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PRIME MINISTER

TRANSCRIPT OF JOINT NEWS CONFERENCE WITH PREMIER NICK GREINER, PARLIAMENT HOUSE, CANBERRA, 8 OCTOBER 1990

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PM: Ladies and gentlemen. I will make a few remarks then Nick will follow me and then we'll be available for questions and I think there's some experts available here to go into any particular details that you might want to address.

Today the Commonwealth and NSW Governments reached agreement on the South East forest issue. That agreement was reached on the basis of a thorough scientific study of the biological values of the South East forests.

However, we didn't just rest alone on that. There was further consultation between my Ministers and Nick Greiner's Ministers and there was a drawing upon the advice of relevant Commonwealth and NSW agencies. In our case the Australian Heritage Commission and in the case of NSW the NSW National Parks and Wildlife Service.

Out of all that we have agreed to reserve a somewhat larger area than came out of the joint scientific study. Nearly 60% of each of the main National Estate areas will be protected. Those areas are Tantawangalo, Coolangubra and Yowaka. With the remaining area, one of them, that's Tantawangalo to be determined after a five year hydrological study. In total the amount of additional resources that have been withdrawn will be about 11½%. That gives you the emphasis within the agreement of our concern, our mutual concern for environmental conservation issues.

It's important to understand that as a result of the agreement it will ensure that the region will continue to have a viable sawmilling industry. I want to point out that through the industry restructuring proposals that Alan Griffiths will be pursuing with his NSW counterpart, Mr West, and with the industry itself will be encouraging the use of the forest residue in value-added processing rather than its export as woodchips.

In summary, I believe it's fair to say that the agreement that we've reached between us means much greater protection for the South East forests than existed before. It means a viable sawlog industry and it means an encouragement of value-adding.

I am glad that through a long and somewhat tortuous and complex process, Nick, that we've been able to reach this position.

GREINER: Thank you. Could I just add the NSW Government believes that this is an important agreement. These things tend to be seen as wins and losses and no doubt some of you will be succumbing to the temptation to try and ascribe wins and losses to people and positions. The truth is this is about as close as you can get to a win-win resolution of a land use conflict.

All of the major natural heritage values of the area are being, on any reasonable assessment, satisfactorily preserved. There will be, as the Prime Minister said, guarantees of a continuing viable sawmilling industry in the area.

It's my Government's concern to ensure that the job security and the industry security is maintained and indeed the declaration, the dedication of the National Parks won't be taking place until such time as we're satisfied that the details of that are in place.

So the essence of what we have tried to do in co-operation with the Commonwealth is to reach a win-win situation. We think that has happened. I think any fairminded assessment of the outcome would suggest that the preservation of the main environmental values, not only for this generation but future generations has been achieved. And equally that for the first time, for the first time ever the industry in South Eastern NSW will have a longterm future which will enable people to make investment decisions, enable jobs to be secure and families and towns to have some sort of certainty rather than the sort of uncertainty that they've been bedevilled with for the last decade or more.

I think that's really as much as I would like to say other than that I think it has been a good model of cooperation. It is important that these sorts of decisions don't become party political footballs because they're not susceptible to being very effectively handled if they become party political footballs. I think this has been a good exercise in cooperation between, if you like, the environmental departments and the resource departments and indeed between the two Governments that happen to be of opposite political persuasion.

JOURNALIST: Prime Minister the Conservation Foundation says that this won't resolve the conflict in the forests, that the situation, well the decision's unacceptable. What do you think it's going to take for the conservation societies to be made happy?

PM: I think when you're talking about the conservation movement in this country, Peter, that you've got to understand that it's a very varied movement. I believe that

there is much the conservation movement, if they study the decisions that have been taken, and the fact that we've extended even beyond the scientific study the degree of protection - something like, as I say, 60% of each of the main National Estate areas - any objective judgement would say that both my Government and the Government of NSW have been conscious, as we ought to be, of our environmental obligations to this and future generations. It's also the case, Peter, that I think there are some parts of the environmental movement who will never be satisfied unless they get 100% of their ambit claims. Now in one sense it would be very satisfying to feel, I guess, it would feel the same to be able to sit back with a warm glow and say well yes nothing's going to be touched. But the glow wouldn't last for too long because this country has got to have growth, economic growth, if it's going to satisfy the aspirations of its population. We've also got external account problems and the dimensions of those are pretty large including in our nett import position of forest products. So in these days no government has the luxury whether it's the level of the federal government or the level of the state government, no government has the luxury of just being able to have one criterion in the decisions you make about these sorts of issues. You'll never be able to persuade everyone that you've got the balance absolutely right. But in the case of my Government, and Nick of course can speak for his own, but in the case of my Government I'm proud to look back over the 7½ years on our environmental record of the rainforests in Daintree, in Tasmania, our decisions in regard to Kakadu and so on. We've got an environmental record, I think, second to none around the world but on this issue it was a tough one but all I can say to the environmental movement, we have tried to go as far as we can in discharging the obligation we feel we have in regard to the environment.

JOURNALIST: Prime Minister the statement mentions a 10% contribution to the total annual trade deficit of the timber products area. What do you think is an acceptable level for that figure? And are you aiming for the elimination of that deficit in that area?

PM: I don't know about the elimination of it, Glen. I haven't got and I don't think anyone has got a specific percentage figure. But I think the real answer to your question is just a brief elaboration of what I said in answer to Peter. That is that what we're trying to do, and we'll try and do it in cooperation with the states, to get acceptable guidelines within which we will see an increase in the value-added process of our forestry industries in this country. I think we are going to be able to reach that position where we will be able to make significant in-roads on to those figures. But I haven't got a percentage figure in my mind.

JOURNALIST: Prime Minister there's the perception in the environmental movement that had Graham Richardson retained

the portfolio then the outcome from their point of view would have been much better.

PM: That's very unfair. I had cause in an interview I did on the weekend to address a similar sort of point. There is no doubt that Graham Richardson was an outstanding Minister for the environment and he was able to get very significant runs on the board not just for Graham Richardson and not just for the Government but I think for the future of this country. He is to be congratulated for what he did there. It was inevitable that whoever followed in Graham's footsteps is going to have a very difficult job. For two reasons, one, he was by his whole background a very high profile personality and Minister from his whole experience and background. Secondly, because there were decisions with which he was associated. Now I think it's totally unfair to Ros Kelly to say that Graham Richardson or anyone else would have done better from the environmental point of view. I don't think there is any evidence for that. She was assiduous both in our Cabinet, and as you can attest Nick, in the discussions with the NSW Ministers, she was assiduous in pursuing her concerns. I think the comparison is unfair, invidious and quite unjust to Ros Kelly.

GREINER: Could I just add something relevant to that point. The option of a significantly more green outcome is simply not an option. It's nonsense to suggest it was. My Government clearly would not have been part of it. We have for 5 or 6 years believed that this was a case where in a sense you could have your environmental cake and your economic cake at the same time. We had clear cut commitments that we weren't about to dishonour to the maintenance or indeed the creation of a viable industry. So there were only two options available in this. There was the sort of outcome which has been reached or a continuing brawl almost coop by coop. Anything else simply wasn't available as an outcome. So it was either a matter of reaching a resolution, which as I say a fairminded person would say was a very fair dinkum attempt to reach a longterm outcome or settle down for another X years of having fights in each little bit of forest as it went. So it ought to be clear that the notion of a "win" in the sense of preservation of all the old-growth forest was never on. I think without being unfair to Mr Toyne and other leaders who've spoken to me as they have to the Prime Minister about this, the responsible leadership of the conservation movement never imagined that it was going to get 100% preservation of old-growth in the South East forests. Nor to be fair to the South East Forest Alliance who perhaps are less responsible. So it just ought to be in context of the previous question to the Prime Minister. The notion of a much greener outcome simply wasn't available as a finite or a permanent resolution.

JOURNALIST: Mr Hawke, Bob Carr the State Labor leader ... do you think you'll be able to persuade them to support your position?

PM: There comes times, as Nick will be able to say from his point of view, where you can't always get an identity of view between the Federal Party and the State Party. You've experienced that, Nick, on some issues. I don't want to go to them. But they'll be clear in people's minds. It's unfair to go back to them. There are occasions when from the perspective of the Federal Party you've got to say well this is what we believe is the right outcome. If your State counterparts don't share that view well that's unfortunate. Of course I haven't gone in this with a view to try and create a problem for Mr Carr. I would simply make the same point there that I did in regard to Peter's question. I think any fair analysis of what's been done should lead to the conclusion that both Governments have attempted responsibly to take into account their obligations both in regard to economic development and environmental responsibility.

JOURNALIST: Will you be holding talks with him on that subject ...?

PM: I'm sure he'll want to talk with me and I'm more than happy to talk with him.

JOURNALIST: Mr Hawke, how are you going to handle the East Gippsland dispute and does today's agreement provide some model for settlement down there?

PM: Well the discussions are now to go on in regard to East Gippsland and I don't want to pre-empt those discussions. I guess they'll be difficult. It may be that there are some elements of what we've been able to do here that will provide guidance, if not a model there. There is a sense in which, as I think you appreciate from the question, that if you're looking at the whole resource and environmental responsibilities, there is a connection between the South East forests and East Gippsland.

JOURNALIST: How much will the industry restructuring package cost and how will the cost be split between the two Governments?

PM: Well the first question is to be answered by saying we don't know. The decision that we made today authorises our Minister, Mr Griffiths, to continue discussions with NSW and I think in the spirit that's been shown in the discussions so far between the two Governments that we'll be able to resolve this in a way which is mutually acceptable.

GREINER: If I can just add to that, Paul. One of the outcomes of this decision if it's followed through to its finality - as I imagine it will be - is that the private sector will for the first time in living memory feel free to invest in, as the Prime Minister said at the end of his introductory remarks, in value-added in that South East area. In terms of the question that was asked before, I mean I would see NSW and Victorian forests as part of a South East Australian regional forest area. I mean it's

part of the matter the Prime Minister and I are going to discuss privately after this conference. I mean it is a nonsense to have a NSW forest industry and a Victorian forest industry that happens to be on the other side of a line on the map. It is clearly part of a - which doesn't mean that the outcomes have got to be identical in resolving the conflict - but of course it's one region. I think the point in terms of restructuring is that there is not a huge Government expense appropriate because what the decision means in terms of resource availability and security means that the private sector will be in a position and I'm sure will in fact invest in the industry itself. So it's not a matter of trying to sort of save the industry, it in fact gives it the opportunity to develop in a value-added way, which to be fair to the conservationists is what many of them argue which is that we ought to get more bang for our buck in terms of our natural resources.

JOURNALIST: But have you got a compensation figure? The industry were talking about compensation ... Is there anything that comes out of this decision ...

GREINER: I think the Prime Minister's answered that. There will be further discussions between the Resource Ministers. I would not expect the Government compensation to be significant. I think it's in fact an opportunity for the industry.

JOURNALIST: Mr Hawke, the Wilderness Society has already condemned this as irresponsible and short sighted. How concerned are you about both a threatened withdrawal of their political support and their threatened withdrawal from the sustainable development process?

PM: Well two separate questions there. On the question of political support, I will be prepared whenever we go to the next election - I'm talking federal here, Nick, not state - but at the next federal election I will be more than happy to have my record tested against the record of my federal political opponents as well as the policy positions of my Government compared to those of my federal political opponents. The people in Australia and in the electorate who have environmental considerations as their major criterion as to how their determinative vote should fall will have a clear choice, I believe. And I repeat on that point that the record of my Government in 7½ years, I think, is second to none. Now in regard to the second part of your question, I very much hope that the relevant environmental and conservation organisations will continue to play a role in the sustainable development program and the Resource Assessment Commission programs because for two reasons I say that. Firstly, that the processes will be the better if there is an input to them from all points of view. And secondly, from their point of view they are going to maximise their chance to have an impact on subsequent decision making processes if they have been part of what leads up to the decision.

JOURNALIST: But just on that point, Mr Hawke, you've both expressed today in the extent of the cooperation of cross-Governments and also between parties, do you think therefore that the environment debate is changing in a way where the differences between the major parties are in fact diminishing?

PM: Well it's impossible from this particular episode - if I can describe our processes - I think it's impossible to translate that into a federal level. I don't know what position the federal parties, Federal Liberal Party and National Party will take. I mean I've been dealing with a State Liberal Premier and that's for the future to tell. I would say this point more generally, Paul, make this point more generally, however, that I think it is the case that the relatively easy decisions - none of them have been easy - but the relatively easy decisions have been already taken and now that we've got the Daintree, going back we've got the Franklin, the Daintree, Tasmanian forests, Kakadu, those decisions behind us. It's going to become more difficult I think to get the balance between environmental and economic considerations right now. That's why precisely I've attempted over the last couple of years to get in place processes like the Resource Assessment Commission, like the sustainable development groups, so that we can by attempting to attract a range of interests - the developers, if I can put that broadly, environmentalists and the States - if we can get these processes going with input from all concerned then conceptually while the decisions are going to be somewhat harder, we will have got processes in place which should mean a minimisation of political differences because I would hope that if the processes that I've established with my colleagues work then at the end of them people are going to be able to say, well look, there's a very, very fair process, a very fair opportunity for people to have their input and then the recommendations for decisions that come out of that, it seems to me should be more broadly acceptable. I hope that's true.

JOURNALIST: Well just on that point though, if in fact it's going to be more of a process of dialogue, ... compromise would you expect the conservation movement to reassess then and stop seeking the product of 100% solutions, which it's been interested in to this stage?

PM: To be fair I don't know, I think there was something that Nick said would also support this. To be fair to the environment it's not inhabited by total 100% zealots, if I can say that, who are all of them against development. I mean it's a varied movement.

JOURNALIST: Well would you want to see some reassessment on the part of the conservation movement then towards this sort of process you're talking about?

PM: Well I would want to - I would hope, Paul, that they will fully involve themselves in the processes. To this point they are in the RAC processes, they are, I think,

going to commit themselves - although not all of them - but I think a significant part of them are going to commit themselves to the sustainable development processes. I would hope they all would for the reason I said before. They're not going to help their own case, it seems to me, if they refuse to participate in those processes.

JOURNALIST: Mr Hawke, you've stressed the importance of value added exports, do you foresee the phasing down of exports of raw woodchips and what implications, if any, would that have for the operations of Harris Daishowa?

PM: There's nothing new about what I say here. We have made it clear - and in fact it's part of the lease arrangements with Harris Daishowa - that we require them to put forward proposals for further value-added operations in this country. What you've got to remember about this area that we're talking about is that we're not making these decisions for the woodchippers. Woodchipping is a residual of the sawlogging industry. There will be some attempt by those who are not too interested in facts to say that what Hawke and Greiner have done is to just open up the forest to be cut down for woodchips to be sent away to Japan. Woodchipping is a residual to the sawlogging industry and in regard to woodchipping in general and Harris Daishowa in particular, we will, as I've said in my opening statement, be pressing for further value-adding by those who are in that industry.

JOURNALIST: Does that include the new ... pulp and paper mill that's been ... this decision?

PM: Well the question about the large new pulp and paper mill is something that is for the future. Obviously it's not going to be unrelated to the discussions in regard to East Gippsland. Because as I've said and as Nick has agreed, if you're going to be looking at this whole issue and this whole industry, the line on the map is very artificial.

JOURNALIST: Would you support ...

PM: I support the processes of investigating projects which will take account of our economic requirements and our environmental responsibilities. We have established the processes for trying to get guidelines for such mills, which is indicative of the fact that we conceptually see that there's a place for them.

JOURNALIST: ... structures in place to resolve these sorts of conflicts ... Was it not possible to wait until RAC reported on forests -

PM: We made it quite clear at the establishment of RAC and may I say also of the establishment of the sustainable development processes that that would not involve a moratorium on decisions that had to be taken. That was

understood I believe by everyone at the time that these processes were established.

JOURNALIST: Prime Minister, just on another matter. Did you on September 13 either deliberately or inadvertently mislead the House in regard to the monies going to the Victorian Sporting -

PM: I've never attempted deliberately, I've never in my life attempted deliberately to mislead anyone, whether it's the House or elsewhere. However, as a result of the statement I did make there was certainly some confusion. I acknowledge that and I will take the first opportunity, which will be tomorrow in the House, to clarify that position.

JOURNALIST: Can we get your reaction to the ANZ job statistics today Prime Minister?

PM: I'll just briefly say that they are further evidence of the fact that our intention of slowing down the economy, which was necessary, is occurring. We will continue to monitor what's happening with a view to ensuring that we have an outcome which is going to be consistent with our requirements for growth and meeting the challenges of the external account and inflation.

JOURNALIST: Would you support an inquiry into the newspaper industry?

PM: I didn't get terribly carried away about that before. It seems to be getting - people are attempting to get some more legs on that because there has been a collapsing of four publications into two. I don't think the collapsing of four publications into two has made any intrinsic difference to the situation that's been in existence for some time now. I don't see that of itself as creating any new reason for such an inquiry.

JOURNALIST: On the previous question Mr Hawke, do you accept that you inadvertently misled the House over those ...?

PM: There was some inadvertent, on my part there was an inadvertent mis-stating of the position. But I stated the correct position and an incorrect position. I of course would never intend to do that. I think you know now Michelle, from 7½ years I haven't got a reputation, and deservedly haven't got a reputation for misleading the House. It is something I would never -

JOURNALIST: Can you just clarify how -

PM: I will clarify it to the House tomorrow. It will be the first opportunity I will have had because I went off to Japan in the next week and I wasn't in the House. But I'll take the first -

JOURNALIST: Can you sort it out now for us.

PM: I think it's appropriate that as it occurred in the House I will do it then.

JOURNALIST: Will you apologise to Senator Walsh?

PM: Will I what?

JOURNALIST: Do you feel you have anything to apologise to Senator Walsh for?

PM: I have very little to apologise to Senator Walsh for.

JOURNALIST: Mr Hawke, on the part of the rural sector, if I can, both wool growers and wheat growers are desperate to get a reduction in interest rates for their survival. Are they likely to get that?

PM: I think I can answer that in this way. I said to the Australian people, as did Paul, during last year when we had to tighten monetary policy, I said that we would, as circumstances permitted, lower interest rates. We have at the official level done that on several occasions already this year by four percentage points. So clearly our commitment is to have a lowered interest rate regime but only at a time where in the interests of the people that you are talking about as well as the interests of the people as a whole such a lowering will be consistent with overall community objectives. I mean you just can't say in running an economy like this, oh, interest rates are causing a problem therefore we'll chop them in the belief that in doing that you wouldn't create another series of problems which could be even more overwhelming. We will reduce interest rates as to do so is consistent with our overall economic responsibilities.

JOURNALIST: Mr Hawke, you have said that there won't be an inquiry into newspapers in Australia but do you see any need to fine tune your media policies, especially in relation to foreign ownership of TV and newspapers?

PM: No, I would've made decisions about that recently. I don't feel any compulsion about that.

JOURNALIST: Mr Hawke, the present political crisis in the United States, could you tell us what sort of impact you expect that to have on the Australian economy. Is it likely to -

PM: We hope it's a very short-term one. I would believe from afar that the Administration and the Congress will sort this one out. It's going to be a bit messy for a while by the look of it. It's going to cause some pain. I'd be very surprised if it's not sorted out in the short-term.

JOURNALIST: So no impact on the Australian economy?

PM: The fact that there's some unhappiness caused for a range of people within the United States, visitors going to places which are now closed and public servants having to wait perhaps for a little while for their pay. I mean that's a problem for those that are involved. But it doesn't have any impact at all internationally if it is resolved in the short term, as I believe it will.

JOURNALIST: It appears there's some chance that the Opposition will attempt to block at least parts of your pharmaceutical benefits legislation coming up. What repercussions would that have?

PM: That's a hypothetical. You've got no chance on that one.

JOURNALIST: Mr Greiner ... has made a statement outside the Royal Commission into the building industries. He's prepared to go to gaol unless the Government allows legal aid. Is the Government's position unchanged ...?

GREINER: Yes of course. John's an old mate of mine. He's just posturing. The Royal Commission will look after itself. The unions would be well-advised to take a pro-active approach rather than a negative one. But that's highly unlikely to influence my judgement.

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