



9

PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HOWARD SATTLER, RADIO 6PR
20 JULY 1990

E AND O E PROOF ONLY

SATTLER; Good morning Prime Minister.

PM: Morning Howard.

SATTLER: Could you first confirm you are not intending to stay till 2000 are you?

PM: You can take that for granted mate.

SATTLER: Alright well what about this duplication, where is it worst?

PM: Well it's in so many areas, the area of health and welfare services is one area which stands out. I mean if you look at our elderly people, we cater for them as a community through our hospitals, through our nursing homes, our hostels and through the delivery of domiciliary services into their homes. Now the State and the Commonwealth are intermeshed in all of those areas and that means there is duplication not only in the services but also in monitoring services for instance and it's very inefficient. Now what we have got to do is to work out ways in which we deliver to Australian citizens the best possible services with the least possible duplication. If you take another area, transport which I talked about in some detail yesterday. I referred to the container going across the continent from Sydney to Perth and what's involved in all the changes there and the different authorities, 3 different authorities that are involved. What we have got to do is try and get a national rail freight initiative which will mean that our enterprises around this country are going to have the best integrated rail and road services that are possible. These are just examples Howard of the cost that we as Australian citizens pay for the system we have got at the moment.

2.

SATTLER: How's it been allowed to get to this stage?

PM: It's almost inevitable when you have the federal system we have got. We have got a federal parliament and 6 States and 2 Territories and you have got to understand that when our founding fathers met in the final decade of the last century what they were about Howard was not creating the Constitution for a modern Australia. I mean they were there at the end of the last century and they were reluctantly giving what they saw as the minimum set of powers necessary to a new national parliament to do things which they thought they couldn't do like defence for instance and so on. They were not planning for an Australia of the 21st century so we have grown through the 20th century with a set of arrangements which have been increasingly unsuited to the growing complexity of our nation and of our world. So what we have got to do now as intelligent men and women and as intelligent state and national leaders is to say well while we can't change the Constitution overnight are there better ways of cooperation where we can identify more efficient means of delivering services to our citizens and I think we can do that. Importantly Howard I do think that we have political leaders around the country as Premiers and at the national level now who understand the challenge of the times and who will be prepared to enter into this exercise cooperatively.

SATTLER: Well there has been a fair bit of discussion publicly in the last week about it and you are right the political leaders seem to agree that we have got to end this duplication. Will your biggest stumbling block be the bureaucracy, some of which might be cut back?

PM: We won't allow the bureaucracies to stand in the way and what I have done so that I am translating this idea into a concrete practical process of action I have invited the State Premiers to nominate a senior representative to come and meet with the secretary of my department so that in the period between now and the end of October when I have this first special premiers conference we will have hard concrete working papers prepared for us in a number of areas where we can start to move to decisions. Now it will mean in some areas a lessening of the number of jobs in total within the bureaucracy because if for instance we come to the conclusion in a certain area that the Commonwealth will get out of the delivery of certain services and hand that over to the States well that will mean we won't need the same number of people in that area and likewise if the States say that particular area well it's perhaps better that we get out of that and let the Commonwealth do that you won't need the same number of public servants in a particular State on that issue. So the running of this will not be with the bureaucrats they will cooperate with us and do the work that we want them to do but I have called for leadership yesterday and that leadership I believe will be forthcoming from the Premiers as it will be from me.

SATTLER: You suggested also yesterday if it's correctly reported a uniform set of rules for non bank financial institutions. Now I wonder if that had been in place would that have stopped or would have it had lessened the rush of investors funds and the loss of investor crisis particularly in Victoria in the last couple of weeks.

PM: It may have done. It is clear that the supervision controls of the non bank deposit taking financial institutions are better in some States than others so what we have got to do now is to try and have the adoption in all the States as the most effective form of supervision and try and make it uniform with them the States having the responsibility of that supervision.

SATTLER: Well you think that a State like Victoria in its current state is capable of administering that sort of thing. Would that have been better administered by the Commonwealth?

PM: I don't this is the area where it would be appropriate for the Commonwealth to be controlling because what you have got to understand is when you look at these institutions there is an absolute myriad of them. You have got deposit taking institutions which operate at a tiny level. You know particular firms have their credit union and so on and it would be inappropriate to be having that sort of control I think from Canberra. What is more important is that we involve ourselves with the States in trying to identify what is the most effective sort of supervision that you should have, what are the ingredients of effective supervision and then for the States to carry that out on a uniform basis.

SATTLER: What about taxes under your plan. There is at least one comment piece today that says taxes on banks, superannuation funds and other financial institutions are likely to face hefty increases following the decision to hand over say bank account debits tax to the States. What do you see about that?

PM: The is currently we raise from the bank accounts debit tax a little over \$400 million. Now the States also have taxes in this area what they call their financial institutions duty tax, so there is a sort of duplication if you like. Now it seems like here was an area which could be over time something of a growth area, let the States have that and make the decisions according to their need as they see it and their economic requirements. In giving them that tax it gives them a possible growth area but not one which compromises the need which I identified yesterday for macro economic control to be with a I mean the Premiers don't really question that. They understand that in this complex world in which we live and an inter-related world Australia must have control of the macro economy in the hands of the national government. Now we think that in giving this tax to the States we don't compromise the need for central control of the economy but gives the States a possible growth area.

4.

SATTLER: We are running out of time Prime Minister but do you see a long term future for three tiers of government in Australia. Some people have suggested there should be only two, the Commonwealth and regional government.

PM: I made that suggestion myself in the 1979 Boyer lectures but I see my responsibility now as trying to make the system that we have got work better. If at some time in the future Australians want to look at that, that is for them but my current responsibility is to make the system we have got work better.

SATTLER: But Bob Hawke individual would still like to see that system would he?

PM: Bob Hawke individual may want to talk about those things later on but that sort of thing is for Australians down the track if they want to. I mean the urgency is to make what we have got work better.

SATTLER: No one will disagree with that. Thanks very much for your time today.

PM: Thank you very much Howard.

ENDS