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PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
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PM: I'm sure you would like a comment on the Premiers' Conference - just to say that we have already agreed to the...the States and Territories have agreed to the offer document, in relation to the annual Loan Council Premiers' Conference component of this meeting. This is, as you know, a joint meeting - in a sense, a dual meeting - it's the Premiers' Conference, Loan Council and a Council of Australian Governments meeting. On the first part of the meeting - the Premiers' Conference and Loan Council - the Commonwealth provided an offer document, and that offer has been accepted. We have now begun to consider the Council of Australian Governments agenda, and the first item on that agenda is competition policy, and we are now discussing competition policy and its implementation, the Industry Commission Report, and what financial commitment the Commonwealth may make to the States. Now, you would be aware that yesterday - late last evening - we circulated an offer document to the States, in respect of the competition policy changes. Now, this is in response to their expectations about revenue from the Commonwealth in lieu of changes they might make under the competition principles. You will recall that there has been a report by the Industry Commission looking at potential benefits to the Commonwealth and the States from these things. Now, the Commonwealth said very clearly that we don't believe there is any reason why one Commonwealth dollar should be paid to the States for competition policy, any more than we have asked the States to pay the Commonwealth for the \$7 billion we have already forgone on tariff cuts, for the \$5-6 billion a year we will continue to forgo on tariff cuts, let alone all the other micro-economic changes. But we do want to see this document agreed, you know now we have been to two previous meetings, and in Darwin the Commonwealth's attempts to have this agreed to were thwarted by the States intransigence. This time they are in a better mood to adopt - I mean, it's always an irony that a Labor Government has got to extol the

virtues of competition to conservative governments, but that has been par for the course now for a number of meetings, and now we would like to see it agreed. So, we are having a discussion about the likelihood of the Commonwealth paying funds in satisfaction of a whole set of benchmark commitments, to the implementation of broad ranging reforms in electricity, water, gas etc. And we have broken for lunch, and we will be just picking up the discussion over lunch, and in the afternoon.

J: Does that mean you're willing to compromiseable?

PM: Well, we've been prepared all the way through to try and meet the States on matters of legitimate concern to them and gradually we're narrowing the field of disagreement down. But, were this to happen, this would be a great change for the country. That is, one of Australia's great natural advantages is a coal seam down the east coast of Australia. It's not been one of our national natural advantages because it's been controlled by monopolies. Whenever we've seen market prices for gas and competition rules applying for gas, we've seen more gas reserves and more gas. So, seeing these sorts of changes come in would be good for the country, good for the States, and good for the nation.

J: Did the Commonwealth have to make any changes on the grants outcome to its circulated offer?

PM: On the Premiers Conference outcome?

J: Yes.

PM: No, no, basically, I think, in there of course we have real terms per capita. This is the second year where we have, well certainly the time that I was either Treasurer or Prime Minister, it's the second year only that we've had not simply the real terms maintenance of the payments. So there's a maintenance of the payments from the Commonwealth to the States in terms of inflation-proofing them, but also adding a population factor. So, what we call real terms per capita increases the size of the pool on offer today and the States have accepted that offer.

J: Has there been an amended proposal from the Commonwealth on the competition policy stuff this morning?

PM: No, no, there was one circulated though last night.

J: You mentioned tariff policy, are you pleased that Mr Howard has embraced your tariff policy?

PM: Well, you know, this is follow-the-leader game. I mean, Mr Howard, banner headlines, banner, banner, "Howard adopts the Government's tariff policies". Well, he adopts nearly all of our policies. I always say

to people, why then if they are looking for the next Government of Australia after the next election, take the authors of the policies and not the pretenders, not the copycats.

J: He says you have stolen half of his.

PM: Name one, name one.

J: So, do you believe Dr Lawrence's version of the Easton affair?

PM: She's denied ... I don't know much about the details of it, but she's denied the role ascribed her by the Western Australian Liberal Party.

J: Do you accept that?

PM: Yes, I do.

J: Prime Minister, one of your backbenchers says that restraining orders in domestic violence situations are too easy to secure. Do you think that is a defensible position in this day and age?

PM: Well, we all stand on our own views in this business. But I think, the great pity about this debate in recent times is that, well the antecedents of the debate rather, is a political one not a moral one. It is a civil war going on in the Western Australian Liberal Party and this is the way they believe they should fight it and smear everybody on the way through.

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