



## PRIME MINISTER

**TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER, THE HON P  
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J: Prime Minister, another Labor State has fallen to the conservatives, does that pose problems for you nationally?

PM: Well, I think it's a disappointing result for Lynn Arnold and I think he deserved better - I think his government had tried hard to repair the state's economic position as we cooperated in funding \$600 million of commonwealth funds into South Australia to ease the bank problem. But, I think what it means is now the Labor Party is going to have to rebuild down there and focus on the needs of South Australia, which I'm sure it will do. It's been in office for 11 years, it was a long innings, it deserved a better result than this but the people have made their decision and I think the party has got to take notice of it and build.

J: What difference will it make to federal/state relations, especially in the Loan Council, now?

PM: I don't think any difference, basically. I think we've got a very public process now with the joint national fiscal outlook; everyone knows, basically, where the fiscal game stands and we treat states as we find them in terms of their problems.... each state and its problems when they arise. So, I think we'll have the same cooperative spirit in the Loan Council and the Premiers' Conference that we've had.

J: Does it make it harder though, to pursue.. inaudible.. like industrial relations and perhaps Mabo, things like that?

PM: Well, Mabo is in a different category. I think that we've actually had some Coalition states in the past that we've done a lot of cooperative things with, in terms of micro-economic reform. So, I don't really think that's a problem. I think that we have a Federal system that works and works well, and I think it will work well no matter who the Governments are.

- J: Prime Minister, are you satisfied now that the Malaysian matter is entirely behind us?
- PM: Oh, I think so. They've made that clear themselves.
- J: Are you confident that jobs will actually flow from the Green Paper this week or... people will have to wait around until Cabinet next year to find out what the real options are?
- PM: Well, obviously, jobs can't flow from a paper the day it is presented but it will be focusing on the long term unemployed particularly - those people who have carried the brunt of the decline in the labour market, who've been unemployed for one or two years - and we need to try and get them back their self-esteem, back into employment and back into the mainstream labour market. We are helped, of course, by the fact that we've had now some real growth in the economy, as confirmed last week. We're growing now as fast as any OECD country, we've had about 100,000 job growth in three months which is very encouraging. And that really leavens up the labour market and makes the difference in terms of making some of these programs work. So, we're looking forward to the receipt of the Employment Task Force report, to consider that along with the report which Bill Kelty is presenting on regional development. And we'll consider the two in the run-up to the Budget which will now, of course, be an early Budget.
- J: Does jobs growth lessen the need for a jobs levy, do you think? I mean, we've got growth and jobs in the economy?
- PM: There's no point in me speculating about what things will emerge from the policy consideration of it but there is no substitute for growth in the economy. There's no substitute for growth in employment. And we are seeing growth in the economy and, of course, we're seeing employment with it. And it's that aggregate employment which comes from growth which is the key to making the place that much better. And it means that the programs which do focus on the long term unemployed are then working in a much more sympathetic economic environment.
- J: If the Green Paper does recommend the jobs levy - given that the ACTU and others are already pushing for it - how much pressure is the government then under?
- PM: The Government's not under any pressure with it. It's a matter of just making its mind up about what it wants to do by way of new programs and how it wishes to fund them.
- J: What's your view of the jobs levy?
- PM: Well, I've said before, I've got an open mind about it. But, again, I'll see what's recommended and then consider what we might do and how that ought best be funded.

- J: You've said three billion dollars is a bit much to spend on job programs. What sort of ballpark figure are you looking at?
- PM: Well, again, I can't give you that either, off the top of my head, but three billion is a very big increase in outlays and we need to consider this report carefully.
- J: Considering the growth that's going on in the economy now, do you think that lessens the impetus for having to have a jobs levy?
- PM: No, because one can talk about aggregate employment but that's an entirely different thing to those who are long term unemployed.... those who have been, already, out of the labour market, have lost self-esteem, lost their skills, lost their place... and even if the labour market is picking up, as it is, it doesn't necessarily mean those people will get a job.
- J: Are you looking forward to having Bronwyn Bishop as a sparring partner in the lower house, now?
- PM: Well, I think the Liberal Party has decided to let her through. So, from my point of view I won't be taking much notice of anything Dr Hewson says from here on in, because I think his days are numbered. If the party wanted to preserve John Hewson's leadership they would have stopped Bronwyn Bishop coming into the House of Representatives.
- J: So, you can see her as the next leader of the Opposition?
- PM: Well, they didn't stop her and it's pretty obvious that she has run for the leadership all year and she's now made the transition into the House of Representatives, and I think that's probably, we're seeing the very clear end of John Hewson's period of leader of the Liberal Party.
- J: Just to go back to Dr Mahathir, do you think there's a lesson to be learnt, in the way all this has occurred, in relations between Australia and Malaysia?
- PM: Well, we've had a good thirty year relationship. It's gone back to the time of the Indonesian confrontation period and other periods earlier than that, I think it's a pretty robust relationship and I think this proves that.
- J: If I could take you back to South Australia for a moment, given the weekend result, there's been talk of Neal Blewett retiring, would you like to fight a by-election down there early next year?
- PM: I think the Federal Government is presiding over, now, a growth economy. We said, in One Nation, we'd restart the economy, get it back into growth and get employment growing. That's what we're doing. I'm quite sure, had the Coalition won the election, you would have had Dr Hewson strutting around saying, "Look at all this growth and look at this employment, it's all because we've arrived." In fact, it's all because of the policies of the Labor Party with

the One Nation package and Investing in the Nation. That's what has restarted the economy; low interest rates, low inflation and a good economic policy. And, it is with that promise, not just a return to growth but stronger employment and setting ourselves up institutionally in the Asia-Pacific - these are the things that are going to be meat and drink to the Australian people. So, why would the Government worry about testing those policies in the electorate.

J: Do you think people can separate the state and federal issues?

PM: I think this was exclusively decided on state issues as, in fact, most state elections are. I think this was determined on state issues and the federal government will run on its own strengths, on its own policies.

Ends.