



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
INTERVIEW WITH JOHN SHOVELAN, ABC RADIO, "AM" PROGRAM,
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PM: We have come a long way with COAG - the Council of Australian Governments - in just a short period of time. We have seen a number of substantial success stories in the national arrangements for technical and further education with the National Training Authority; we've seen a declaration to do something very radical with electricity, so I am hopeful that that same spirit will continue because it is now up to the commonwealth and the states to move along change in the government business enterprise area.

JS: Well, are the states still adamant that a national competition policy is going to cost them a lot of money?

PM: It is in every states interests to see reform, I think, in their own interests - not just something which the Commonwealth is seeking to manage, in a sense against their interests or against their wishes. We must have a competitive economy in the private sector, in the public sector and this kind of change will mean that their states are more competitive therefore business succeeds - is more likely to succeed; growth will be more obvious and therefore the proceeds and their budgets will become more bountiful. The more supple are the economies of each of the states, the more likely they will have healthy budgets.

JS: But they seem more concerned about the short term don't they, at least going into the meeting?

PM: I wouldn't underestimate people. I think there is a lot of value amongst them in terms of knowing what is good for their states and good for the country.

JS: What are you offering the states in return for adopting your idea or the Hilmer Report on a competition policy for Australia?

PM: In a sense it is not just a Commonwealth idea. It is a general thing that the nation must do. We have now been moving towards a much more competitive country over the last ten years.

JS: But you have got to sell it to them don't you? There are a few Premiers there that are a bit reluctant aren't they?

PM: It is a report which has the support of the business community, of the major business organisations and one would have thought that most Premiers would see their states interest running parallel to those business interests in terms of the private economy. So, it shouldn't be a very radical proposition for a meeting of Heads of Government to adopt a policy on enhanced competition.

JS: How do you read Premier Richard Court's mood? I understand he has released a forty page audit of what he calls "a Commonwealth power grab"?

PM: I don't think he could construe a move towards higher levels of national efficiency in any way ... I mean, how could it in any way be a commonwealth grab so-called. It is simply making the state of Western Australia as the other states - as in the other states more efficient. That is, making the government business enterprises more efficient. It is something for them, not for the Commonwealth.

JS: Do you believe your attitude towards COAG has changed a great deal since the days when you were a back bencher? For example, when you campaigned very strongly against the idea of a fixed share of revenue for the states?

PM: I have always said that uniform taxation is the glue that holds the federation together. That is a view I have, I do not believe that six states with their own taxing powers will do anything but develop six separate economies in this country. That can't be good for any of us, so I have never compromised on that view. But, that is not to say I don't believe that the states shouldn't be properly resourced and that we ought to develop, that is, a co-operative culture together in these other matters. That is, in service delivery in program delivery, in the efficiency of government business enterprises - these are all things of common and mutual benefit.

JS: That is a hump though that you have to get over with a few of the Premiers isn't it?

PM: It hasn't been at the last couple of meetings.

JS: But coming into this one there has been, I think, Premier Goss, Premier Fahey.

- PM: But there is a general assumption that Premiers are not into good works and deeds. I just don't think that is true.
- JS: This time around it is five Liberal Premiers, I think it is, and Premier Goss, how does the mechanics differ, the dynamics differ given the party structure?
- PM: I do not think the party denominations has made any difference over time. I have had more arguments with Labor Premiers than I have ever had with Coalition Premiers.
- JS: Well, that's one of the ironies isn't it? I mean, there is a strong suggestion that Jeff Kennett is probably your biggest ally in there.
- PM: I have had arguments over ... they have been basically financial ones, but where these are about micro-economic change and program delivery, they are different kinds of issues. But I think, from my point of view, you take people as you find them and most people in public life are well motivated towards change and doing sensible and reasonable things.
- JS: It is important for you that the meeting is successful because there is a perception around that the government has become politically bogged down by the 'sports rorts' affair. That is fair enough isn't? That is a fair enough perception for people to take out of what has been going on over the recent weeks?
- PM: I don't think it is, but this is a classic Canberra Press Gallery story. Out there in the country in the broad, I just don't think too many people have (switched) onto the so-called 'sports rorts' affair which is about what in the end? About giving grants to amateur sporting clubs who will never have the financial resources themselves to put in a netball field or a basketball facility or what ever it might be.
- JS: Do you accept though that it is causing some problems for you?
- PM: It is causing us some problems, yes, it is. But again, let's see where the value is. The value is in the pick up in the economy, which is now very obvious; it is in changes of the kind that we will be considering at the Council of Australian Governments; it is in the pick up in employment. That is where the value is and I think the public focus on value and they let a lot of the political static go over their shoulders.
- JS: Yesterday the public gallery applauded and John Howard thinks the public gallery was actually applauding him. Who do you think they were applauding?

PM: Look, it is very hard to decipher these things at the time. The fact is, the leader of the Opposition made a very poor speech and his backbench was embarrassed as was his front bench and they decided that the story should be parliamentary hi jinx, parliamentary uproar, rather than the story which would have otherwise been written entirely, though of course it's been said, in the commentary over night, that John Hewson had an opportunity to land some punches and couldn't even do it on this. That was what it was really all about.

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