



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
DOORSTOP, ADELAIDE CONVENTION CENTRE, 8 NOVEMBER 1993**

E&OE PROOF COPY

J: Mr Keating, you have walked into a State election campaign, you have often been critical of the States in the past of being fairly irresponsible with money, I suppose South Australia's performance, the performance of this Government has added weight to your claims, do you think it would be an indictment of the system to see a State government like this one returned?

PM: I think contrary to your claim this Government is the one repairing the problem. This is the one which has now taken active steps, really active steps, to get South Australia's debt problem under control, and it was with Premier Lyn Arnold that I negotiated the \$600 million payment from the Commonwealth to South Australia. Now, that was \$600 million. That was a huge amount of money. And without it, of course, South Australia wouldn't have been able to repair its problem. That I negotiated with the Premier as part of the debt restructuring strategy before the last federal election, and it is Premier Arnold's Government which is actually moving the whole of the South Australian debt back into a reasonable position.

J: The polls show the true believers are deserting Labor in the State, do you think they should?

PM: Well, look, the last one to take any notice of this will be the pundits, they're invariably wrong in elections, and the public will, I think, look through this ... I mean, have a look at the Coalition. Here they say debt is a major problem here, but they are keeping mum about what they will do about it. What people would find out they'll do about it, is they would sock those least able to afford it to try and remedy the problem. Whereas, I think what the Premier and the Government have done here is say, ok, we have a problem, let's talk to the Commonwealth Government, let's negotiate a strategy and let's get it down. Let's get the debt under control. That's, I think, the far more

mature way to go with than the Liberals keeping some proposal up their sleeve to pull out in the last days of an election campaign and let people repent at leisure later.

J: Neal Blewett is planning to stand aside from federal politics, do you support giving him an overseas posting?

PM: Well, that is not a matter for here, it is a matter for the longer run.

J: But do you believe that Neal Blewett will be leaving?

PM: Well, that's a matter for him, I think. Neal has had a very long service now, and a meritorious service can I say, and in all spheres of public life people will take the opportunity to change careers, and he may well do.

J: Are you happy to be ahead of Dr Hewson in the polls now?

PM: Well, they go up and down these things. You can't take too much notice of them.

J: Governments tend to stand or fall on their record, don't you accept the Royal Commission's finding that this State government in large part, was responsible for the problems that now face it?

PM: Well, I think, Premier Bannon took that responsibility to himself, and accepted it. Premier Arnold was elected to repair the problem, and it has been repairing the problem that he has. Did you notice in the Federal Election that the Federal Liberal party would make no commitment of funding to South Australia? Did you notice that the State Opposition Leader was unable to procure any financial funding from the Commonwealth under a Coalition Government? That's not true of Premier Arnold. I mean, he and I negotiated the \$600 million. Let me just repeat that number - \$600 million. It seems that you guys won't talk about it, \$600 million, which the Commonwealth has advanced to the people of South Australia.

J: Yes Prime Minister, that got you re-elected.

PM: No, it is not a matter of getting re-elected. Thank you, no, for the cynicism. This State had a problem which it was not able to repair on its own account. Lyn Arnold understood that and approached the Commonwealth and we sat down and sought to remedy the problem. We have now got it back where its debt trajectory will come under control. It doesn't need a Liberal government with a secret plan to knock everyone over the head to do that.

J: Mr Keating, this Government has presided over a \$3 billion disaster with the State Bank, you're saying that people should still vote for this Government, what is the cut off point?

PM: What I am saying is that was the Bannan Government and, I think, this Government decided, - this Government, the Arnold Government, decided that prudence demanded, that a debt management strategy be undertaken. I just don't think it is right to say that this Government was the one that created the problem. I mean this one is now remedying it.

J: This Government, Mr Keating, is the Bannan Government minus Mr Bannan over the last eleven years, that's all this Government is.

PM: Well the fact of the matter is that the Government is pursuing a strategy which is now about dealing with this problem, in the belief in the first instance that leaving these matters with financial institutions was the right and proper thing to do. As it turned out whenever a Government has ultimate responsibility for funds that they are best with some knowledge of what is happening within these financial institutions. Now, it turns out the former view was a mistaken view. But having accepted that, the Government has now made changes to give South Australia a debt situation which you can bring under control. What I would say to you is, no other Party and no other Government was, in fact, capable of negotiating that with the Commonwealth, and that would not be the happy position South Australia is now in.

J: Both major parties are basing their debt reduction strategies on 4 per cent growth, is that a bit ambitious, you are talking about 3.3 per cent, in a report the other day, 3 per cent?

PM: We grew over 3.3 for the year to June, I mean, these are matters for judgement. But again, I am not privy to the figuring in the these things.

J: Has the wine tax and the petrol tax done irreparable harm to Arnold's chances?

PM: I don't think so. Look, I have just given figures a moment ago, the wine industry's exports are growing, we have exported more in the month of September than we did in the whole year of 1985-86. Now, I remember when the wine tax was introduced in the 1980s, I introduced it. It was then going to be, sort of disaster for the wine industry. It has gone from strength to strength ever since. Thank you.

ends