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PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH PAUL LYNEHAM, 7.30 REPORT
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LYNEHAM: Prime Minister, welcome again to the program.

PM: Thanks Paul.

LYNEHAM: When we get through the jargon, which you yourself admitted was here in some abundance, what is there here now for average Australian families?

PM: The certainty that as a result of this conference we are going to have these things that will benefit them. Firstly, a more efficient economic infrastructure in the area of rail and road which will lead to a more efficient and competitive economy which must have benefits for them. Secondly, a commitment on the part of the Commonwealth and the State and Local Governments to eradicate as far as possible existing duplication in regulatory reform. ... regulation systems which must, as it exists now, mean a higher cost of goods and services than need be. So to the extent that we reduce that regulatory overlap between the States and the States and the Commonwealth, an improvement for them. It also means in regard to the delivery of services that now they are being delivered more expensively than they should be because there are significant areas of overlap between the Commonwealth and the States. We're committed to eliminating that. So they'll get better services more cheaply. Those are the immediate things. In the area of electricity for residents in the eastern states, a commitment to see whether there can be a greater integration of electricity generation and transmission. That must mean over time cheaper electricity than otherwise would have been the case for individuals and for businesses.

LYNEHAM: On one hand you're going to set up this national rail freight system, on the other hand you're going to be slugging the truckies quite heavily now, aren't you, for -

PM: Just let's see it's not the one or the other. To say you're going to be slugging the truckies heavily is really, with respect to you, a very inadequate statement of both the problem we're addressing and the solution that's going to emerge. The indisputable fact is, as has been established by inquiry after inquiry, most recently

by the Interstate Commission, that heavy road users are undercharged in terms of the impact of their operations upon the road systems. Now, the interests of all Australians demand that there be a greater degree of correlation in terms of charge for road usage and damage caused because that's important not only in regard to the road freight system but - you mentioned rail. What governments are now going to do is to put money into creating a more efficient, by world standards, rail freight system in this country. Now it's a waste of time trying to create a position where rail can be competitive if you're going to have a totally subsidised, not totally but very significantly subsidised road freight system. So we've got to get both right.

LYNEHAM: I can feel a few truckie blockades in the wind though can't you?

PM: Yes, and I suppose talk like that will encourage them. But the fact is that if governments, and we are at one on this, and across political boundaries, conservative governments, labor governments, we are at one in saying that we have got to face this issue and have a system which is efficient. Now if when you know things have to be done you simply said oh well ... opposition, and you didn't do it, what sort of government would you be?

LYNEHAM: On the question of looking at how or whether the States should be able to raise more of the money they spend, is it possible that that will lead at some time in the future to State taxes, State income taxes for example?

PM: I wouldn't think it will lead to State income taxes. But as I've said, Paul, in the press conference earlier today, and this, if you'll remember, reflected the attitudes of the States as well. We are not trying to pre-judge issues. What I'm saying is if the States want to put any issue on the table in regard to either existing taxes or new taxes, well then they should. But I would think that the fact that they've had the opportunity to impose income taxes now ... right up until last year when we finally changed the provisions because none of them wanted to exercise them, would lead you to the prima facie conclusion they wouldn't be arguing with that.

LYNEHAM: Do you think people care who decides on the spending, as long as it's spent wisely, whether the Commonwealth directs the States to spend in a certain way or not?

PM: I think the right question is are people concerned as to whether you have effective overall macro-economic management which does involve responsibility for levels of revenue and spending. And they are very much concerned about that. But I would say that provided they

are confident that the national government which has the responsibility for macro-economic policy retains the capacity to conduct that policy then they don't give a damn, in my judgement, about those sorts of issues provided that capacity is there. That really is the attitude of the Commonwealth and of the States.

LYNEHAM: Nick Greiner told the Liberals in Brisbane last week that he thinks we're moving to a sort of post-ideological phase of politics. People just want results. They're not interested in all the political-type arguments.

PM: I think to a considerable extent he's right. But that's not only looking at Australian politics. I mean if you look at politics the world round we are now seeing the dissipation of sharp ideology as a vehicle to getting power and exercising it. That's true in Europe. I think it's true generally around the world. Issues of concern to people don't now neatly fit into some left or right label ... outstanding example of that is the question of the environment.

LYNEHAM: Talking of the environment, one of the dangers that some of the environmentalists fear is that by having a system of national standards set in consultation with the States, you end up with the lowest common denominator, that the Commonwealth is not showing real leadership.

PM: That's a false fear and it's not fair to the States. I mean what is recognised in the approaches we've adopted in the environment here is to recognise that constitutionally, whether we like it or not, there are certain areas of responsibility for the States, and certain areas where we've got responsibility. Now, what follows from that is there is the possibility and in past the fact of unnecessary duplication and conflict which makes it difficult for those whose concern is for the environment to see a path to the right solution creates problems for those who are wanting to have economic development where environmental issues are involved. I'm not quite sure where they are in terms of the relationship between the environmental requirements of the State or the Commonwealth. Now what we've agreed is that we're going to address those issues in terms of trying to get the greatest degree of complementarity or acceptance of responsibility in one area or the other that we can. There's been too much division in the past on that and I must myself ... they've been extraordinarily co-operative on that.

LYNEHAM: In this protest of division though Commonwealth leadership has saved the Franklin, saved Fraser Island, the Daintree, you've made decisions like Wesley Vale. Would those sorts of decisions still be made under the sort of regime you're anticipating?

PM: I think it's more likely that you're going to get correct decisions of that type under this new regime. Because those decisions occurred within the context of confrontation. I mean we had States who were saying anything that the Commonwealth did was by definition ugly and evil and was to be repudiated. The attitude now, the ambience is much different, much more constructive.

LYNEHAM: On the question of regulations - going back to Nick Greiner again - he made the point here last week that the sausage in Queensland can't necessarily be classed as a sausage in NSW. You ought to get rid of that sort of stupidity presumably?

PM: Yes, that's one of the things. I mean you go back to - I'm not you know a novice in thinking or talking about these things. You go back to when I lectured about these things in 1979. I used so many examples there. I mean you had ridiculous situations like in the area of road transport because of this regulation from one State to another. Trucking operators are finding it more economic to travel longer distances to avoid any cost in one State to another. I mean it's just quite absurd. Now that's what we're about, recognising that we are one nation and trying to get harmonisation of regulation. But in the area of regulatory reform we've made an enormous advance ... What we've done is to adopt the concept of mutuality, mutual recognition. That is, we're saying well rather than in the past we had a whole lot of different standards and someone had to satisfy that standard or that standard or that standard again. ... if there's a standard in one State then that will be accepted in another. Although there are some areas in which, particularly in the question of national food standards there should be uniformity and we've agreed to do that.

LYNEHAM: The Treasurer said earlier today never stand between a State Premier and a bucket of money.

PM: I said to him when we were coming down in the lift, I said I've been hearing that for seven years. It always gets a good laugh and he got a good one today.

LYNEHAM: The good will and sincerity we've seen over the last day or so here, will the shine go off the ball a bit though when you get back to the old procedures of trying to carve up that bucket of money and get back to the -

PM: No, I think the attitude will change, as reflected here. There's an element of permanency about them. But also this fact that has been taken into account, at the last conference we gave a three year real terms guarantee in regard to the level of financial grants which introduces an element of predictability that wasn't there before.

LYNEHAM: Did you ever consider inviting Dr Hewson to this get together?

PM: No. No, of course not. And I don't know whether he had any serious ... contemplation ... I mean, it was an insanity.

LYNEHAM: But you invited a representative of local government.

PM: Yes because they are government. They are government. I made the simple point the other day to Dr Hewson courtesy of the media. There's one requirement for attending a heads of government meeting and that's to be a head of government.

LYNEHAM: But he will be, will he, at the April get together to talk about constitutional change?

PM: I certainly hope so. ... it's something quite different. That's not how existing governments co-operate. That is about looking at the constitution to see for the future whether there are possible changes to the constitution which will make for better governance in this country. And not only is it appropriate, and in my judgement it is necessary, for all political parties to be represented at that.

LYNEHAM: You've talked about a series of referenda through this decade. Now I know one idea you have is a four year term for the House of Reps, perhaps with a fixed three year component in there so you can't keep going very very early.

PM: I expressed a personal view on that. I mean it seems to me as a matter of logic that what you're about is to say you must address the degree of uncertainty that is associated with short three year terms. And so you are going to move to four year terms. Well then you've got to give some substance to that. So expressing my view, I mean I don't really have much hang-up about it being actually fixed and you know except for '84 when I had an early election to get the two Houses into sync, I've taken the Parliament full term.

LYNEHAM: On other matters Prime Minister, a few other matters Prime Minister. Dr Hewson is now ahead of you as preferred Prime Minister for the first time.

PM: Yes, well seven and a half years it's taken someone to do that. My answer to that has been ... I don't like the polls being down. No politician does. I wouldn't like to have an election now. I've just won an election and I'm confident that when we have to go to the election people will then make a judgement as to who is better to govern them at that time in the light of performance and alternatives and I'm confident about that outcome.

LYNEHAM: It's not a fundamental shift in Bob Hawke's great love affair with the Australian people?

PM: No, not at all. Not at all.

LYNEHAM: You've not been jilted?

PM: No, I don't think so. I think some of them are saying hey Bob, we're hurting and we're telling you. That's fair enough. That's life. But I think in the longer term more of them would say Bob we'd give you away if we perceived that you're not prepared to take the tough decisions. I mean when you're taking tough decisions and people are hurting they're going to mark you down. But in the end I think more of them mark you down if they think you're not going to do what you think's right for the country.

LYNEHAM: Is Federal Labor mounting a smear campaign against Dr Hewson?

PM: No, certainly not. I think that it's valid to examine Hewson as the individual and as the leader in terms of what he's saying. Now one of the more preposterous things that's been said in federal politics for a very long time is John Hewson's statement that he is for the workers and that the Liberal Party is for the workers.

LYNEHAM: He said you've forgotten the aspirations of workers.

PM: Well, ok, but words out of a politician's mouth are easy. You've got to ask what they mean. He says he's for the workers and we've forgotten about the workers. Well what is most important to the workers and what's the position of Hawke and Hewson in regard to that? The most important thing is that they be workers, that they have a job. Otherwise they're not workers. Now he was there advising the previous government. The Hewson thinking, the Hewson commitment was there and you had the most massive growth of unemployment in the post-war period. You had Hawke come in and have had a rate of worker creation, job creation, five times faster than under the Hewson philosophy and the Hewson involvement. What else has been important to workers is what they get paid. Hewson as adviser, and Hewson as Leader of the Liberal Party has opposed every national wage increase, every time.

LYNEHAM: So you reckon you're ahead where it counts?

PM: And I will be. I mean it's easy getting up and saying I'm for the workers, Hawkey's for the workers. The things that determine whether you've got a job and what you get paid for it, what's your remuneration, on every one of those issues Hewson has been found wanting,

he's been found diametrically opposed to the interests of workers.

LYNEHAM: Finally Prime Minister, the Uruguay Round, the trade talks. We're getting some very gloomy, indeed alarming predictions from some people about what will happen if they fail, and increasing suggestions that they might very well fail.

PM: Yes, there are concerns and there are grounds for concern. The Europeans are grossly failing to face up to the responsibilities, the very serious responsibilities they have in this area. It is known that for a large number of countries, unless there is agreement in regard to freeing up international trade in agricultural products then there won't be agreement on anything.

LYNEHAM: And where do we go if there's a big world trade war between the United States and the Europeans?

PM: Well, we've got to look to our position. I've always, as you know, been totally committed to it and I remain totally committed to the concept of freeing up international trade. My whole philosophy and my actions as Prime Minister have been committed to that and will continue to be. If you take the worse case scenario that as a result of the intransigence and particularly of the Europeans that you are going to get a dissent in then Australia in that circumstance will have to look to what it needs to do to protect itself in that situation. And we will if necessary.

LYNEHAM: Try and join our Asian neighbours.

PM: You'll remember when I first was talking about APEC I said this is a free trade grouping. committed to it in respect of itself.

LYNEHAM: The Asia Pacific countries.

PM: Yes, committed to free trading in the area and in the world. And I make some parenthetical observation ... earlier in a worst case scenario if the world went mad and the Uruguay Round didn't work. You may have to look at whether within this framework you have the capacity to adjust yourself to that imposed reality. Now - but don't let there be misinterpretation of what I'm saying. We will continue to fight harder than anyone else to get a positive outcome in the Uruguay Round for the freeing up of international trade. It's only in what I hope is not the outcome, I guess it could be, but it's only in that situation, if it breaks down and you see a dissent in the trading blocs, that we will have to then make the decisions which are necessary to protect the interests of Australia as far as you can in that situation. And that's ...

LYNEHAM: You're going off to Sydney for Hazel at the Opera House tonight I gather.

PM: Hazel at the Opera House. Yes.

LYNEHAM: Any nerves?

PM: I've probably got more than she has. I spoke to her this morning. She sounded pretty confident. I'm very proud of her.

LYNEHAM: Thanks very much.

PM: Thanks.

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