



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP,
DOORSTOP, JOHNSTONE SHIRE COUNCIL CHAMBERS, INNISFAIL,
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J: Mr Keating, what's your reaction to Opposition claims that you are deliberately avoiding Cairns in the lead up to the election?

PM: I was in Cairns two weeks ago on a private visit, and you can't be everywhere at once, can you? I was in Townsville this morning and Innisfail today with Rob Hulls.

J: So Mr Gayler hasn't told you to stay away?

PM: Mr Gayler is always wanting me to come there, and I will whenever I can. But as I say, I was there two weeks ago, that's reasonably recent.

J: So why visit Innisfail?

PM: Well, why not is the question. It's an important district in North Queensland. It's not only important, it's a very pretty district, I might say. And one gets a feel of the local community, the agriculture. I've just been to the Northern Iron and Brass Foundry and presented some awards for apprenticeships. With the focus this week on youth training and employment, this was a good thing to be doing. And Rob (Hulls) and I are going to be meeting representative members of the community. I've just been out to see some of the structural adjustment things we funded with the Shire here, Warrina Lakes, which is a lovely thing.

J: How would you gauge the Far North's response to your visit?

PM: Well, I had I think a reasonable reception last night in Townsville, a very warm visit to Townsville. While there I opened the reclamation on Townsville Harbour, with a \$20 million program from the Commonwealth under

the One Nation package, and announced a further \$10 million under the Better Cities program for Townsville. And that, of course, was exceptionally well received, as has been the funding which the Commonwealth has spent here in Innisfail in the structural adjustment package. The Commonwealth is relevant to North Queensland. And in the spirit of One Nation, no place in Australia is not part of it all.

- J: Prime Minister, the 0.3 per cent fall in the cost of living, is there any case at all for a national wage increase this year?
- PM: Well, the Treasurer will be talking about this today, but it's a marvellous result - minus 0.3 per cent. It gives us 1.2 per cent inflation for the year. It means Australia is pinning in, bolting in that low inflation rate. And most particularly, the survey of inflationary expectations has come down yet again, which will give Australians interested in Australian competitiveness, I think, a very clear view that we have broken the inflation stick. That is, that inflation is down, to stay down. This is a great national achievement.
- J: What about the implication for wages, though, Prime Minister?
- PM: The Treasurer should answer this.
- J: What about monetary policy. Obviously this beds down the easing ...?
- PM: Again, that's for the Treasurer to handle.
- J: Mr Keating, superannuation, what's your response to employers using a loophole to cut 10 per cent ...?
- PM: These are the people who should have paid the 3 per cent in the late 1980s. When the economy was booming and when they should have paid the 3 per cent, they didn't. And some of them are now complaining about needing to pay it when it should have been paid in the past. And it's for them to pay it. Basically it's a sort of red-neck response. The fact is, occupational super is a great reform for Australia, it will give all Australians a chance to a better retirement income, it will build a pool of national savings, and it's the shortest of the short sighted who can't see it.
- J: So the employees will just have to bear it?
- PM: No, the employees won't. By and large this will be paid in accordance with national wage arrangements by the employer as part of the national wage settlements, without deductions from employees.
- J: The Liberal Party says the seat of Leichhardt is

unwinnable for Labor in this next election. What's your response to that?

PM: Well, we've won it ... I've spent 23 years in the House of Representatives and I've seen changes take place in the Parliament, but we've always had a good grip in the seat of Leichhardt, and we will in the future. Look, this Government has changed North Queensland. I remember North Queensland in the early 1980s. I remember it when the coal development stopped in the sort of middle of Queensland. There was nothing happening here. We had businesses closing. You've got now the tourism industry which was developed by this Government only, which has basically changed the labour position and the prosperity of Northern Queensland. And the competitiveness of other products, be it beef, or minerals, or sugar, has been guaranteed by the low inflation, better wage outcomes, competitive exchange rate. I mean, Labor has changed the face of North Queensland, and that's why there are Labor members all the way down the coast. That's why Rob Hulls has taken his place in the seat of Kennedy in the Federal Parliament for the same reason - that in an area which the National Party and the Liberal Party could do nothing with, we've brought back, we've given it economic life and a future.

J: Are you happy to see John Gayler not standing again? He's been an opponent of yours in the past.

PM: He has not, no, no, he's been a good friend and a good member. A good member. And somebody who's won the seat of Leichhardt for Labor, and flown the flag through the period. If you compare Cairns and the Leichhardt region in 1983 and look at it today, it's totally transformed. John Gayler can take a lot of credit for that.

J: Mr Keating, Innisfail's unemployment has increased three-fold. What will you be telling unemployed people this afternoon when you visit Skillshare?

PM: Skillshare is one of the programs which we've now decided to fund more of in this package during the week, to try to give people that counselling and work experience, which is important to them. But the main thing is growth, the economy is starting to grow again. When we get the June Quarter accounts, as we've just had the June Quarter inflation rate, when the June Quarter National Accounts come out, I think the year to June will have grown by about 2 per cent. In the year we are in now to June next year, we expect it to grow by around 4. This will be about twice as fast as Europe is growing. Most of the world is in recession and we're actually growing faster than most places. So with it will come the employment, and the more we see the labour intensive industries continuing to grow, particularly tourism and some parts of agriculture and service, well we'll see the employment prospects coming through, as we had them in the 1980s. Thank you.

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