



## PRIME MINISTER

PRIME MINISTER INTERVIEWED BY HAYDN SARGENT ON BRISBANE RADIO 4BC  
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HS: Our Prime Minister joins us now. Mr Hawke, good morning.

PM: 'Morning Haydn.

HS: Mr Hawke thanks for your time.

PM: Pleasure.

HS: Are you happy about the outcome of the Premiers' Conference?

PM: Very happy indeed, Haydn. A great tribute to my colleagues right across the political spectrum, they entered the conference and they prepared for the conference constructively, co-operatively, and it's reflected in a communique which I think promises a great deal of benefit for the future.....

HS: Mr Hawke, as far as the Premiers' Conference is concerned, there were some very significant developments - I guess a lot of us were expecting or hoping for some other things or extra things as well. One of the things that I wondered about was the impact of this increased costs on the road industry.

PM: It's not a question of increased costs on the road industry, what we've got now is a situation where the costs of our transport are unfairly distributed. What is happening is that our rail freight industry to a considerable extent is rendered uncompetitive by the fact that the users, the heavy users of our roads, are subsidised and they are subsidised by the rest of Australia and what is involved here is ensuring that we have a system whereby those who actually cause the damage and use the roads pay a greater and fairer contribution to the cost which is otherwise unfairly borne by the rest of Australians.

HS: You're talking about the heavy vehicles users, operators.

PM: Yes.

HS: But isn't that going to contribute somewhat significantly to our inflation rate?

PM: No of course not, what happens at the moment is that your

PM (cont): Inflation rate is made up of a whole number of factors. What the community pays for its roads is made up in a number of ways and whatever the cost is its met. It's being unfairly met at the moment by the fact that those who actually use it and cause most of the damage are not in fact meeting a reasonable share of the damage that they cause.

HS: Yes, but the road operators are the ones who ship the freight from the factories in Sydney and Melbourne to Brisbane, to Adelaide to Perth or wherever, and they charge x dollars for the delivery of that freight. Now if that freight charge goes up because they're going to have to pay higher fees and heavier costs, isn't it going to come out in the supermarket on the shelves?

PM: Not necessarily, you will have a situation where you're going to create a more competitive transport situation in this country. We will certainly be making, for instance, the rail freight will become more competitive because we are going - we've already signed yesterday - a National Rail Freight Corporation. That will be established by July of next year. The governments will be prepared to put capital into making that system more efficient. As it stands now the road operators have had a very great advantage because of the fact that they don't have to meet the costs that really they are associated with in the use of the roads and in the maintenance of the roads for their use. Now by making our rail system more competitive there will be more competition introduced between rail and road and within the road system itself. So in the end Australians are going to benefit from the fact that at long last governments have had the imagination and the courage to face up to creating a more efficient and competitive system for moving our goods around the country.

HS: With respect, I would hardly think that simply raising the costs in terms of the road freight operators makes the railways more competitive. That's seems like putting a ball and a chain around the ankles of the guys who have been able to operate a fairly competitive freight delivery service in a nation where we've got this absolutely ridiculous situation where trains have to change from one track to the next.

PM: Well the whole point of attacking the question of the rail system is to introduce more capital restructuring into your rail system. Not only will that flow from the work we'll do under the National Rail Freight Corporation, but in the plans that we have for lifting our transport infrastructure generally and in regard to rail that is something that simply needs to be done to start to meet some of the problems that you are referring to in regard to the fact that we have a railway system that up until now has

PM (cont): been dominated by the fact of we living under six separate States. What the States are saying now is that we are going to co-operate to make rail more efficient. But, irrespective of that you've got a situation which has now been recognised by a number of independent inquiries, including the latest report from the Interstate Commission, that we have a position where those who use and profit from our road systems are not making a fair contribution to the impact they have on our road system. In other words, as it is now consumers are subsidising operators through the fact that what is not met through a proper registration system which has relation to the impact of users of our roads, what's not met in that way has to be met in others by consumers through their taxes.

HS: Yes, but you're only looking at one side of the coin.

PM: I'm not looking at one side of the coin, the whole point of what I've been saying Haydn is that we're looking at all sides of the coin and all sides of the coin when you're talking about the movement of goods around Australia involves these things - they involve air, they involve sea, they involve the ports, they involve rail, they involve roads. Those are all the elements of transport affecting consumers in this country and each one of those areas is being addressed.

HS: And the consumer always pays the costs of the transport.

PM: The consumer pays currently in Australia a much higher price. The costs for consumers in Australia are much higher because up until now there have been inefficiencies in road, rail, air and in regard to sea and our ports. There have been inefficiencies in all of those areas and it's this Government, and now in co-operation with the States, which is tackling all of those areas. I mean the logic of what you're saying is that we allow road operators, heavy road operators, to continue to be subsidised by the rest of the transport industry and by consumers by not paying what has been recognised by every independent inquiry, every independent inquiry that's looked at it has said that they are being unfairly subsidised, they're not paying a fair share of what they use to deliver their service.

HS: No, what I'm saying is that in terms of the logic of the economics is that if the cost of rail freight goes up, it is invariably the consumer.....sorry road freight goes up, then the consumer ends up paying the added cost.

PM: All I'm saying is if you are talking about the economics of it Haydn, you're setting yourself up against every independent and expert inquiry that's investigated the subject and if you believe Haydn - and you're entitled to - if you believe that you

PM (cont): know better than every independent expert inquiry, every independent expert inquiry and all the governments, then you are entitled to feel that. But, with respect - I don't wish to be rude - but with respect.....

HS: Now don't do a Hollingworth on me.

PM: Well I can certainly tell you what I'm not going to do, I'm not going to sit passively when people put views to me which are not correct Haydn.

HS: Well if not correct.....not correct in your opinion. Prime Minister, what moves are going to be made now to get a unified railway system in Australia because surely when it gets down to it that's the bottom line isn't it?

PM: Well the first step is what we've done. We've signed the heads of agreement yesterday to establish a National Rail Freight Corporation and that will establish a fully commercial rail freight authority designed to operate to world standard efficiency. Now that's going to involve a clean sheet industrial award, we've got to start off afresh and so that the unions know that they are operating in what is going to be a competitive situation and overmanning or irrelevant work practices will not be accepted. We have already, as the Commonwealth, allocated \$50 million for upgrading rail infrastructure preparatory to the establishment of this Corporation and further equity injections into the Corporation will be discussed with the States. The States and the Commonwealth will contribute to the Corporation in the form of both assets - for example rolling stock, terminals and other infrastructure - and financially with the levels of contributions to be determined. The Corporation will be able to tender on a commercial basis to provide rail services other than those simply relating to interstate freight, so in this way - with the establishment of this Corporation - we'll be going not only to the whole question of interstate freight, creating a capacity to provide competitive services within states. So there is a specific way in which we've started to tackle this issue within the fact that we're confronted with that you've got these differing State systems.

HS: Bearing in mind that there are a variety of different factors that go to make up for inefficiency in say any system, this case the railway system, how big is the factor that you've got to keep changing trains between Perth and Cairns to ship freight. How big a factor is that in the inefficiency of railways?

PM: Very big and part of the work of the Interstate Rail Freight Corporation will be to make all the changes that

PM (cont): possibly can be made to reduce the cost impact of those changes.

HS: Yes, leaving aside that for the moment - and that was a positive thing that came out of it, although I think there is a sting in the tail and time will prove one of us right - how far down the track are we do you think in terms of the sentiments expressed at the Premiers' Conference for the end of the duplication of so many services at State and Federal level?

PM: A long way down the line, we obviously in the preparation for the conference, Haydn, and at the conference itself we addressed these issues and we've already in one area made a specific decision. That is a very important area of service delivery by both levels of government in respect of people, our fellow Australians with disabilities and we've now made a specific decision that will divide the responsibilities there, end a lot of the overlap by the States accepting the responsibility for accommodation and the Commonwealth accepting responsibility for the employment related services. Now that decision has been made. We are then, have listed the other areas - home and community care and then, of course, a whole range of other areas where there are duplication of services like aged care, housing, child care, supported accommodation, assistance programs, education - all these things now are the subject of specific working parties with deadlines on their work next year to give us reports, operating on the agreed principles. And the agreed principles are this, that the level of government best situated to deliver the service shall get it and if that means us giving up functions, so be it, we'll do that and there'll be financial compensation where that is required. We now have a very specific working program and deadlines to effect the changes which will eliminate, as far as possible, the duplication of services that exist. But not only in terms, Haydn, of the duplication of services, but one of the areas which is operated against the interests of Australians is the existence of a whole set of separate State regulatory systems, and manufacturers and providers of services have had to look at a whole series of satisfying a whole different series of regulations. Now that's crazy, it's been recognised as crazy and we're doing these things about that - we've already agreed at this conference that there'll be uniform national food standards and we'll work to achieve that; in other areas where you can't necessarily get uniformity, either at any time because it might be too complex or immediately, we've adopted the system of mutual recognition and that simply means that what we'll work out is a basis on where you have, one State has a regulatory system with certain things to be satisfied then other States will recognise that in their State, so that something that comes from, say, New South Wales

PM (cont): which satisfies the regulatory requirements of that State then Queensland will accept that.

HS: That's a real step forward because that is actually costing Australian manufacturers, and therefore ultimately the consumers, millions a year isn't it?

PM: It is indeed and it's a very significant step forward and we will benefit greatly from that. Another area where we've made a decision that will operate by the end of the first half of next year is that in regard to professional and occupational recognition. That is where a lawyer who is recognised in Queensland, he has his - I mention lawyer but you can have a tradesman....

HS: Registered in Queensland.

PM: Where their qualifications are registered and recognised in Queensland, then there'll be recognised elsewhere in Australia.

HS: That will be a good thing, I mean that's been bothering nurses for a long time.

PM: In other words you can see, Haydn, that very significant decisions have already been taken. It's not a matter of just setting down reviews with deadlines in other areas which we've had to do and which will be dealt with during next year, but we've obviously made decisions which are going to be very important.

HS: Prime Minister it's good to yarn, I thank you for your time.

PM: It's always good to yarn to you Haydn, thank you and all the best.

Ends