



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
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J: Mr Keating, you made some remarks about the importance of regions, we're talking about the Central Queensland region here, how important will it be in Australia's future?

PM: Well, I think, that regional development is going to be important across the country, but probably especially so in states which have better than average growth opportunities and, I think, this is true of Queensland - it's got this temperate climate running for it, it's got a population shift running for it. Regions, I think, are getting better organised, they are more tightly focussed and they do engender their own confidence. I mean, what studies show is where we see regional leadership we see progress beyond the national average. Now, the Commonwealth is prepared to get in and help people in such progress. We are prepared to get in and help regions do these things, but it's got to be on the basis that people are there to help themselves too.

But, I think, in this part of Queensland where we are seeing ... people are aware of the fact that there are enormous international opportunities here as well as national ones. I think, that's a big break through.

J: What is the significance of talking to the young Central Queenslanders this morning?

PM: Well, I always get a charge out of talking to young people because their minds are, apart from being fresh and alert, they are not weighed down with a whole lot of baggage and prejudices and they're just happy to take things as they come, think about them and respond. They are always a tough audience young people. They are tough judges and I always like to give them the opportunity to at least say things to them directly and it is not filtered through the media or

something else. So, I enjoy the opportunities and well, I think, they did.

J: How did you impress on them the days of riding on the sheeps' back are over. It's a tough message to deliver in an area that is so rurally focussed.

PM: Well, it is not to say that we don't need rural industry, we do, and rural industries contribution to Australia is still very obvious. Fortunately now because of the change in the last ten years, rural industries are now more competitive than it used to be. But, it is not enough to sustain the Australian population. It needs more than it. It needs innovative product markets, internationally traded services and the other thing is we can have them and we can particularly have them with a big through put to our education system. You know, high participation rates in schools, huge addition to university and TAFE places, all of this is going to power along, push along product innovation and our capacity to market sophisticated products. So, I think, with rural industry what we want to do is do the traditional things well, but add value where we can and our changes of doing that now are much greater than they were 10 years ago.

J: Shoalwater Bay is obviously the biggest regional issue at this time. Will you be having a look at it?

PM: Let me confess my interest in some of the pristine areas of this country. I was one of the members of Cabinet that supported the decision to preserve the Daintree rainforest, more recently Jervis Bay in NSW and I, as you know, commissioned the study of Shoalwater Bay, looking at the economic and environmental values of the area. Now, the report has been presented. The Cabinet is about to consider the report and I hope that will be soon.

J: Have you also had a look at what the miners have had to say about the report?

PM: Well, I've had some cursory examination of that, but I think, this will all be revealed in the Cabinet discussion we'll have.

J: So, you can't give any hopes to the 'greenies' here today?

PM: Well, I think, the hope to the 'greenies' as you put it is the fact that the review is there in the first place and it is now reported and the Government will have to deal with its recommendations, but there is a thing called due process and due process means that you don't rush the judgements.

J: Any comment today on home lending. Banks is a big issue - the word in Canberra today.

- PM: Well, I think, the Reserve Bank is doing what central banks do - they keep an eye on the system they run - they run the banking system, look at its impact upon the national economy, its prudential supervision, and the Government has obviously, you know, had some communication with the banks about housing lending, its modalities and its impact on the economy.
- J: Should we feel confident then with new home lenders, new home buyers?
- PM: I think, there is more than enough. I mean, you are seeing now an absolute proliferation of home lending institutions. An absolute proliferation of them. We've got the ACTU joining with one of the big mutual funds to provide housing lending, we are seeing it coming from some of the smaller savings banks, so I don't think the housing market has ever been better serviced than now.
- J: What about re-regulation as the way to go?
- PM: Well, if we are talking about re-regulation in the pure, no, of course, it is not the way to go. We just spent a decade getting out of it, but that is not to say that the sensible supervision on the system, that is, the central bank nudging the system in one direction or another isn't an appropriate thing for a central bank to do.
- J: ... the drought will worsen, is there anything further the Federal Government can do to help the farmers?
- PM: Well, we think that these climate change affects are now so profound that they are with us almost every year, that these are no longer simply a, sort of, fall into disaster category. It is almost part of managing rural enterprise and accordingly we have now included drought arrangements in the Rural Adjustment Scheme, well, in the breadth of the Rural Adjustment Scheme rather than simply regarding it as a one off, because they are not one offs, they are around most of the time in one form or another. We are now looking at this scheme and Bob Collins was, I think, here recently, is now seeking a review of the scheme to make sure that it is meeting its objectives in terms of assistance to drought affected areas.
- J: The farmers are upset that you haven't been to a droughted property on this particular tour?
- PM: Well, I have on others. I mean, I know what the problem is and it is coming from these obviously climate change affects. As I say, it is more or less a permanent feature of the landscape in one place or another. So, the thing to do is to try and deal with it systemically through something like RAS and where we think that it is not working right, think about it, talk about it, review it and get it right.

- J: Mr Keating, the remarks made on 'AM' this morning from Thailand's Deputy and Foreign Minister, are you aware of the pointed criticism of Australia's stand on human rights issues?
- PM: Someone did tell me about it. Look Australia's human rights record is as good as any in the world I think. It comes from the deep sense of democracy in this country. People do have a very tolerant attitude to one another and respect for one another and that's where that respect for human values come from and I've really thought it is one of our great strengths here and abroad.
- J: Well, how does it feel, the Bishop of Dili making comments that throw into question Australia's stand and supposed inconsistencies in dealing with ...
- PM: Look, no inconsistencies. We've always been concerned about violations to human rights and we express our concern forth rightly whenever we have the opportunity. In the case of Indonesia, the way to express that concern is in the context of an environment of a broad relationship that matters to us and matters to Indonesia. I think throwing stones from a distance doesn't have any impact at all. It's a matter of whether one wants to be effective in registering ones disquiet of these things or to feel good about it.
- J: Do you think it's quite strange that we are standing on Aboriginal land as you're saying those things?
- PM: Why would it be strange? I mean, that's another thing where I think Australia's record is second to none. We've just passed into law - that's the Labor Party, and some elements of the Senate - one of the largest pieces of property and cultural law that any government has ever contemplated which is giving justice to Aboriginal people.
- J: Will the skills training that we are going to have full employment, there has got to be jobs there. How do you answer claims from the Opposition that you have got to have job creation, if you've got to have trained people?
- PM: Well, you've got to have growth, economic growth, and that's where the jobs come from as the economic growth of the last year has proven - 5 per cent economic growth and 3 per cent employment growth. There is no substitute for growth, but the Opposition has always proven it can't manage a growth economy. Whenever it's around inflation rears its ugly head and the only way they know to stop inflation is to kill the growth. They are saying well, growth is terrific, but it brings inflation so we can't have that so lets not have the growth. When we don't have the growth we don't have the employment, so it's no accident that Australia is leading the pack in terms of international change, in terms of international growth rates, in terms of employment

growth and it's in this way that we'll get Australians back to work. We have already had 150,000 job growth in the last year.

J: Mr Keating, do you agree though with the Reserve Bank's concerns by limiting home loans and funding for home loans, that that is the way to control inflation?

PM: There is a relationship there between the Governor and the banks which is a banks relationship and I'm not privy to all this and that's what we have a Reserve Bank for - to manage this sort of relationship.

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