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PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HOWARD SATTLER, RADIO 6PR
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SATTLER: Prime Minister and husband of concert pianist Hazel, good morning Prime Minister.

PM: Very much second fiddle on that one Howard.

SATTLER: I asked one of your fellows over there what instrument you played, but all he could come up with was a nine iron.

PM: Was a what?

SATTLER: A nine iron.

PM: Yes, whatever instrument is necessary on the golf course but she was tremendous last night Howard, I was very very proud of her.

SATTLER: Was she nervous?

PM: Well I went in to see her beforehand backstage and she seemed very very composed to me but I think once she got in onto the stage and was waiting for it to start I detected a little bit of nervousness but once it got under way she was perfect.

SATTLER: So what's the future, is she going to keep it up?

PM: Well I don't know that she would be willing to fill in regularly but her absolute passion is for helping young musicians and she is patron of the young symphony orchestra and I think she would be prepared to do anything which would help them.

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SATTLER: Alright, well let's get down to the business you have been involved in in the past couple of days in fact the business of the last eight years in office. What prompted you to now take action on the States funding and departmental duplication?

PM: Well after we won the last election I was thinking seriously about this question of how this country is governed and what I could do to try and make it better and so I made this major speech at the Press Club here in July in which I said that I wanted to call the premiers together and in a true spirit of cooperation see how we could make the federal system work better. I mean this federal system that we have got is not the sort of thing that you would have if you were working out an arrangement now as you were coming into the 21st century but it's the one we have got and therefore intelligence suggests that you should try and make it work better so I knew the things that worried the States about the vision of taxing powers and what's called the fiscal imbalance which simply means the difference between the amount of money you raise and the amount of money you spend. I knew their concerns there I knew also that my ordinary fellow Australians were concerned that there was duplication of activities between the Commonwealth and the States and that we didn't have a national road and rail system that was working effectively so that they would get their goods and services delivered in the most efficient way. So I said to the States well come on I am dinkum about this I am prepared to look at things and say if there are things that we are doing that you may better be able to do or if the things we can help in the financial relationships well I am prepared to look at that, and to their great credit all the States went across the political boundaries. It was the Labor premiers and also Nick Greiner in New South Wales they said alright Prime Minister we recognise that you are dinkum we will cooperate and the result we have got truly a historic outcome yesterday which I think will change the face of Australia for ordinary Australians over the coming years.

SATTLER: But is it going to mean Canberra relinquishing any of it's taxing powers and if so which ones?

PM: Well what we have said is that we are prepared to look at that. The premiers were saying well this is a very complex issue, what they wanted was an expert working group set up from us and from them which would go into all the ramifications because they understand that it's not an easy thing just to say we will take that tax power or you give up that one. What they wanted us to do was to agree to a group of experts that they would put up and we would put up from our treasuries and to see what could be done and I agreed to that and I agreed to it on the basis of aiming to reduce the imbalance that exists between us and that's precisely what they wanted and that's what I have given them.

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SATTLER: Yes but how does Paul Keating feel about that. I have to tell you on television last night they showed a few cut aways and if those expressions were a reflection of the way he felt he didn't seem to be pleased with some of what was being said.

PM: I have discussed these things with Paul and Paul goes along with the decisions that have been taken.

SATTLER: He agrees that the Commonwealth should perhaps give up some taxing powers?

PM: No, what he agrees with is that this matter should be examined and that's all that the States have asked for but not just well we will look at it but we will look at it with a view to trying to reduce this imbalance if that's possible. But they, the States have accepted, all of them that in this review we have got to take account of the necessity for the Commonwealth to retain the capacity to manage and regulate the economy. They accept that so that puts some degree of constraint upon what may be possible but the important thing is that I have said well we will go into to this in a dinkum fashion. That is we know what your concerns are and we are going to try and redress that imbalance to the extent that it's possible while retaining the capacity for economic management that the national government, whoever is in power must have and they accept that.

SATTLER: What do you think about these annual premiers conferences where the envelope is literally pushed under the door with the Commonwealth's first offer.

PM: I have changed that I mean this is one of the things that have come out of the conference and they were very positive in their response about the changes. The element of the changes were these that we will undertake that there will be meetings in the months leading up to the premiers conference there will be meetings between the Commonwealth and State at the treasury level and they will provide us with information months in advance. We will do the same thing and actually in February of each year there will be a meeting at the head of treasury level and another meeting three to four weeks before the annual conference so that the interchange of information will be in a much more structured way and then I have undertaken that they will get our documents two days before the conference so it's not shoved under their door on the early hours of the morning that we meet they will get it two days before.

SATTLER: It's not the sort of thing you want to talk over breakfast is it?

PM: No it was inelegant and I think degrading a bit for the premiers the way it was conducted. I recognise that and we have changed it.

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SATTLER: Now do you now say that you trust governments like the Victorian and West Australian governments to handle money they way they want because as we all know they have been rather irresponsible in some of their forays into private business in recent years.

PM: They have certainly had troubles both of them in their interventions into the private sector area. But in regard to the actual conduct of government expenditures and the discharge of their traditional obligations I think they have been responsible but they certainly have burnt their fingers by going outside their normal area of operation.

SATTLER: And promised not to do that any more have they?

PM: Well that's not what we have been about, we have been about the question of the actual relations between the Commonwealth and States. I mean this is not an exercise in telling each state government how they conduct themselves that's a matter for state government.

SATTLER: Which areas of federal state departmental duplication do you see being eliminated can I nominate a few. Can I nominate say health, education, transport, community services?

PM: Well they are all in the area that are going to be examined we are not only waiting for examination but will indeed, agreed at this conference that for instance the area of disability services, there is so many of our fellow Australians who suffer from disabilities and that's been an area of very considerable duplication. So we have already made the decision now that the States will accept responsibility in the area of accommodation services that are provided for the disabled and the Commonwealth will accept responsibility for the employment related side of that area so there is a decision that has already been made in that area. Now the ones that you have mentioned about duplication of services we have got timetables there in all the areas that you were talking about. The area of home and community care services will be the subject of an immediate investigation and report back in May and the areas of health, aged care, housing, child care, supported accommodation assistance program, education, those are going to be subject of investigation by working groups now to report back before the end of next year so that we will then work out how we can eliminate the duplication that in all of those areas exists now. So there has been agreement on principles, commitment now to the working parties to resolve unnecessary areas of duplication and that will result in some of these areas the actual delivery programs going over to the States and the Commonwealth getting out altogether but in some areas obviously there will still be a need for action by the States and the Commonwealth but we will have that operating in a more efficient way than it has up to the present.

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SATTLER: But isn't some of this going to be like trying to write Sir Humphrey out of Yes Minister. I mean how are you going to get the bureaucrats to agree?

PM: The distinguishing feature about this meeting was the determination of the political leaders at the Commonwealth and State level to set the agenda. We will not be frustrated in our commitments by any people who are trying to hold onto existing empires whether it be ministers in our governments, whether it be bureaucrats in our public services or be it people in the private sector who to some extent will be threatened by some of the changes that we are bringing in.

SATTLER: Well it sounds like you are expecting some resistance.

PM: Well the whole of human history shows that where people have a privileged position or one to which they were accustomed and enjoy certainly as in some sectors they are getting services at a lower cost than they should they will always fight to protect their position of privilege.

SATTLER: You are talking about the truckies now to a degree, aren't you?

PM: Some extent there although I am very encouraged by some of the responses that I have seen already from the transport industry generally who recognise the need for change. But I have got one simple criterion in all this that I have had from the beginning when I launched this initiative in July of this year, one simple criteria. What is it that's good for the Australian people, what is it that is necessary to deliver services at a lower cost and to do it more efficiently and I will not be diverted from that criterion by the attempts by anyone to maintain present positions of privilege.

SATTLER: So would you agree that some of the road hauliers are going to be put out of business by increased fees?

PM: Not necessarily. I mean it may happen it will have an adverse impact on some of them but the simple fact is that the Australian citizen, your listener is being disadvantaged currently by the fact that the, and it's true all over Australia, that those who use the road system and impose the heaviest strain cause the most damage to the roads are not paying in anything like an appropriate cost recovery sense. That means that we are getting a distorted transport system in this country, we want to make a more efficient rail freight system in this country that's why we have agreed, all of us to establish a national rail freight corporation we will put more investment into rail so that we can have more efficient movement of goods by rail. Now it's not going to be any good doing that and putting money into making a more efficient rail service if they are not going to be operating commercially against a heavily subsidised road system so your listeners are going to be better served by getting the

PM: (cont'd) efficiencies in what we are talking about now. As I have said yesterday Howard there never has been a time in history where economic reform is bought about without some pain, that's the way progress is made. You just don't leave things always the way they have been in the past, we would still be back in the caves if we operated like that. Leadership is as I have said about leading and if at times that involves some opposition so be it. But we are now in the very fortunate position as a result of this initiative that these things have been decided upon by all leaders, the Commonwealth and the States across the political spectrum so those who want to fight as it were, we have got a pretty unified sort of force they are up against.

SATTLER: Talking about Opposition, at the moment the opinion polls and I know you don't like to talk about opinion polls

PM: I don't mind talking about them.

SATTLER: Alright. Well the opinion polls today the latest ones I have seen show that Labor is 16% behind the coalition. Why do you reckon that is?

PM: Well a number of reasons I don't think it is very difficult to work it out. It goes back in part to some of the things we have just been talking about we have had to take some decisions which have caused some pain. The fact is that last year we were as a nation just spending more than we were producing and that meant we were getting further and further into debt and we couldn't go on doing it so we had to slow the economy down and that meant, it has meant and it is continuing to mean a fair bit of pain and suffering. Now I think you have known me long enough Howard to know that I don't like doing those things but I had to do it because if we hadn't done it then the damage to Australia in the longer term would have been much greater, the suffering more intense and I wasn't prepared to do that. Now while people are suffering now we are getting some black marks for it, I understand that I am not complaining about it I would be much more worried about myself if I hadn't done the things that were necessary. But having said that these policies will work they are slowing down the level of activity and it means we will be able I think next year to move into higher and more sustainable levels of activity in which people will start to get more confidence and they will be able to operate in a situation of less pain.

SATTLER: You reckon that you would be beaten if their was a poll held this week?

PM: Yes I think so I said that I wouldn't like to go to a poll now but the fact is I have just won a poll. I don't have to go to a poll for well over two years, about two and a half years and as you know I have said before when we have been down, we were down badly before 87, we were down badly before 90.

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SATTLER: But not this much.

PM: No not this much but we hadn't had to hurt so much and we didn't at that stage let me say we hadn't had the disaster of Victoria and that's reflected in the national figures. Now all I am saying is that I said before the 87 election in the dark periods, I said before the 90 election in the dark periods, I said in the end I have faith in the good sense of the Australian electorate and there is nothing that's happening which causes me to lose that faith.

SATTLER: What about you personally you are down to 31%. Do you think the novelty of Bob Hawke has worn off?

PM: The novelty, I mean you are not novel after you have been Prime Minister for the best part of eight years of course by definition.

SATTLER: Do you think that people want change for change sake in the leadership?

PM: Not at all, not at all they are hurting at the moment they don't like that and of course the other thing in respect of leadership is that the conservatives have got rid of the absurd merry-go-round of Howard Peacock Howard Peacock Howard Peacock Peacock Howard Peacock Howard -

SATTLER: I was going to ask you about that. Do you think that John Hewson is a bigger challenge to you than them?

PM: Well he is at this stage because he has the benefit of not being Howard and Peacock. I mean people have got sick of that absurdity and John Hewson was going to be a beneficiary of that. Now we get into a different part of the political cycle as we move on now, go on and on through this three year term up towards the election and he has got to live not on just being not John Howard or Andrew Peacock, he's got to be a credible leader with credible policies.

SATTLER: He knows a bit more about economics than Andrew Peacock doesn't he?

PM: It's impossible not to.

SATTLER: Charming. Do you think he has got much substance behind him then?

PM: He's got a solid academic experience but he has no great experience in the range of issues that a leader has to deal with. I mean if there has been one feature of the last few weeks of the parliament it's been the revelation of his abysmal ignorance in the whole area of international affairs. He has been profoundly wrong footed successively in regard to Japan, in regard to South Africa and in regard to our

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PM: (cont'd) relations with the USA. I mean he can't open his international affairs mouth without putting his foot in into it and so perhaps he can learn in that area, he certainly ought to sack whoever is attempting to advise him at the moment to put up the questions that he -

SATTLER: Would you, even if the polls, your own polls show that you are behind coming to the next election, will you still make good your promise to lead Labor into the next election?

PM: Yes I have got no intention of changing that and nor has my party.

SATTLER: What about your Cabinet, do you think that they are a bit tired these days. Do you think that they need another shake up?

PM: This is a nonsense this question about tiredness, you have had more relevant activity by government in this last 12 months than you have had, I would think, I would challenge political analysts to look at any period of government, mine or non Labor when there has been more relevant activity on the macro economic front, the micro economic front, the international front then there has been in this period. I mean there is no serious analyst now in politics who goes on with that sort of myth.

SATTLER: Can I ask you one of the questions, a story circulating here last weekend and it's been around before that Brian Burke might seek preselection for a Labor seat after he finishes his term as ambassador to Ireland. Would you support him if he wanted to do that?

PM: I would have to look at the circumstances. I mean I don't know anything about what he may have in mind.

SATTLER: Well he is coming to see you in a week or two isn't he?

PM: Is he I don't know about that. I mean if it's scheduled I certainly look forward to seeing him but it would depend upon obviously what he was looking at and what agreement he had within the party in Western Australia. I mean -

SATTLER: Well you once told me that he would be an asset as a minister in a federal government.

PM: I did to, I had no reason to say otherwise when that question was asked. Now if he is wanting to pursue a political career and I don't know whether he is then the question of my attitude to that is not simply a function of the judgement I make about Brian. I think he is a person of very considerable talent, but it would depend upon what circumstances was he looking at to try and make an entry into politics if that is in his mind and I honestly don't know whether it is, all my comments to you are entirely hypothetical.

SATTLER: Would you still regard him as an asset if he wanted to.

PM: I think there is no one who knows Brian Burke who believes other than that he has got very considerable talents but as to whether he wants to try and pursue a political career I just simply don't know. I mean you are really into the area of hypothesis as far as I am concerned.

SATTLER: Alright well we will leave it on that and I appreciate your time today and as I said at the start it certainly seems to have been a watershed in relations between the federal and state governments and I guess it's all going to be, the proof will be in the meeting you hold in Perth in a year's time.

PM: Well not all the proof, I mean there will be a lot done before then and indeed Howard a lot has been done already. The fact that we all signed yesterday an agreement to establish a national rail freight corporation which will come into effect by the first of July next year that is now a fact. It's also a fact that we have agreed yesterday to the division of responsibilities in the area of disabilities. I mean changes have already been made there will be more changes will be finalised in May next year. It is true however, that the conference in November next year in Perth will be a very important one but by then Howard we will have a lot of very substantial achievements already under our belt. Yesterday can properly describe, I mean it is the proper use of the word historic to describe what we did together and I am very very grateful to all the premiers for their cooperation including may I say to your listeners the very very significant contribution that was made by Premier Carmen Lawrence.

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