



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PARLIAMENT HOUSE,
BRISBANE, 30 OCTOBER 1990

E & O E - PROOF ONLY

JOURNALIST: What sort of a day did you have?

PM: It was an excellent day. You'll appreciate that it's not appropriate for me to go into details about what's been done because while we've covered the agenda there is some fine tuning to be done on the communique and that will be considered by my colleagues tomorrow morning. We anticipate we'll be in a position to have a joint press conference, myself with all the other Government leaders, I would think not long after 10.00 o'clock tomorrow morning and we will then of course, go to all the detail of the issues on which we've agreed. But may I say this that the meeting has exceeded my expectations and you know by nature I'm pretty much an optimist. Those expectations have all been exceeded and I certainly want to pay tribute - as I'll do in more detail tomorrow - to my colleagues from the States and the representatives of Local Government. The meeting was characterised by a totally constructive spirit and in the result we have been able to make a range of decisions which without any question will significantly improve the governance of Australia and I believe will lead to significant improvements in terms of economic performance, of competitiveness, and very importantly, in the delivery of services to the Australian people.

JOURNALIST: Why can't you tell us what they are, Mr Hawke?

PM: Because there's a finalisation of the communique that has to be undertaken and there will be another session tomorrow morning. It's conceivable, Laurie, that overnight in regard to some of the issues there'll be some desire to re-word some of the positions that we've got and I don't want, by saying something tonight about details, to pre-empt in anyway the capacity of the leaders to address some points of detail tomorrow. But - and I mean I'm not trying to ... - I can say to you that if you go to the agenda areas, first of all in the area of Commonwealth/State financial relations that there has been agreed a process to the satisfaction of both the Commonwealth and the States whereby those issues of concern to the States and ourselves are going to be

reviewed with the aim of redressing the concerns that exist. In the area of micro-economic reform, significant decisions have been made in the area of rail and road - which details we'll give to you tomorrow. And -

JOURNALIST: But all we're getting is rhetoric the same as we got this morning.

PM: That's if you want to be cynical about it.

JOURNALIST: I'm not being cynical -

PM: Well you are being cynical because you will not listen to - you don't want to accept the indisputable point I'm making to you that there's another session of the Conference tomorrow morning and we have reached positions which are to be finalised in the statement of outcome tomorrow morning.

JOURNALIST: Is there anything outstanding in the fiscal investigation area though, Mr Hawke, or is that finished?

PM: No, we've got no further discussions on that and I -

JOURNALIST: So could we get the details of that?

PM: No, I'm saying that the finalised communique is being prepared tonight and I can't, you know, take the view that when that's being considered tomorrow there may not be some finer points of detail that my colleagues may not wish to go to. But what I can say to you - and because I don't want to pre-empt any rights they may want to exercise tomorrow morning - that I believe their concerns and ours in regard to the area of taxing powers and examination of that issue has been satisfactorily arrived at and also the processes for looking at tied grants - that that's been satisfactorily arrived at. As I've gone to already in the area of micro-economic reform, in the area of road and rail, significant decisions have been made there, including I'll give you this detail, there will be signed tomorrow agreement on the establishment of a National Rail Freight Corporation. Also agreement in the area of work on looking at the question of complimentary arrangements in the area of electricity generation. In the area of moving towards national standards and national uniformity in the area of road usage and charges for road usage. So those areas which you know are on the agenda have been the subject now of agreement by the Commonwealth and the States.

JOURNALIST: Largely in the form that they were in the agenda?

PM: To a very substantial extent but this is why I must reserve the right to go to the final details of these matters tomorrow because -

JOURNALIST: ... how much do you -

PM: Just let me finish.

JOURNALIST: Prime Minister -

PM: Look, I'm just saying to one other interjector could I finish the answer to the previous question and that is -

JOURNALIST: We can't hear you very well, Mr Hawke.

PM: Well I'm sorry about that. Where there has been some departure or addition to what's been in the working papers that you've seen, that is now being refined. Some of the language is being refined overnight and it may be that in their consideration they may want to change some of the areas that I think we have reached agreement on. I'm simply being very cautious in this because I don't want to be in a position where it can be said by my colleagues who are going to meet again tomorrow morning in session at 9.00 o'clock that they have in any way been pre-empted. They will obviously have no objection to the indications that I've given in this Conference so far to the areas of agreement and the nature of agreement.

JOURNALIST: Do you accept the basic principle sought by all the States and that is that they should have revenue raising powers which are comparable with their functions and responsibilities?

PM: What you will find has been accepted is that there should be an aim to reduce the level of vertical fiscal imbalance and that the working party that we establish will be directed to achieve that objective consistent with - as we've made clear from my speech first in July - consistent with the necessity for the Commonwealth to be able to retain its capacity to undertake macro-economic management. And that point has been accepted by the States.

JOURNALIST: So you think you can make progress on -

PM: I think we can, yes.

JOURNALIST: Prime Minister, why was the discussion knocked back by the Premiers on the area of education?

PM: Well they believe, I think, that sufficient momentum is underway in terms of the Hobart agreement where there is cooperation taking place on the questions of curriculum and associated areas. They seem to be satisfied with the progress that has been made under that agreement and they didn't want to go further on that.

JOURNALIST: Were you happy with that response?

PM: Well we thought that this provided, perhaps, another incentive to movement but when it was clear that the

States didn't want to accelerate those processes that are already underway well we weren't unhappy about that.

JOURNALIST: Mr Hawke, you've made a quite strong push on our industrial relations performance, our transfer of powers. What -

PM: Wait a minute. You say I've made a strong push on that. You look at what I've said is that, from my point of view, I think this is an area where there could be change and some reference to powers. I've made it quite clear from the beginning that I understand that there is reluctance in the States on that area. So, as far as I'm concerned, what I wanted to ensure was that we could, at least, continue the significant moves to further cooperation in this area that are already underway. That's what the outcome will be.

JOURNALIST: Mr Hawke, ... timetable do you see for the implementation of any decisions made by the taskforce looking at fiscal relations. When do you think decisions will be implemented?

PM: We've got a timetable there, and it's accepted by the States, that there's considerable complexity in this. They accepted that the most appropriate way of going about this is with a progress report to the first Special Premiers' Conference in May and finalising the matter by the November Special Conference.

JOURNALIST: So the decisions would flow after the November Special Conference.

PM: We would hope so. Yes.

JOURNALIST: The terms of reference have been somewhat watered down or broadened since the States' paper though, Mr Hawke. What was the main reason for doing that?

PM: They've been what, I'm sorry -

JOURNALIST: Broadened or watered down from the States' paper which, for example, included an aim of reducing tied grants to 30 per cent.

PM: When you say broadened or watered down, I mean, you really need to make a choice about which one you are talking about. There is no conflict between the Commonwealth and the States on the way this should be handled. There's an acceptance that it would not be appropriate to tie ourselves down to a particular percentage. If you did that and the working group showed that it wasn't appropriate, both in the interests of the States and Commonwealth, to, in the end, have that target you don't want stencilled in a certainty of failure. I mean, what they are happy about, what they wanted was a clear statement of commitment by the Commonwealth to a ...

reduction. We've given that clear commitment and they are entirely happy with that.

JOURNALIST: ... about some form of income tax sharing.

PM: I'm not in a position where I say I've got a committed view about that because, and I'm not trying to dodge the issue, what I've said and what's been accepted without question by the States is that the Commonwealth has got to retain the capacity to conduct the macro-economic management of the Australian economy. That's precisely why we are going to have the working party in which the best resources of our Treasury and of theirs will examine these issues. I don't think you can, without that detailed examination, say what the most appropriate outcome is. But we have accepted and it, you'll see, will be reflected in the communique that there is high commitment to aim at a reduction of the imbalance. Now how that will be done is precisely a matter for consideration by the working party and a progress report to us in May and hopefully then, as I say, final determination in November of next year. There is an acceptance of the complexity of this issue. I don't think the States, for instance, will be saying it's appropriate to give an answer in advance of that working party.

JOURNALIST: Prime Minister -

PM: Now just a minute. Go on.

JOURNALIST: Apart from the National Rail Freight Corporation do you expect any concrete results to be seen within the next six months?

PM: Yes, indeed. There is a number of areas in which we are wanting reports, in say six months, in which we want reports by our next Special Conference meeting which is in May and certainly a number of areas we will be getting decisions by that time.

JOURNALIST: It looks like there are going to be about seven or eight, you know, committees and working groups set up in those ... process. Is there a danger that this is going to look like you've just set up a whole new sort of bureaucracy -

PM: No. Use your loaf. Use your loaf. Look at the range of issues. Do you think you'd have one committee, for instance, looking at tax powers, tied grants, road charges, rail, regulatory reform, environment, industrial relations? Do you think you're going to have one working party dealing with the whole lot of them? You know, by definition the issues are of such importance and, in their way of speciality, that you've got to have a working party dealing with each of them. It would be an entirely stupid expectation, which I'm sure you wouldn't have

because you're not a stupid man, that you would have one committee examining those disparate issues.

JOURNALIST: Mr Hawke, just on the environment. The agenda papers canvassed the option -

PM: Are you happy with that answer. Yes good.

JOURNALIST: The agenda papers canvassed the option of an inter-government agreement on the environment. Do you still think that's achievable?

PM: Well you'll see that there's agreement on establishing a relevant working party to move towards that position.

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