



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
INTERVIEW WITH PAUL MURPHY, DATELINE, SBS TV
10 NOVEMBER 1993

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PM: Prime Minister, welcome to Dateline.

PJK: Thank you very much, Paul. Good to be here.

PM: If I can start with the Seattle Summit. You are off there Wednesday of next week for the APEC Summit, but President Clinton's having real trouble with NAFTA, getting it through the Congress, if he fails to do that what's the effect on APEC?

PJK: I think the effect would be, perhaps an indirect effect, and that would be that the flag of free trade or freer trade would be lowered in the event that NAFTA didn't succeed in passing the Congress. It wouldn't in any way diminish the United States capacity to trade into APEC, or Canada's independent capacity or Mexico's independence to trade into APEC, it is just that they wouldn't be an entity trading into APEC. But it won't affect APEC it only basically effects the North American trade arrangements.

PM: What do you expect out of the APEC Summit? Is it just a meeting, an informal sort of meeting amongst leaders, or do you expect some real progress? Because some people are saying to you, don't press too hard, don't expect too much.

PJK: Well we have got an eminent persons group who have outlined steps for the directions that APEC will take. We are trying to take APEC from, basically, a mini OECD, an information policy secretariat, to an executive body that will actually improve trade facilitation and lift the velocity of trade and investment in the Pacific area. That can't happen without the authority of the governments. So, we need the leaders of the governments together, to pull it together, if we are to talk of it being a community.

PM: Yes. Would you accept Russell Fynmore (of BHP) advice that you may be going too fast and to put the brakes on?

PJK: No, I don't think so, no. Australia hasn't got a second to lose. We have all ready lost a century or so of getting ourselves accommodated in this part of the world, and to get a structure in the Asia-Pacific. The great thing about APEC is that, all at the one time, it gives us a chance to multilateralise the interests of the United States, Japan and China, as well as the countries of South East Asia. Now, large countries like the United States always reserve the rights to do things by themselves. They don't like signing up to a set of rules. But I think this is the great opportunity of APEC and why it should be taken.

PM: But, Prime Minister, what about Asian countries who do have high tariff walls, will they feel threatened at all?

PJK: I don't think so, because you can see there is Indonesia now starting to announce a week or so ago a reform agenda to get industrial protection down. You can see that China will do the same. But we are talking about two things here, facilitating trade, trade facilitation, and protection. Such things as harmonised company rules, harmonised investment standards, harmonised foreign investment, property law - all these things will make investment better.

PM: Prime Minister, on to your Mabo legislation, which I think we will be seeing pretty soon, can you sketch out the principles with the accompanying social justice package? What are you doing there for Aboriginal and Islander people?

PJK: The big problem for those who can't avail themselves of some of the benefits under the Mabo decision or the body of law we will establish are those who are formally alienated from the land, dispossessed of the land, the so-called social justice package largely will be a land acquisition fund, a large revolving fund.

PM: How big will it be?

PJK: Well that is yet to be decided, but it will be substantial. I hope that the earnings from the fund itself will be enough to be able to continue an acquisition program every year. In other words it won't be the spending of just a fund, but the earnings of a fund, will continue to go on.

PM: Hundreds of millions, or billions?

PJK: Well, hundreds of millions, at least.

PM: At least.

PJK: At least.

PM: Now ... Richard Court is going it alone, he is extinguishing Native Title, but he is allowing traditional use of the land. Why can't you do that as well as doing what you are doing in your legislation?

PJK: Well, what he is doing is basically taking away the proprietary title, that comes under our legislation, it comes from Mabo. He is saying Aboriginal people can have the maintenance of so-called Native rights undefined, but no proprietary title, certainly nothing running as far as sole occupancy, or anything like running as far as freehold. In other words what he is saying is you can have a set of rights but not title, and we can take those rights away whenever it suits the Government.

PM: But you will ride roughshod over him, won't you, when you bring down your legislation?

PJK: Well, we are hoping that he will sign up to the principals we have there when he sees the legislation. Because we made it very clear here, Paul, that the economic imperatives, as well as the social imperatives, have got to be met here. And so we have left all the development area with the States, and for them not to accept that, some States like Western Australia not to accept that, is to wilfully take an ideological view that in the end Aboriginal people should not have title to land.

PM: But he is unlikely to sign up, isn't he?

PJK: Well if he doesn't the Commonwealth tribunals would operate in Western Australia.

PM: Right. Could I move on now to one of your biggest and most intractable problems, unemployment? Now, you are saying that the economy is really recovering now, but how can you really say that when we have still got unemployment over 10 per cent?

PJK: Well, I am not saying that unemployment has recovered much Paul, because it hasn't. This has been a productivity-laden recovery - that is, we are getting more output from fewer people. We are starting to see the job vacancies and some employment come through now. You notice the ANZ job series this week was up ...

PM: Yes, 7.7.

PJK: Yes, 27 per cent over the year and up substantially in the month. But what we have to do is not just get aggregate employment going, but also deal with the long-term unemployed who have slipped to the bottom of the queue.

PM: Indeed, on a personal note, in your own electorate - in Canterbury-Bankstown anyhow - 20,000 people out of work, that is 14.4. What can you do about that, because you have been back in power now for eight months?

PJK: That is why we have this major study going on now - that is, to see whether we can do something in Australia which is novel and new in world terms, as well as dealing with the long-term unemployed through the labour market programs which we are now spending over \$1.5 billion on. That will get people at least back into work experience - those who have not had any work experience in the recent years.

PM: OK, you have got the White and the Green Paper, but when is the earliest we can see some decisions on that, like things such as the jobs guarantee level - whether you are going to do that?

PJK: All those questions will be resolved in the Budget round of 1994.

PM: Right. What about Mr Dawkins' suggestion for low award payments in the private sector?

PJK: We are waiting to what the Committee recommends. It is the most far-reaching review into the labour market, and trends in the labour market and unemployment, that we have had since the war. So, it is a very large piece of work and the Government will take it seriously and we will then look at the policy responses coming up to the Budget next year.

PM: OK, just to clarify that, the new Budget round you say. Is that Budget round being brought forward, say February/ March for say an April/June Budget?

PJK: The Government is considering bringing it forward on the proviso that we can get the Budget through by 30 June. That is, we actually do genuinely change the cycles and not that we have some spill over that runs into July and August because were we to do that there is no point to it.

PM: Right.

PJK: So the Treasurer is now exploring those matters and will be with the minor parties in the Senate in the next week or two.

PM: So, can you promise Australians that there will be some really concrete action on unemployment say February/March/April?

PJK: I can certainly promise them this Paul - there will be very concrete action on this report by the Government to deal with unemployment in

the next Budget. Now, if it is an early Budget, it will be earlier; if it is a later Budget, it will be a bit later.

PM: OK, just on levies. What about raising the Medicare levy for those who can afford it, who earn over \$50,000 a year?

PJK: That is another thing that Cabinet has got to consider - what we do about health and there is no doubt that a lot of the healthier people are dropping out of private insurance. But, Medicare is a generalised levy: I pay 1.4 per cent on \$160,000 a year; someone on average weekly earnings pays 1.4 per cent \$32,000 a year.

PM: Should you pay 1.9 per cent?

PJK: Well, I'm paying now much more say, than someone on a low income and that has been the principle of Medicare - universality and a single rate. I think, the Government would need a lot of convincing to shift away from that.

PM: Graham Richardson of course, says that he is summoning up the courage to suggest to you that you and your family should go into private health insurance.

PJK: He is going to need a lot of it.

PM: A lot of courage?

PJK: Absolutely.

PM: You are not contemplating going into private health insurance?

PJK: No, I'm not and why should I? Because the fact is we have got a levy which is universal. It is a bit like the argument saying you can't put your kid into a public school if you have got an income over \$60,000.

PM: But, you have often listened to Graham Richardson, so in this case you are not going to take his advice?

PJK: No, well, Graham is going to bring a package of things to the Cabinet and this was only one of a great number of measures, and he has always made it clear to me not any one of them is vital to the package he has in mind.

PM: A final question on multiculturalism. You have always tried ... can you give a commitment that your Government will continue to fund a lot of the programs that entails, because you have cut English tuition to adult migrants by 30 per cent?

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PJK: But, our support generally for the multicultural programs of the country has been growing right through the '80s and in the '90s and also may I say, SBS is a model of that. In fact, the very expression of that.

PM: A very final brief question - do you think you will be facing a new Leader of the Opposition Christmas or New Year?

PJK: I think Dr Hewson signed off on 13 March as an effective Leader of the Liberal Party. He got the job back because they didn't know what to do at the time. Now, they have had some change to ruminate about it and think about it - I think they will come to the conclusion there is no more life left in him and whoever it may be, we will deal with them as they arrive.

PM: Prime Minister, thank you very much indeed for coming onto Dateline.

PJK: Thank you, Paul.

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