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19**PRIME MINISTER**

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP,
DOORSTOP, CLARENCE CAMPUS OF TAFE, HOBART, 4 AUGUST 1992

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PM: I'll just say a few words about this for you. I think what we've just seen here, you followed me around this TAFE college, is the value of vocational education. That is, teaching basic skills to people either in securing employment or in the traineeships which you saw, people who have employment but who are getting further training to be of more value to an employer, and as well as that those who are just doing trade certificate courses as well. So we've seen sort of the three streams - those who are getting basic support, that is learning basic skills, those who are adding to skills for work they're currently doing and those who are getting trade training certificates and of course there are live-in facilities here as well. The capital for this building behind me is supplied by the Commonwealth. The capital for the new building trades school will be supplied by the Commonwealth, the machines you saw in the printing office, the printing graphics division was supplied by the Commonwealth. So vocational education is important and that's why we've now developed a National Training Authority so that we can grow this system and grow it in a way which has consistency of quality and application across the country and that's why it was such a vast reform.

J: One of the significant visits I thought during that tour was an inspection of Aboriginal designed Australian flags with the Olympic Games. Do you

think this will be the last Olympic's when we'll see the present flag?

PM: I don't know, but we'll wish the graphic artists well, I'm sure we'll see many more designs.

J: There is some concern that Tasmania is not going to get an adequate share of the funding under your Youth Package or under 'One Nation'.

PM: Tasmania will always get its share. I made the point earlier today that fiscal equalisation is ensured; that the out-lying regions from the larger states of NSW and Victoria have been given funding to give their communities levels of services they might not themselves otherwise afford. When I was Treasurer I supported equalisation for eight years, I still support it and similarly I support a fair sharing of any Commonwealth program.

J: Mr Keating, can you give any guarantees that the Medicare levy won't be increased before the next election?

PM: I'm not here to discuss budget changes at curb-side doorstops.

J: Tomorrow you are going to Burnie, the Company yesterday held a press conference and blamed the reductions in tariffs as one of the reasons they'll have to cut jobs.

PM: I don't think there is any basis for that. If the Company wants to be more productive that's fine, if they have an investment program, apparently another \$20-30 million I'm told, the Company is itself today announcing a new project in NSW indeed, not in Tasmania but still expanding the business. But here, if they want to make the business more productive and competitive and they believe they must do that by greater output for fewer people provided that the transition is handled with the unions, with the staff, either by natural attrition or by suitable redundancy arrangements well that's how it should be. They should discuss these things with the unions and with the workforce.

J: But is it reasonable for them to walk out of negotiations on productivity with unions which is, well they haven't walked out, but in the midst of negotiations to then announce 400 jobs are going?

PM: I'm not in a position to be familiar with the current state of their negotiations or arrangements. This Company did not have a tip top reputation for industrial relations and I just hope it can improve itself.

- J: Mr Keating, do you think the Victorian Government is following the intent of the law by allowing those or by producing those New Zealand commercials?
- PM: I don't know, I mean a law is a law and no doubt if anyone flouts it someone else will blow the whistle.
- J: Mr Keating with resource security, what's your Government doing about resource security, I mean if the Coalition did vote it down in the Senate you are in Government, what is your Government doing about it in the mean time?
- PM: What are you asking me? We put up a Bill which is a very internally consistent, competent piece of legislation which we couldn't get the Liberal and National Parties to agree with.
- J: Will you revive it before the next election?
- PM: And at this stage we don't have any intention of putting it back because the Senate has made its position clear.
- J: Mr Keating, Mr Hewson has called for you to back an apology to New Zealand, are you going to do that?
- PM: Look, Mr Hewson makes strident calls on the hour every hour, you could just ignore most of them.
- J: Do you endorse though the sentiments of those ads?
- PM: I haven't seen them. If there is any matter in contest here it is between the Victorian Government and anyone who takes exception to the ads.
- J: A lot of projects perhaps it could be said are riding in mining and as well as forestry are riding on resource security.
- PM: Not in mining. The mining industry is a bit smarter than the forestry industries I think in this respect. They don't want the Federal Department of Environment clamouring all over them and they have never called for resource security in these respects.
- J: On the Medicare levy you said that you wouldn't discuss Budget changes out in the street, does that mean it is a Budget change?
- PM: No, I was asked about Budget changes and I said I'm not prepared to discuss Budget changes or any prospective likely, rumoured, written about.
- J: Can I just ask you then about the meeting you're supposed to be having as part of the ecologically sustainable development process, the ACF are

threatening to pull out of that meeting because they say it's the recommendations that have gone off the rails because of intervention by State and Federal bureaucrats. Are you concerned that they may think so?

PM: I don't think so, the ACF's a grown up organisation that knows what the tooting and froing is in any of these sorts of things and they found themselves able to deal with the bureaucracy and the political parties quite effectively over the last couple of years.

J: Yesterday APPM for some reason mentioned freight equalisation of that as a threat to their business as to whether it would continue or not. Have they got any worries about that?

PM: I don't think you could ever do a Tasmanian press conference or a doorstep and I haven't done one without someone asking me about freight equalisation, so I could just give you the sort of prize for the day and say no we're not thinking about freight equalisation.

J: Mr Keating, what went through your mind when you saw the man with the chain saw this morning?

PM: Should something have gone through my mind? No, he was bouncing around and someone told me there were no blades in it, is that right? I don't know.

J: The burning question is when will you bowl against Andrew Denton?

PM: I like to play my own weight, I don't want to do any thing with Andrew.

J: Talking about games, what do you think of our performance with the 23 medals now at the Olympics. How do you feel?

PM: I think it is a great tribute to Australian sport, to sports men and women, to dedication, to endurance and also I think Commonwealth funding has helped. We spent \$11 million on the preparation of the team and I think it was the best \$11 million we've invested this year in something which I think has certainly helped the Australian Olympic Team prepare itself and it's a tribute to them all that they could do so well in the face of the worlds best competition.

J: The State Government is planning changes to the industrial relations act here which the Opposition says is similar to those plans that Dr Hewson has for Australia generally .

PM: I'm sorry, I've missed the first part of your question.

J: The first part of the question was that the State Government is planning changes to the industrial relations act which allows contracts without union involvement. Do you think that is the right way to go for Australia?

PM: I don't know that they're planning that. I don't think, look we have come so far through a process of consultation and consensus in Australia in economic policy change and in industrial relations. The proof of the pudding was in the eating, I think in the 1980s we had decelerating inflation even though we had high economic growth and we've now got 1.5 per cent inflation which shows that the wage claims have been entirely moderate. I think average weekly earnings for the year was around three per cent so the idea that this sort of straw man proposition that there's something wrong with unions and pay rates when in fact we're looking at an inflation rate of 1.5 per cent and we've got a wage share in the economy at around 1960s levels, what are they talking about? To inject such rancour as we saw some month or so ago at Burnie and to the industrial relations system of Australia will do nobody any good. The thing Governments have to do is talk to people and people who want to be in Government but not take the responsibilities of Government of discussing complex issues with interest groups should not bother, leave it to the rest of us who do want to talk to them to run the place. And if they don't want to talk to people and engage unions or employees about matters of industrial relations or wages or conditions, if they think they can simply do it by trying to throw people out under common law contracts and take benefits away that have taken a century to put together well you'll have industrial disharmony and we can do without that.

J: Is this a message you are going to be taking to APPM tomorrow?

PM: Well it's a message I made last night, it's a message I'd give any where. The thing is this sort of strident - it's a very funny thing about Dr Hewson and people like him, they want to run the Government but they don't want the Government doing anything. They want to be in Government but don't then want a role for Government. It's a curious approach and is, they want to be in charge of the show but they don't want the thing to do anything. They want to step back and let the sort of mayhem of the market take place where the worst excesses and instincts of people will have free reign.

- J: Are you going to have any specific advice to APPM considering its industrial relations problems?
- PM: No.
- J: Mr Keating, how do you rate Joan Kirner's chances at the polls?
- PM: Well, how do you? I don't know, I will wait and see. It's not far away the election, one way or the other, October is not that far off.
- J: I think what he was asking was why have you chosen to go to Burnie tomorrow to speak to APPM workers?
- PM Well I'm down here and I think that I have every reason to visit Burnie as any other place and the dispute is now over, the place is now starting to tick over again and I thought that was a reasonable thing to do.
- J: .. industrial relations system a major difference between yourself and the Liberals?
- PM: Absolutely, look Dr Hewson's got one policy with two prongs, he wants to lift prices and cut wages. Lift prices with the consumption tax by 15 per cent and cut wages. That's his policy, he thinks that will change Australia. The fact is that the wage share in Australia is not high. The profit share has been very high and will be high again as soon as some volume comes back in the market. There is no need to go slashing wages, we will not improve Australia's prospects by ripping away at people's wages or trying to give them a peasant wage economy. This is not a sensible thing to do.
- J: Is New Zealand doing better than us?
- PM: Well its immaterial whether they're doing better than us. The fact of the matter is we had in the 1980s a lot of growth in this country and a lot of employment, many countries didn't and we've got to go back to that growth and back to that employment and the way to do it will be always with a consensus, getting the business community and the unions together and not this silly sort of sterile view that you can stand back and let people just have their wages cut, award conditions thrown away and in that sort of injustice people will accept it and then do sensible things in the economy, they won't.
- J: Getting back to your visit to Burnie tomorrow, you are going under fairly unusual circumstances in that Burnie has been in the lime light, your visit is going to be seen as quite significant. Why are you going there?
- PM: I'd like to think whenever I visit anywhere it's significant, and if I didn't think that you wouldn't be here would you.

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