



# PRIME MINISTER

## TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP INTERVIEW WITH JOHN LAWS, RADIO 2UE, 20 OCTOBER 1994

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PM: ... the rain is pouring down.

JL: Well, that's terrific news because I just had a call from somebody in Yarrawonga, it's raining there and I rang the valley this morning, it's raining there, they had some thunderstorms in Brisbane last night and maybe some more today. So, perhaps the rain has returned, Prime Minister.

PM: Well, I just hope it is widespread. That's the main thing, John.

JL: Yes, pretty important. So is Creative Nation, creative Australia. It seems to have been pretty well received. There are a few knockers there. Some saying it was an electoral bribe, I suppose there has to be elements of that in anything don't there?

PM: Well, I think the arts are so central to where Australia is going to not just the formation of our identity, but the expression of it and that so much of the transmission of what Australia is in film and in other things we do, dance, theatre, that this was the right time to give a new direction to the arts and to support it.

JL: Yes, I agree with that and it is something, of course, that we should always be looking to. Somebody has got to have a view of Australia, not everybody might like your particular view, but at least you have a view. We have got to have a vision for our country and we need a cultural vision for our country as well and that is why it should have been well received.

PM: This is not simply my view of Australia, John, by funding the various agencies of the arts - whether it is the Australia Council or the major institutions or film and television or multi media or what have you - it is

then up to individual creative people to then manage their interests, to define their own view of Australia and their own view of particular elements of the arts. So, in a sense, all the Government can be here and all the Government should be here, is a facilitator.

JL: Yes, why the emphasis on the information super highway as it's called. Is that tremendously important to Australia's future?

PM: It will be John because I think we are moving into an information age. I think that we are going to see very refined product of very high value transmitted around the world and at this point in time a very large preponderance of the product is English speaking. We are an English speaking country with a tremendous capacity to develop software and as you know we have a sophisticated film and television industry ...

JL: Yes, we do.

PM: And a very high standard education system. So, it seems to me we are really well set up if we take the advantage, take the option, of actually producing product for international dissemination on the fibre optic highway and satellite.

JL: It all amounts to an awful lot of money, but I suppose money shouldn't be taken into consideration at this time except that you are going to have the knockers and they are there, who will say and, I suppose, to a degree correctly, it might have been unfortunate timing because of the drought, but maybe today's rain puts pay to that criticism.

PM: I think you can do more than one thing at a time.

JL: Well, that's what you and I have talked about before. I mean, it is a strange sort of government that can't handle more than one thing at a time, but people quite often want it not to be that way if it doesn't suit them, but governments must be able to, obviously, all governments at all levels have got to be able to handle more than one thing at a time.

PM: I met the banks yesterday about the drought and the banks were saying that they think the structural policy is right, following that package that I announced on behalf of the Government about three weeks ago. Now, in respect of the arts we have got a \$250 million policy over four years which is roughly \$60 million a year. Well, the budget is \$110,000 million so \$60 million is not going to break the bank. But, what it does for the arts is to encourage them, give them direction and the financial support that, I think, things like, for instance, John, let me just run through a few of the things: We are establishing a production fund with the networks and independent producers to produce higher quality mini-series type, higher quality in television products for Australian television. Now, I think, that is a thing worth doing. It is going to create work for our creative people, our

producers, directors, actors, writers, in the same way we're doing the same for SBS. In the Australia Council we're picking up a major organisation's board to pick up bodies such as the Australian Chamber Orchestra, the Bell Shakespeare Company, perhaps, the Sydney Symphony Orchestra...

JL: Who is complaining the loudest?

PK: As you well know, once you do anything with the arts there is always some criticism but, really, the criticism has been very muted. There has been tremendous support for this statement. I am delighted with it and I'm glad that we were able to do it.

JL: Yes, well, I think it is tremendously important. Just back to the banks, quickly, what was their reaction when you asked them to go gently with the farmers?

PK: Well, they have been, generally, going gently with the farmers. That is, from...

JL: I tell you what, a lot of farmers out there would not agree with that.

PK: No, but if all the farms who could not meet their way, meet their obligations, had their properties tipped into the market, you would have a collapse in farm values. Now, the banks, sensibly, have not done that. And, I think that given the fact that under the exceptional circumstances arrangements that I announced a couple of weeks ago, we are meeting up to 100 per cent of the interest cost on borrowings. And, under the non exceptional circumstances RAS - that's the Rural Adjustment Scheme - we're meeting partial interest payments. That's keeping the banks going, that's keeping them in the game, and it is keeping the weight off a lot of farmers.

JL: Yes, well, let's hope that today's rain perhaps might be the beginning of the end of the drought, at least in some areas. Just before we leave each other, back to the Creative Nation statement, are there changes in the pipeline for the cross media ownership rules?

PK: No. There are no changes in the pipeline. But, what I was saying the other night is we're going to see a time not far away, John, when the cable that comes under your fence is going to be an optic fibre cable or a coaxial cable which hangs from it. And, that will give you the capacity for somewhere between fifty and a couple of hundred channels of product. And, when that goes in, one of the products is going to be telephones. So, you're going to have telephones and pay television and other kinds of interactive products on the one line. The expression for that is convergence. And, as we get convergence the separation we now have between radio, television, print and telephony

is going to change. That was my point. The technology and, of course, above all of that, the satellites.

JL: So, there are not going to be any changes in the regulations for... the reason I'm asking the question is - it is a question being asked by a few - what does Rupert Murdoch want in return for setting up the big film studio?

PK: Well, he has asked for nothing. I have got to say that, I think, what he would procure from this is because he has the Star Satellite now transmitting from the Middle East to the Russian Far East and down to Queensland, and that huge part of Asia, a lot of it will be - not all of it, obviously - English speaking product. And, Australia is standing in that part of the world, the unique nature of our film and television industry means ... the system is hungry for product. I think he sees it as a great opportunity to take, if you like, non American, English speaking product out of Australia and put it on, basically, that international system.

JL: OK. Well, thank you very much for your time, let's keep our fingers crossed about the rain for the sake of the farmers. Is it raining heavily in Canberra?

PK: Yes, we've got thunder here and it's coming down in sheets.

JL: OK. Well, let's hope it spreads all over Australia and thanks for your time.

PK: Good, John.

ends.