



**PRIME MINISTER**

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP  
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PM: ... John Hewson said we were going to have an early election and Alexander Downer said we were going to have an early election, but we never did.

J: ... the Liberals are currently on ...

PM: Well, what passes for the Liberal party today?

J: Is that premature from the Liberal party to think that way?

PM: Well, the Liberal party is not really, I don't think, a competent political party any more. It is basically, it is front benches without anyone of substance or quality and you can see with Dr Nelson, here is somebody who has been in the Labor party for 17 years, they are so moribund the Liberal party, they have given one of their safest seats to an opportunist, to somebody who doesn't believe, it is like a business club, the Liberal party, you join at the door. You know, those business lunches and things you join at the door. Well, you join at the door with the Liberal party. Walk in, they say 'who am I?' and I'll say 'I want to be a Liberal member'. 'OK, come in'.

J: ... (inaudible) ...

PM: He is not doing to well, he has lost Mr Rocher, he has lost Mr Filing and now he has lost Mr Connolly who was his superannuation spokesperson at a time when the Government introduced the most comprehensive, long term superannuation change and savings change ever. I was saying this morning, have a look at their front bench, I mean look at the Government's front bench - Ralph Willis the Treasurer, Kim Beazley who have run the whole Budget with our ERC colleagues and people like Gareth Evans and the Attorney General. Who have they got? They have got Tim Fischer who is barely

politically literate, Mr Costello who is like a crow on a fence, picking the eyes out of any good news that comes along and Alexander Downer who is a professional failure and that's their front bench.

J: Prime Minister ... election timing ...

PM: We will be ready when we are due to be ready. At the moment, the job for us is to get that Budget in and get it through and get it working. We are already starting to see influences come from it and from the interest rate reductions of late last week which, I think, should be a good sign for the Australian public that the markets and the financial system has basically approved of the Budget. It has taken enormous pressure off interest rates. I mean, last year we sold \$21,000 million worth of Commonwealth bonds. This year, because of the Budget, we will sell only \$6,000 million of Commonwealth bonds. In other words, we have taken \$15,000 million of pressure off interest rates so therefore there is less paper around. If there is less paper around the price of it goes up and if the price rises, the yield or the interest rate comes down and that is why long bonds or 10 year bonds fell last week by one per cent and it is essentially why the housing rates followed at the end of the week.

J: So, Prime Minister are you tempted to capitalise on the political ...

PM: No, I think that the public will see John Howard's cynical, lousy little line about five minutes of sunshine for the opportunism that it is. We have had three years of growth to date and the Treasury is forecasting another three years in the Budget, so if you take the period from 1983 to 1998, we will have had 15 years of growth with 18 months where we were not growing.

J: So it doesn't really matter when ...

PM: No, I think the public will pay on results. I mean, how many governments around the world could stand up, make an enormous change to the Budget, take it by 2.9 per cent of GDP or a change of over \$12 billion back into surplus, at the same time introduce the most comprehensive savings plan where every Australian working person will have 15 per cent put away for themselves, as a contribution to superannuation in retirement giving them a retirement income roughly the same as their income at work. At the same time building a huge pool. That sort of change you get from governments that have got all the vim and vigour in the world and, I think, the public will think that.

J: So, you are taking full credit for the fall in interest rates?

PM: Well, I would take, let's say last week the interest rate went up on Friday. You would be reporting 'Budget rejected: Government takes a hit'. Well, ipso facto, if they fall, the Government has been received well.

J: Do you have any plans for any more major spending statements between now and the next election?

PM: No, the Budget is our major opportunity to resort the spending priorities of the Commonwealth and we have done that, but the last non-budgetary statement, large one, was working nation and its success has been to get the long term unemployed back to work. You see, the Government's principal commitment at the last election was around employment. The thing I said on the night of the election was that we would not leave the unemployed behind, that we would put an arm out and bring them up. We promised there, we targeted 500,000 jobs in three years. We are already at 650,000 in two and a quarter years. We reached our 500,000 target in two thirds of the time and because we didn't want to see the long term unemployed become an underclass we put Working Nation in there which has now seen 100,000 long term unemployed people back to work. So, that sort of commitment to growth and to employment is the sort of thing that will keep Australia a fairer and more equitable and more just society and a better place to live.

J: Prime Minister, will the Federal Labor Party be challenging the ... legality of Richard Court's Royal Commission into the Easton affair to try to keep Carmen Lawrence from appearing?

PM: Look, it is all this stuff about, can I just say, look, there is no question about illegality here or maladministration, it is not anything like that, it is just a political inquiry. It is just the same, I said on radio, and I'll say it again today here, it is just the same as us deciding that we will have an inquiry with a judge into the Asia diary scandal of the last government, so we will get Malcolm Fraser along and we'll get Doug Anthony along and we will get Peter Nixon along and we'll get Mr Sinclair along and we will say 'now, what happened in that Cabinet meeting, who said what to whom'. It is a political nonsense.

J: ... (inaudible) ...

PM: But to happen or doesn't happen it doesn't matter. The inquiry's findings won't matter.

J: Will your Health Minister ...

PM: That is a matter of seeing, there are questions of law here about what are the rights and prerogatives of members of Parliament and that is a matter we will be taking legal advice on.

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