



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
RAAF FAIRBAIRN  
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**PM:** This could be quite a defining moment in the history of the Federation, but it can only be so if the states embrace the challenge of competition as outlined by the Hilmer Report. There is a real test here. There is a Labor government, federal government, going to a, largely, a group of Liberal-National party states - that is, nominally pro-market governments - and saying, "Please embrace the market. We want you to embrace competition and competition policy." Now, as I say, this could be a defining moment in the federation but they will have to grasp it. And, the federation is not a device which is about aggrandising the status of the states. The federation was an event which took place to form the nation so there can't be any notion of the states hiding behind so-called federal rights or federal imperatives to turn back what is a central thrust of extending the Trade Practices legislation to guarantee that all Australians benefit from competition in states' authorities - like electricity, like water, like gas.

So, much can be done here, a great benefit for the Australian people, a great benefit for Australian business, for Australian competitiveness - but the conservative states will have to grab the notion of competition in business. So, that's what it is about and there are other things on the agenda - roles and responsibilities, that is the delivery of programs between the Commonwealth and the states. But, it is about, principally the Hilmer recommendations for free and fair competition by the states and their authorities, access by business, lower prices to Australian consumers and a better go for all Australians all 'round.

**J:** Does that mean no compensation for the states, Mr Keating?

**PM:** No, it means a discussion about a real regime of putting these competitive changes in. In other words, the Commonwealth will be in a real discussion. But, if we have conservative governments trying to hide behind state parochialism, on the basis that they don't want

competition, while they are telling the rest of us we should be embracing the market, and they are pro business... They are pro business but if they show any problems about the embrace of business and competition well, then, of course, this moment will be lost.

J: They want compensation, how far are you prepared to compromise on that?

PM: Well, we want competition, that's what we want. What they want will be about what makes the deal go around.

J: The Commonwealth games and the furore over Arthur Tunstall, your reaction to that?

PM: Well, I think Mr Tunstall's remarks are to be regretted but, I think he regretted them, didn't he? I think he has apologised for them and I think that is appropriate.

J: Are you concerned that Australia's reputation as a sporting nation could be damaged by these comments?

PM: Well, he's an independent sports administrator and, in a sense, not representing the Commonwealth government. But, the fact that he has recanted, I think, is the important point.

ends.