



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING, MP  
INTERVIEW WITH DAVE HARRISON, RADIO 4TO TOWNSVILLE,  
WEDNESDAY, 20 JULY 1994**

## **E&OE PROOF COPY**

**PM:** ... the story and the picture was in The Bulletin today, they don't do colour.

**DH:** We'll have a little chat to them. Mr Keating, welcome to Townsville. I hope you have a great stay here. If you can just put on the headphones, I've got our very first question for you. Certainly a statement that a lady made and I think you'll like this.

**C:** I think I'm speaking for the kids, because, look, I consider myself a dinkum Aussie right back from an Irish convict and an Aboriginal lady. And look, I think Mr Keating is doing great wonders for this country and I hate to see people putting him down and honestly, if they vote in a Pommy, you know who I mean, I think we are all going to be sorry. You know, I think that Paul is doing a great job, leave him alone and he'll do even a greater one.

**DH:** Well what do you reckon about that?

**PM:** Well it doesn't come any nicer than that, thank you very much indeed for those sentiments.

**DH:** Mate, I must ask you, you did mention the good relationship we do have with Canberra, due to Ted Lindsay, but he hasn't got a Cabinet post as yet.

**PM:** Well, Ted is sitting beside me.

**DH:** Ted you can make a comment there if you want, there's the microphone.

**PM:** We've got four Queenslanders in the Cabinet and that in the Ministry is a pretty substantial number. Ted is a Parliamentary Secretary and he has been sworn in by the Governor-General as the Ministers are sworn in to administer a certain department or certain departments and he does that work in fine style. But the most important work, of course, he has done is respect of Townsville of course is for the people of

Herbert. As I said last night, when one looks back to the things which Ted has secured for Herbert such as the dam and the pipeline and the One Nation funding for the port more recently, the tax office, the Commonwealth buildings, I mean it just goes on and on and on. So as I said whenever the Finance Department see Ted wondering in the corridors they always wince because he has cost the Commonwealth budget so much.

DH: Well, mate, if I could ask you just to put the headphones on just once more. I asked a couple of kids to call this morning and ask you a couple of questions.

C: Hello, this is ... and I would like to know what Paul Keating does with the taxes and what is his favourite food?

DH: Now I know that is a pretty heavy question, sir, what do you do with the taxes and your favourite food.

PM: Well what we do with the taxes is we try and do the things, all the things, first of all the principal thing we do in this country is always to seek to protect the physical security of Australia through defence, so we spend money on defence and we spend money then on health and on education, on schools, on universities, in support for the aged through pensions, and aged care. These sorts of things are the things we do. And we do it, I think, well.

DH: Indeed, your favourite food, mate, now that is the important one, the kids want to know.

PM: My favourite food, well I'm not sure what my favourite food is. I think it is probably a good rare steak.

DH: Fair enough, Port Hinchbrook, getting back into the serious thing again. What will the Feds do if Valentine's report shows there is cause for action over the famous Oyster Point?

PM: Well I'm not really across the issues here. I know there are development issues involved here and there will be, as in all these major environmental things, whether it be the wet tropics or the Great Barrier Reef, or whatever it is, there is due process. And I mean, any development application will be considered properly and we'll look at all the environmental aspects.

DH: Right. Now if you would like to ask Mr Keating a question - 723777.

DH: Mr Prime Minister, have you ever been to Magnetic Island across the road here?

PM: I have years ago.

DH: How many years ago. A long time?

PM: Oh yes, about 15 years ago.

DH: Did you like it?

PM: Oh yes, the whole area is lovely.

DH: Changed a little bit.

PM: Yes, well the whole Pacific has changed a lot since. But the coast, there is a much greater emphasis on the natural values of the coast, I think, and particularly with tourism growing the way it is. So these are great assets.

DH: Indeed they are. I notice in the Financial Review this morning, Mr Downer labelled as Mr Practical and interesting stuff on the detailed policy.

PM: Well it was very interesting I thought because it said that, about the policy outline, he says the outline also confirms a statement will avoid detailed policy. You see, Mr Downer wants to be in the public debate but not into policy. He said on 4QR in May, he said I think, "Australians are entitled from the two major political parties to have reasonably detailed policies." Well now he is telling us he is going to avoid any detailed policy. He said, they are talking about "commonsense goals including focussing on those things that unite not divide us, a maintenance and strengthening of the federal system," just a series, essentially a series, of motherhood statements. So, I think what we are going to see is just a bunch of cliches sort of wrapped in the flag. And that is about all we are going to see from Mr Downer. Yet he has promised policy detail. The Government, of course, when it announces a White Paper has all the policy forensically displayed for everybody to read and understand and those policies have an impact on the country and on society. The Liberals now think they can skate through without policies, they have been so burned, they think, by Dr Hewson's policy articulation they are going back now to no policies. Well this is just in contrast, in contr distinction, to what Mr Downer said, the public were entitled to with detailed policy announcements.

DH: I think we might let a couple of North Queenslanders ask you a couple of questions. Morning Elizabeth.

C: Hello how are you.

DH: How are you mate?

C: I'm fine.

DH: That's the way, say good morning to Mr Keating.

C: Good morning Mr Keating.

PM: Elizabeth, how are you doing.

- C: I'm well thank you. The question I have is my husband and I are getting the money together for a deposit on our first home but are concerned with talk of rising home loan interest rates etc. So what are your plans to ensure interest rates don't skyrocket?
- PM: Well, it is not a matter of skyrocketing, they are not going to skyrocket. The thing that basically governs the price of money is two elements. One the inflation rate and two, the real rate of lending above the inflation rate. Now, as you know, we had housing loans at around 15 or 16 per cent in the latter part of the 80s and they are now down to somewhere between 7 1/2 to 9 1/2, that sort of area. But while ever the inflation rate remains low, interest rates will remain low too.
- C: Well I understand how interest rates work, my concern is more so comments about the Reserve Bank meeting with the banks. I mean, making it harder to get a home loan. Like will our chance of obtaining a first home just be shattered now.
- PM: Well I think there are two things here, there is the loans for first homes and those who build them and there are loans that go to the existing property market. That is, where no houses are being added to the stock, but the loans potentially just simply driving up the prices make housing less affordable. At the moment, housing is very affordable on the basis of price and on repayments through the interest rate. And we were last, I think housing, you have got to go back a long way to find housing more affordable than now. And need I say, that the reduction in interest rates in the last few years has meant a big increase in disposable income for families because the repayment rate has come down. I don't think there is going to be a problem about first homes. I don't think there is going to be a problem at all in fact. But we don't want to see, if you like, housing institutions, lending institutions, driving up the price of existing properties which is not going to help anybody get a house.
- C: Okay, thanks for your help.
- DH: Thank you very much Elizabeth. Morning Gina.
- C: Morning
- DH: How are you going on your North Queensland morning, alright?
- C: Very well thank you.
- DH: Say g'day to the boss.
- C: Good morning Mr Prime Minister.
- PM: How are you doing?
- C: Good thank you. I don't really have that many questions. The one question that really interests me is how you feel about the commitment

to the UN in the Rwanda situation. I mean, are we going to do anything about that do you think?

PM: Well, we have been very firm supporters of the United Nations particularly when the Cold War finished and the sort of polarity between the United States and the Soviet Union disappeared. A lot of regional tensions have emerged as a consequence. And the body that has, if you like, filled some of the gap is the United Nations so Australia has been very supportive of the UN in peacekeeping operations, most famously, of course, for us in Cambodia and Somalia etc. So we are prepared to participate in peacekeeping operations providing they are well planned, where the objectives are clearly set and where we think there is a start, a middle and a finish point. That is where we understand the environment we are coming into and the one which we will leave. In Rwanda these things are not yet clear and it has not been easy to develop a response, although we have been looking at evaluation on the ground there and we have sent a small team to do some evaluation. When we get that report, the Government will make further judgements about it. I mean, the Foreign Minister has had this matter under notice, virtually now permanently because of the difficulties there and the Government will be considering what it might do in Rwanda in the next few days, to week.

C: That is excellent to hear. I'd also just like to make a comment, I think you are doing an excellent job.

PM: Well thanks very much.

C: I hear people bagging you out all the time, you know, like sort of on unemployment and I just really appreciate the situation that Australia is in with our social structure, our hospital benefits, I mean you don't have to suffer with tooth ache, and you look at these poor people over there and then you look at what we've got and I think a lot of that has got to do with your stature as a leader.

PM: Well thank you very much. A couple of years we had problems, we are now growing at 5 per cent. Australia is growing faster than any Western country. We've got inflation at 1 per cent, we've had 3 per cent employment growth in the last year. So on growth generally, inflation and employment growth, we are ahead of the Western world countries now by a big margin. Now my opponents were telling us in the last election campaign, Dr Hewson and now Mr Downer at the time, we were heading for a recession, double dip recession and a depression. In fact, we are growing faster than any Western economy and we have done it without tearing to bits that social wage you refer to. Access and opportunity to health, access and opportunity to education and all these things.

C: Well, that's right and I just think, you know, it's like Nehemiah said when those guys went to the War when he was rebuilding the wall to Jerusalem he said look, don't bother me now, I'm doing a job and I think that's pretty sad that you should take with your opponents ...

DH: OK, thank you Gina. One more from the kids and what is his favourite food?

C: Hello.

DH: How are you going?

C: Good thanks.

DH: What's your name?

C: Cameron.

DH: Cameron, what did you want to ask the Prime Minister?

C: Why doesn't he have normal cars?

PM: Well, I do.

DH: Why doesn't he have normal cars? What sort of car could you see the Prime Minister driving? What sort of car to you reckon? A mini moke.

C: A limo.

DH: Do you reckon he'd look all right in a mini moke or something like that?

C: Yes.

DH: Yes, what do you reckon about a pair of roller blades?

C: Yes.

DH: Well, that's one from the kids too, what do you reckon? What sort of car do you drive?

PM: Well, I get about in a normal car. That is, a normal coloured car when I'm in Sydney and Melbourne and Brisbane. In Canberra I have a white one, but again, it is just a standard Australian made car - a Holden.

DH: Good stuff. I did have a couple of guys ring me up this morning, as you know we live on the shores of the great Coral Sea, they ask does he enjoy fishing? Does he go out and ever have a bash at a bit of proper fishing?

PM: Oh yes, I give fishing a nudge occasionally.

DH: Do you ever get time?

PM: But, they have got to jump on the line quickly. That's the only insistence I have. That is, if I put the old hook down, I want them to jump on rather fast.

DH: Speaking of that, the plan for the next 25 years for the Great Barrier Reef, can you give us a little bit of a hint?

PM: Well, I've got the pleasure this morning of announcing the new strategic plan for the Great Barrier Reef. I think, we've got a wonderful asset in this country, but of course, it is a World Heritage item and it's listed under the World Heritage list and it ought to be because it is part of the international heritage. But, we are in charge of it and it is important, therefore, what we do with it and the Great Barrier Reef Marine Park Authority which has had basically charge of this and the research programs which have been operating and, of course, now more in concert with businesses, I think, gives us a really good chance to think about the Reef and its long term future. The details of that plan will be released today.

DH: And looking forward it to, we in Townsville so very close to the Reef, from the trawlers point of view, the fishing point of view, commercial fishing and, of course diving. Have you ever gone for a little bit of diving?

PM: Yes, I've been for a little bit of a dive.

DH: What part of our Reef here?

PM: I've been off Port Douglas, north of here and on the Reef south of here off Gladstone.

DH: All right, mate, I noticed you mentioned last night that regional areas like Townsville lead the Australian economy, as industrial and population growth shifts from the cities.

PM: That's right. I think that there is a view that people in regional Australia think well, they are remote from the centre of the action and they are not always considered or thought about. In fact I think, it is worth repeating the point that the growth is greater in many regional areas of Australia than it is in the capital cities. This is certainly true in Queensland. I mean, Queensland not only has the, sort of, nature running for it, a temperate climate, it has also got a shift of population from the south and it has had despite that, lower levels of unemployment and faster levels of employment growth because more is happening here. So, regions such as Townsville are growing faster than the cities and the industrial basis of the place, if you like, the things which Ted has been involved with over the years whether it be the port or the water supply or the rail system or, you know, the general facilities provided by the Commonwealth like a regional tax office, all these things which are encouraging to business and, I think, a commitment by the community to see the place advance. Local leadership has mattered a great deal and that's why I think regions are kicked along.

Anyway what we said in the White Paper is we are out there supporting regions. We want to help them help themselves. We will

fund them in terms of developing strategic and regional plans and we will also make infrastructure funding available through infrastructure bonds for those bits of public infrastructure which are important to regions at a particular time.

So, I'm very bullish about the regions of Australia and I think the ones which are engaged in trade with Asia, we've now made such an enormous leap into Asia, we've been exporting our heads off, and we need the facilities like the port here at Townsville, but beef, agriculture generally, minerals, coal, all these sorts of things are important in trade and, I think, as the business community gets its pecker up about its capacity and its confidence to do trade and do it well in Asia, I think, particularly the northern regions of the country are going to really fire.

DH: Not shifting Canberra up here are you?

PM: A bit of that warm weather would do us all a lot of good.

DH: Good morning, Dutchy.

C: How you going mate?

DH: Good mate. Say g'day to the boss.

C: How you going sir?

PM: Good, how are you going?

C: What I'd like to know and, I think, a lot of people ask this question, is why do the politicians and ex-politicians continuously get lurks and perks while we're in so many economic problems?

PM: Well, I don't think people get lurks and perks. I mean a back bencher is paid a salary and an allowance, most of the allowance they spend and, I think, Government works in this country. If you look at the last ten years, I mean, Australia has changed more than any western country. Ten years ago we'd never had, for instance, a major international tourism industry which has come by virtue of the deregulation of this economy. We never had an efficient manufacturing sector as we have today. We never had internationally traded services like education and health as we have today. And, it is no accident therefore we are growing at 5 per cent and our inflation rate is 1 per cent and that we are leading the western world in these growth rates and in this economic performance.

Now, a lot of that has come from leadership in the political system. A lot has come from the community joining with those policies and making it work. So, I think the notion that the public is poorly served by their system of government is wrong. I think Australia has shown that its system of government works and it works effectively and it works well.



- C: No, I'm not saying that the government isn't working well. I'm just saying that back benchers for instance, they've got an annual salary of \$74,000. I mean, haven't they ... just vote on it whenever they want.
- PM: No, no, it is set under wage principles. It is set, in the case of Federal MPs, the Remuneration Tribunal. It is set independently and it has been now tied to a division of the public service. So, it doesn't move really until public service salaries move and, of course, public service salaries move with general movements in salaries across the economy, across society. So, MPs essentially caught up in, if you like, community wage shifts and can't simply ... I mean, technically the Parliament can vote itself a rise, but it doesn't do that. It has given this power to a tribunal which gives it then increases under wage principals.
- DH: Ok, Dutchy, thank you very much, good on you mate. Mate, the Australian Institute of Marine Science is getting a big grant. What's happening there?
- PM: Well, it is I'm very pleased to say and today I'm announcing that too, but let me tell your listeners that the IBM company - an international Business Machine company - is giving one of four grants world wide to the Great Barrier Reef Marine Park Authority for research and, I think, this is a great feather in the cap of the Authority and a substantial grant as well. And, again I think, proves the point that we do seriously manage the Barrier Reef and the authorities we have doing it are getting international attention and international support.
- DH: Well, it's a beautiful spot down there. Have you been down to AIMS, it's great down there.
- PM: Yes, I've been a couple of times in the past. I've had a few looks over it. Ted and I were down there about a year ago.
- DH: And with all the prawns. The aquaculture there is great - you get big, big prawns. Go to the phones once more. Good morning.
- C: Good morning.
- DH: How are you going?
- C: Good, how are you?
- DH: What is your name mate? Ok Harry, say g'day to Mr Prime Minister.
- C: Hello, Prime Minister, how are you?
- PM: Good.
- C: I was just wondering why is it necessary for you to be hitting Mr Downer over the head with a warm lettuce rather than, in fact, what is required would be a pair of bolt cutters.

PM: Well, look, the public will take care of Mr Downer. We have these people who shoot onto the scene and they are going to do wonders with the big stick and then we find that their detailed policies are only going to be basically ... what shall I say, not detailed at all but just rhetoric and some intimation of where their policy directions are going. Now, public life in this country, the public of this country demand change and they keep the political system up to it and if you are in the market place, but you don't have any ideas, you soon get found out and no amount of, sort of, conservative waffling by Mr Downer is going to save him from a harsh judgement at the next election by people who say well, hang on, we've got competitive disciplines and pressure on the government, we are going to have it on you too and you are not going to be exonerated. But, you see, what's happened to the Liberal party, they had Andrew Peacock in 1984, they've had blanc mange policies. He lost, so they said we better go to harder policies so we'll take John Howard. So they went to harder policies and they took John Howard and he lost. And, they said, well, that's pretty bad, we better go back to not really standing for much, that way we can't be attacked so they put Andrew Peacock back in. He lost again. So, they said, that's no good, we better go to something harder. Let's get us some real policy definition. So, they took then John Hewson on. And then he lost. Now they're saying well look, he lost because he had policies, so we are better now with somebody who doesn't. So, we'll take on Mr Downer. So, its soft, hard, soft, hard, soft. You see, you get the sequence - soft, hard, soft, hard, soft, so we've got another softie there.

DH: Ok mate, thank you very much. One more call, good morning.

C: G'day.

DH: How are you mate?

C: Good. I'd just like to ask Mr Keating a question.

DH: Ok, make sure you finish every sentence with an 'ay' - you know that. That's the great North Queensland way.

C: OK. I've just read that the Labor government takes 32 cents in tax in every litre of fuel, but only about 10 per cent of this goes back into road funding. Why would this be Mr Keating?

PM: Well, let me just say this about tax generally. You've got to look at tax across the board. This is the lowest taxed country in the western world. Now, that's a big statement, but let me just repeat it again. According to the Organisation for Economic Co-operation and Development, that's the western world, if you like, economic research secretariat - the OECD. Of the 27 member states of the OECD, that's all the industrialised countries, Australia has the lowest rate of tax in the western world and that comes by way of income tax, company tax, excise, et cetera. Now, all of this goes into a pool and then it is allocated back to the States by way of financial assistance grants in part and to Commonwealth functions such as pensions et cetera,

including road works. Now, the Commonwealth does the national highway and the States do the arterial roads and the city arterials and the country roads. So, you can't really look at it and say, so many cents per litre comes here and so much goes there because we don't hypothecate every dollar that comes in petrol back onto roads because we pay it to the State. They spend money on roads, they spend it on hospitals.

C: So, where does the balance of the 90 per cent of all that tax go to?

PM: Well, that figure is not right. The fact is the money goes to consolidated revenue and when you go down to the doctor and you get your 85 per cent rebate, you're getting part of it back there. When you drive on the road, if it's a national highway, you're getting part of it back there.

C: Ok thanks.

DH: I've got to ask you one thing. The commemoration last year, you couldn't make it up.

PM: No, because I had functions either side of that.

DH: OK ... next year year we've got our year celebrations of the peace. Do you think you could come and say g'day?

PM: Let me just say this, we've got ... last year we had the well, through 1942 - 50 years later 1992/1993. We had the 50th anniversary of the Coral Sea battle and the battles of Kokoda and I went to Papua New Guinea and to Kokoda as I've been in many parts of the Pacific to the Solomon Islands, but you can't do everything and I've just been this year to D-Day celebrations in Europe, in Britain and France, for the 50th anniversary of the landing at Normandy and, of course, next year will be the VE-Day - victory in Europe and VP-Day - victory in the Pacific. So, victory in the Pacific, the Government is very committed to making clear that it was in World War II that Australia was threatened, that continental Australia was under threat from the forces of Japan in World War II which was not the case in World War I and we want to make clear that the battle for Australia and the battle for the Pacific was something that our nation should never forget and should rejoice in our victory and appreciate the people who were involved with it.

So, next year will be a big year for remembering those involved in the Pacific war.

DH: Well, being in services and proudly a services city, it's good to hear. We look forward to seeing you up then. Mate, I know you have to go. Thank you for your time.

PM: Thank you.

DH: Next time I watch Parliament I expect to see that tropical Friday shirt.