



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HOWARD SATTLER, RADIO 6PR - 29
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E AND OE PROOF ONLY

SATTLER: Can we start at the top, in the toilet?

PM: Where?

SATTLER: In the toilet. I have learned today that the federal government has put a 20% sales tax on recycled paper products. Now it says to me that the earth summit was a waste of time, why have you done that?

PM: I don't know, I would have to just check about that.

SATTLER: Can you get it off?

PM: We encourage recycling of paper and -

SATTLER: That's not much of an encouragement is it.

PM: It's happening though. We have got now quite a lot of investment going into recycling of newspaper and newsprint and I think, I am not sure about it in Perth but certainly in the eastern states most of the newspapers are now being picked up and recycled which is a good thing.

SATTLER: Will you have a look at that? That seems to run contrary to what the earth summit was all about.

PM: I will see. That is one from out of the blue sky that one.

SATTLER: Right out of left field. Let's talk about a couple of other issues. I want to get the republican one out of the way first because people say why do you preoccupy yourself talking to people like Paul Keating about the republic. I say because Paul Keating keeps bringing it up all the time. You talked I think on Friday night it was at a literary dinner about the oath of allegiance and you sort

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SATTLER: (cont'd) of alluded to the fact that we should not be swearing allegiance to the Queen, we should be swearing allegiance primarily to our own country. But if I am not wrong you swore allegiance to the Queen when you became Prime Minister, didn't you?

PM: Yes, but I served as a minister -

SATTLER: A touch hypocritical.

PM: No not at all, Australians don't serve her as a minister. I am appointed by her representative, the Governor General.

SATTLER: How does that sit with you?

PM: There are lots of other people who would like to be appointed Prime Minister, so it sits reasonably well with me.

SATTLER: Wouldn't you just rather be appointed by us.

PM: I think that's the point, that is, that the average person who takes citizenship swears an oath, should swear it to Australia. They are not dragooned into ministerial service and don't need to swear it to the head of state.

SATTLER: So you mean if you had your way you would eliminate swearing allegiance to the Queen and just leave it swearing allegiance to Australia?

PM: That's as I think it should be, desirably, for Australians taking citizenship. That is, that we have a set of values which Australia represents, and we have that encapsulated in a statement and people swear allegiance to Australia and those values.

SATTLER: When are you going to do something about it, a lot of talk, a lot of rhetoric, when are you going to do something about it?

PM: Again these things take a bit of thinking about and I think it helps to have in the public debate an understanding of the issues. You said Howard that you keep coming back to these things and I think that's good. I think people do get -

SATTLER: But people think you are beating around the bush, you are not quite game to go the full step and take the Queen out everywhere.

PM: I am not being about taking the Queen out as you put it.

SATTLER: Out of our oath, right.

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PM: Out of the oath but no, I think again these are matters which are of community interest and they take people awhile to understand.

SATTLER: You are going to wait until the polls show that view as the majority, aren't you?

PM: No, not necessarily, but I think the debate matters and it is valuable. Australians ought to be clear about themselves and about some of these issues.

SATTLER: What about this amazing statement that if the Liberals get into power we could have Los Angeles style riots. I mean that is surely stretching the bounds of credulity beyond belief.

PM: No I don't think so, I don't think so at all. You see we had the federal director of the Liberal Party on yesterday confirming yet again that under a Liberal government people on unemployment benefits will be on the streets after 9 months, no support from the government.

SATTLER: How did he confirm that?

PM: He was on TV yesterday, on the Sunday program.

SATTLER: He actually said those words?

PM: And he confirmed that after 9 months, well it's in the Fightback document, it's in Dr Hewson's document and Dr Hewson has said it over and over again -

SATTLER: - that they will put people on the streets after 9 months.

PM: After 9 months unemployment benefits finishes and then they go to the voluntary agencies. Now the voluntary agencies are St Vincent de Paul, the Smith Family and what have you so you can imagine a person with a wife and say a couple of kids who is unemployed, no fault of their own, after 9 months they rely on their family, their extended family for support or they go down looking for food and in some cases shelter from the voluntary agencies. In other words we dismantle the social security system we have which picks up responsibility and pays unemployment benefits to people unemployed. If that went on for 5 or 6 years for instance under a government, the sort of civil unrest that would produce would be profound.

SATTLER: But isn't that inciting people?

PM: No it's telling them, just say read the document and you will find in there that in what must be one of the most spiteful policies ever to say to people. See this is the Liberal Party's view, stigmatise them, say they are

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PM: (cont'd) bludgers, they don't want to work. What the federal director of the Liberal Party said yesterday was a lot of these people are out there, some of them are actually enjoying it on the public purse not making the effort to find a job and the taxpayers shouldn't have to fund them, it's unfair to taxpayers he said.

SATTLER: So is there no strong safety net for the genuinely disadvantaged as Mr Robb would have us say?

PM: None, none. There is effectively none, no, so what happens to them is they go out there and you just imagine if you are 45 years of age and you have got a wife and a couple of kids or you are 40 years of age and you are unemployed and you have been unemployed 9 months, that's it. No money, no money into the household, down you go, down to the Salvation Army or St Vincent de Paul or the Smith Family, that's the Liberal Party's policies and if that sort of thing over a period of time wouldn't produce a different sort of Australia than we have today, one where there is a lot of unrest and the same unrest which produced those problems in the USA.

SATTLER: Why are we having a youth unemployment summit when you reckon the level is only 9.9%. It's 10.6% right across the board, that would indicate to me and there is an article in the Financial Review today that indicates that the group in the worst trouble are sort of middle aged or adult blue collar workers. Why don't you have a summit for them, or are there no votes in them?

PM: What we are doing with the older if you like unemployed is to try and get the economy growing as quickly as possible. But the problem about the 15 to 19 year olds is that the jobs have shrunk, the economy has changed and a lot of the jobs which were done by young people in the past which were clerical jobs, or jobs in retailing are now being done by computers and basically the jobs have disappeared and we, when I say we, this government has changed the whole retention rates in schools and the training that follows it but there is still about 122,000 people out of the 1.3 million.

SATTLER: But haven't you just put them into all these training schemes to mask the real level of youth unemployment, they are training for jobs that don't exist, surely.

PM: No that is not true, no, no. When we became the government three children in ten finished secondary school and when our Liberal friends left the place they were quite happy for seven children in ten to finish their education before they completed secondary school.

SATTLER: What are these people training for?

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PM: Let me just make this point to you now. Now nearly eight in ten complete secondary school, 35-40% of those get university places and what I am working on now is for the rest of them to find support in technical and further education. In other words we are now keeping kids, you know eight out of ten children through secondary school into universities and to TAFE so that the training they get qualifies them for the sort of job which the economy has to offer. It doesn't offer any more the unskilled so called dead end job and that is what we are basically trying to focus on for the untrained people trying to basically come to terms with what wage or training wage can be paid to them so that we get a break through on this and that would encourage employers to take young people up without skills.

SATTLER: In the Sydney Morning Herald there is a story this morning that says "stop going it alone", and this is a message to you from Senator John Faulkner who is on the national campaign committee, he is on the national executive as well and he is a Left Wing member I think of the NSW Labor Party. His message to you is stop going it alone and start consulting a few people, and he cites the summit, the youth summit if you like and apparent lack of communication between you and Kim Beazley.

PM: That's not true, there is no lack of communication between Kim and me.

SATTLER: Kim would never know when you are going to announce it.

PM: Well he shouldn't have been asked. I should have been asked.

SATTLER: But he is the employment minister.

PM: He has the policy but not the arrangements for the meeting. The meeting is to be conducted by me and we made the arrangements on it.

SATTLER: He didn't want young people, you did.

PM: - and I did and I met a group of young people last night in Adelaide, young unemployed people and I am meeting a group today in Perth just to try and get an understanding of their problems and get the issues ready for this meeting when we have it. But in terms of consultation I mean this government has turned consultation into an art form. We keep consulting.

SATTLER: What is your message to Senator Faulkner?

PM: If you look at the One Nation statement I set up a round of consultations for that which went for about 5 weeks in every capital city, including Perth and that has been

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PM: (cont'd) the same for all of our policy changes and I think within the party I try and do the same as well.

SATTLER: Is it because Senator Faulkner is a Left Winger and he is just trying to fire a few sort of guarded shots at you? You don't always get on with the Left Wing, do you?

PM: These days they have become quite supportive of me.

SATTLER: When did this start?

PM: Years back, they realised a lot of the things we did in the 70s, social policy and that was very good policy.

SATTLER: I don't know whether you have been keeping a handle on this major strike we have got in our north west at the moment. Around about \$50 million has been lost already all because the unions up there reckon we should have compulsory unionism. One man has used his legal right and he decided he doesn't want to be a member of the union and that has caused an almighty strike which is now in its third week. Do you believe in compulsory unionism?

PM: I believe in the arbitration system and I think that the parties should accept the decision of the WA industrial commission -

SATTLER: That was go back to work.

PM: Return to work that's what should happen.

SATTLER: What about this man's decision he doesn't want to be a member of the union. Should he be allowed to -

PM: I don't know the issues well Howard but I know that there was a return to work ordered by the commission and that's what I think should happen.

SATTLER: They are probably Labor Party supporters up there and they are listening right now so your message is get back to work.

PM: Absolutely.

SATTLER: And sort it out somewhere else. You threw another \$250 million at the Aboriginal problems the other day and a large slab was targetted at jobs, that's fine, but how do you reckon other Australians, unemployed Australians are going to feel about all that money going to one group for jobs?

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PM: I don't think that anybody should feel any envy towards Aboriginal Australians, they were in the first place dispossessed and then as time has gone on they have not had the opportunities which most other Australians have, and we have tried to remedy that by their response to the Aboriginal Deaths in Custody Royal Commission, by improving the law and justice access for them and at the same time trying to improve the underlying basis of Aboriginal social problems and that gets down to you know things like education, housing, work etc.

SATTLER: Prime Minister how do you know it's going work. You know Malcolm Fraser used to throw money at the problem and it never seemed to work.

PM: I think it's a matter of trying to get a better handle on the administration, the policy, design them better. We have tried our best in this statement to do that and I think, I hope with some success. But we are trying to provide a more of a sort of a commercial focus to some of the things which Aboriginals are involved in.

SATTLER: Will someone from the government who has control of our money be watching over the shoulders of the people who actually are allocating the money in various areas? It's our money.

PM: Commonwealth funding is administered by ATSIC which is the Aboriginal and Torres Strait Islander Commission which is made up of representatives of the community all over Australia and it dispenses and manages the funding which is provided by the Commonwealth under the tutelage of the Minister for Aboriginal Affairs.

SATTLER: So you just give them money and they do with it as they please?

PM: What they have done I think is develop a very good system of administration and recently ATSIC was put under some scrutiny in the Senate and passed with I think flying colours.

SATTLER: Your predecessor Bob Hawke has been on radio in our sister station 2UE today in Sydney saying that Nick Greiner has been hard done by, he is not a corrupt bloke, he made a stupid decision maybe. He says that if the sort of rules which have been applied to Nick Greiner forced him out of office, we won't get good people going into politics. Do you agree with that him?

PM: Nick Greiner set up these rules for the Independent Commission Against Corruption. He set the criteria and the criteria in the end tripped him up. The Liberal Party in NSW used the corruption issue for all it was worth, alleging at the time that the Wran government was

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PM: (cont'd) corrupt and of course the ICAC never found one thing against the Wran government and all it's done ever since is find things against the Greiner government.

SATTLER: Hoist on its own petard?

PM: Absolutely.

SATTLER: Do you feel sorry for Nick Greiner? You rang him didn't you?

PM: I rang him, yes.

SATTLER: What did you say?

PM: I just said, just to wish him well and to say that -

SATTLER: - hang on this is a Liberal man, you are ringing him up -

PM: Well he is going back into, sort of, as a private member, I had worked with him as Premier. We got quite a lot of things done together over the years and I try and work with, as Treasurer or as Prime Minister, with the Premiers and get the best thing we can for the place from them, between us, and it was in that context I called him. But I agree with Bob about this point, it's not making politics any easier for people and it means that anyone who is public spirited is interested in public service but who has got ability and real job opportunities, these things they will find very discouraging and it can't make the political system better and stronger.

SATTLER: So what is he? Is Nick Greiner naive or stupid, is he not corrupt?

PM: These are all judgements which are made by the Commission and I don't want to be drawn into that argument but the fact of the matter is that the Liberal Party in NSW tried to set a standard it couldn't live with and I don't think it has got anyone else to blame for this but itself.

SATTLER: So the rules are too tight, is that what you are saying?

PM: Well they are their rules, and they were basically designed to catch a past government, they were designed as a piece of sticky fly paper for the Wran government and what happened was of course the Wran government. I mean, the Sydney Morning Herald ran this campaign for years saying the NSW Labor government was corrupt and in the end the ICAC found nothing against it. All it found against was the current Greiner government.

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SATTLER: Poor bloke. What are you doing in Perth today apart from trying to get a few people to vote for you at the next election because the Morgan polls and other polls would indicate you need a bit more support to get up there next year.

PM: Yes but they go up and down Howard, you can't let the two week polls throw you -

SATTLER: But you need to get ahead, you have sort of been behind for -

PM: It's a problem. Unemployment, the recession, coming out of it and unemployment is a problem but I am happy to say the trends in Western Australia are quite good. That is Western Australia, Queensland and New South Wales are doing more strongly than say South Australia and Victoria and they don't have the heavy manufacturing base which Melbourne has. Western Australia is an agricultural and mining state and services tourism and the rest and it seems to be coming out of the recession into recovery stronger and faster than some other places.

SATTLER: You have got to write off Victoria at the next federal election surely. It must be a Labor disaster area at the moment.

PM: We are not travelling well over there and obviously the reason for that, there is a couple of reasons for that but one of them of course is unemployment and the recession and the fact that Victoria is I think going through a structural change. That is the nature of its manufacturing activity is changing and it is producing problems in that change.

SATTLER: I have heard from your strategist that you have written off Victoria at the next federal election.

PM: You can never write anywhere off, only a fool would write a place off and we haven't done that but -

SATTLER: And you would have loved Nick Greiner to have stayed in office right up to the next election.

PM: My attitude is I take them as they come. If they -

SATTLER: - but wouldn't it have been great if he had stayed there and tried to fight this corruption thing, you would have had a field day.

PM: The Liberal Party wouldn't have let him I don't think.

SATTLER: John Hewson wouldn't have let him you mean.

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PM: Yes, by and large. Well him and the State Liberals. Whether the Labor Party there moved no confidence in the state government or not, I don't think he would have stayed because for the reason you say I don't think the Liberals would have let him stay. So you can't write anywhere off and the important thing is that Australia is coming into a recovery, growth is coming back -

SATTLER: Hang on, how can you say that. Our deficit, if I have got it right at the end of May had gone from a budget forecast of \$4.7 billion last August to now \$11.2 billion, and you reckon we are getting better.

PM: I don't mean the deficit, I am talking about growth, the deficit is a lag response to growth in the economy. In other words if activity is down and employment is down, receipts are down, the deficit gets bigger.

SATTLER: But you reckon our growth will be around about 4.75 and then 4.5 in the next couple of years and the OECD says no, 2.6 to 3.7. Who has got it right?

PM: The OECD are trying to do a forecast in Australia from a long distance and I don't think, it's never been easy for them to forecast Australia well, but we still think Australia can grow quite fast through 92/3. The problem is that what happens in all recoveries is that in the first instance employers work people overtime before they put extra people on. So there is a lag response for employment and one of the interesting things that is happening at the moment is that overtime being worked is getting back to the levels of the boom year of 1989. That is we are now starting to see those sort of classic signs of recovery where employers are working people overtime, the next step being to put an extra person on. So growth picks up as it will pick up but there is this lag in between, this lag response to employment as the overtime phase gets worked first and then after that an employer starts saying, look I can't work someone more overtime than I am working so I will add another person, and it's that adding of another person which starts to see the employment start to grow. But there is always a lag.

SATTLER: Would your recent investments indicate we are going to have a pork led recovery?

PM: I don't think so, no.

SATTLER: Why did you put the money in for?

PM: In the 6 months that I was out of the government I thought that I should do, I mean I have always preached don't put you money into property, don't speculate, don't rely upon inflation. If you want to invest in something don't buy an apartment or a flat or a house, or -

SATTLER: Or a clock?

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PM: Or a clock, do something which employs people, adds value, plays to Australia's comparative advantage and I thought why don't I, I have been preaching this for years, why don't I put my money where my mouth is.

SATTLER: I have got the slogan for the Labor Party for the next election, home on a pig's back.

PM: I hope that is true, I hope it comes true.

SATTLER: Thanks for joining us on the program today Prime Minister.

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