



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PARLIAMENT HOUSE
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E & OE - PROOF ONLY

JOURNALIST: Mr Hawke, do you think it's appropriate if States raise their taxes and the Commonwealth reduces their taxes accordingly?

PM: Well we want to get a situation where there's not going to be an overall net increase in the impost on the citizens of this country. The important thing is, as far as the conference is concerned, that we recognise that from the States' point of view that this is a centrally important issue. There is a significant fiscal imbalance and we're quite prepared to examine that and we seem to have the principles of such an investigation agreed. That is, on our part, a recognition of their concern about this imbalance. On their part a recognition of the fact that the national Government has to have responsibility for the macro-economic health of the country. Now what we will do I hope, and I don't want to pre-empt the discussion that will start tonight in Brisbane and go on tomorrow, but I think we'll get the agreement on the principles as to which this matter should now be investigated. I would like to make the point which I think nearly all of you in your commentaries have been fair enough to note, that this is not a conference which itself is going to make all the decisions. I mean the historic importance of this conference is the recognition on the part of the States and the Commonwealth that the time has come to try and get a more efficient and co-operative system of government in this country. We've identified with a very considerable degree of agreement what the agenda should be, what the areas are that we need to look at. Essentially what will come out of today is the beginning of a concentrated work process which will go on into at least I think two more special Premiers' conferences next year. But the areas of agreement are the one that you mentioned in your question, that is the financial relationships, then we've got the area of duplication of services, micro-economic reform. Those three broad areas, including within micro-economic reform the question of looking at trying to eliminate the duplication of regulations that exist in this country and then the two more specific issues of the environment and industrial relations. Now there'll be some areas where

we'll be able to have some immediate decisions. But they will be important in themselves. But the most important thing will be the agreement as to processes and priorities that will now be pursued through.

JOURNALIST: Prime Minister, what mechanisms do you envisage for ensuring that national control of the macro-economic agenda is maintained if the States are to get back some taxing powers?

PM: Well that's not something that we'll have an answer to today. I mean I believe that what we will get is an agreement to have a detailed co-operative inquiry into what's a very complex issue. There will be an acceptance on the part of the States of our concern about the need for effective macro-economic control. There'll be an acceptance on our part of the need to try and find ways in which we can give them more access to revenue of their own. Now you just have to state the issues to see that they are complex. But we'll go into this, as I believe the States will, with good intent and good will. I am hopeful then that out of that process next year will come some answers that will meet the requirements of both the States and the Commonwealth.

JOURNALIST: Prime Minister, does it concern you that, on a wider economic issue, that consumer confidence is now at its lowest ebb for some years, lower in fact than during the '82 recession?

PM: Well you say does it concern me? I would expect that as a result of the policies that we've had in place to lower the level of activity, level of demand, that there would be a lowering of confidence. That's an inevitable concomitant of the policies that had to be followed to reduce the level of demand in this country. But if the comparisons are being made with 1982 then I would be much more concerned if in fact the things that really mattered in that respect, that is employment, growth and investment, if they were all worse, they are not, they are all better. Now I don't say that with any sense of complacency but we've had to try and walk the very difficult line of reducing demand, reducing activity, but not doing it in a way which was going to plunge us into the sort of depths of lowered activity which was a characteristic of 1982-83.

JOURNALIST: Prime Minister, Dr Hewson says the Opposition and him in particular should be at the Special Premiers' Conference.

PM: Well there's one simple answer to that Dr Hewson. You've got to become head of government before you attend heads of governments' meetings.

JOURNALIST: Mr Hawke, what specific areas would you look for outcomes from this meeting?

PM: Geoff, I think there'll be, in certain areas of micro-economic reform I think we'll get some agreement there. I'm very hopeful that we'll be able to sign a heads of agreement to establish a national rail-freight corporation which will be a very significant advance. There might be a couple of other areas in the regulatory area. But obviously the other issues are of such complexity that what we've got to do at this meeting is to get the agreement as to working parties and the principles of investigation. Like in the area of duplication of services. I think there's one area there, I hope, in regard to disabilities, the delivery of services there, there may be a possibility of getting agreement at this conference in that area. But in the others I think we'll get agreement on principles and priorities and processes of investigation with a report back to special conferences next year.

JOURNALIST: What about mutual recognition of regulations?

PM: That concept is certainly going to be advanced at this meeting. I would think that that will be accepted. But that will still require then further work on it, but the principle will be accepted I would think.

JOURNALIST: Are you expecting much antagonism or is everyone going to be very friendly?

PM: I think it will generally be a very friendly and cooperative meeting. Now that the Chief Minister of the Northern Territory has had his election, got that out of the way, I hope he'll come along prepared to work hard and constructively.

JOURNALIST: Can I just ask you about the election results in New Zealand and the Northern Territory. Do they show dissatisfaction with Labor that could have any relevance to your case?

PM: No, we've got an election in 1993. It's a long time away. I wouldn't like to face an election at the moment. But I'm not going to.

JOURNALIST: What difference will a change of government in New Zealand mean for Australia?

PM: Well I can't tell exactly. But I did ring Mr Bolger on Saturday night. I've known him back to the 1970s when I used to attend the International Labour Organisation regularly as head of the Australian trade union movement. He was then the New Zealand Minister of Labour. So I know the fellow well. He agreed with me that things would, the relationship would go on constructively and I believe from our point of view it will. As to any differences that will emerge from changes in policy that's a bit hard to tell because following the campaign from afar it was hard to see a lot of differences in

economic policies that were being put forward by the Nationals.

JOURNALIST: Is there some comfort that the frigates project will still go ahead?

PM: You may have noticed that I deliberately refrained when this matter arose during last week from saying anything about it because it didn't seem to me that it would in any way be useful for me to be attempting to intrude in that matter. But I'm certainly pleased to have got the assurance from the Prime Minister elect that they will adhere to the contract. It would have been a difficulty if they hadn't adhered to their contract, not only in regard to the specific issue but in regard to the whole environment of our relationship.

JOURNALIST: Mr Hawke, do you welcome the visit of a private Australian envoy to Iraq to try and release our, get our hostages released?

PM: Well the question of private envoys going there is a very vexed one and we believe that there are a lot of downsides in that. Our official representatives have been unceasing in their representations to the authorities in Iraq and I pay full tribute to them for their commitment and their dedication and their unceasing work. We will continue to try and do all that we can to protect the interests of our citizens there and to get their retrieval as it were from Iraq as soon as that's humanly possible.

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