efficiency of supervision and the second is uniformity. Now the way to do that as I will have it on the agenda for this special Premiers conference that I'm calling at the end of October, we'll have a lot of work done and consultation between the Commonwealth and the States beforehand, and I would hope that out of that process the States would agree on a system of supervision which they could all apply, and then the States would actually have the responsibility of applying that uniform effective system of supervision.

SMITH: Do you think there's been a change in the way in which the States think on matters like this, because it's taken an age to get anywhere near consensus on for example, uniform companies regulation.

PM: Yes, that has been a slow process, but fortunately I'm able to say that the result of the work of my Attorney General, Michael Duffy, and now with greater response from the States, we look as though that we will be able to have the uniform system operating from the 1st of January of next year. Certainly it took too long, but it's an area which is absolutely necessary when we get that outcome.

SMITH: Does it leave you a little bit disheartened about the prospects for consensus on some of the wider issues.

PM: No not disheartened at all. I know it's not going to be a bed of roses and some issues will be more difficult than others but I don't think we've ever had in my time in politics a more propitious conjunction of circumstances than we've got now. As I look around the States I see a range of Premiers who I think are capable, and who are committed to change, and to say that the majority of these Premiers are of my political persuasion but I want out of my way yesterday, as I say, to indicate that Mr Greiner in NSW has a constructive approach, and I think the circumstances are right now. They understand that in times of economic constraint and challenge, we've just got to do, all of us, each govt has got to do our task as efficiently as possible. Now in some areas that may mean giving up something and letting others do it, and vice versa. And I think they all understand that now, better than they ever have before.

SMITH: Will you be taking the Commonwealth's agenda to the October Premiers' Conference.

PM: It won't be our agenda alone. What I've done is already indicated the things that I think ought to be on the agenda but I've written to the Premiers and said, now you also nominate what you want on the agenda, and between now and then, we will have a working group of senior-level officials, Commonwealth and State, developing working papers on the items that both I and the States want dealt with.

SMITH: And from that, things will get rolling pretty quickly?

PM: Yes. I made it clear yesterday that I don't want a long drawn out process with some voluminous report years down the track, we'll look at that report. What I've said is there are some things that can be done quite quickly, where they can be identified and agreement achieved, let's do it, so that we've got a rolling program of change.

SMITH: And you would be looking in the area of health for immediate start.

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PM: Well there's a lot of work to be done there immediately, but I don't, I'm not being prescriptive about it and saying that's the only area but there may be others where we can do some things even more quickly.

SMITH: The States may have some ideas.

PM: Oh, not may have, they will have, and I've invited them. I wrote to them yesterday morning so that they had my speech before I delivered it and the indication to participate and I know that there will be a constructive response from each of them.

SMITH: PM, thanks a lot for your time this morning.

PM: Thank you very much indeed, Vincent.

SMITH: It's something the nation needs.

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