



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
DOORSTOP, MELBOURNE FREIGHT TERMINAL, 4 JUNE 1995**

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PM: I would like to make a statement just about the train behind us. Of course, this is Dynon in Melbourne which in the *One Nation* statement that we decided to make the transport hub of Australia - to bring more services into Melbourne, because Victoria was, in national terms, somewhat light on in services, and freight is one of the essential services of the country. Today, this will be, of course, the first train that will come on a standard gauge from Brisbane to Perth, via Melbourne and Adelaide. And it came from the *One Nation* program, pulling the country together, and bringing South Australia into the Eastern States' economy, and giving us a much better trans-continental link. So, need I say, I have got my opponent Mr Howard out around today - they had 30 years to do that, the Liberal Party, and they never did because they have got no ideas, and they rarely - if ever - make any initiatives. At any rate, I am pleased to be here, and you will hear more later, but I am happy to take some questions from you.

J: ...(inaudible)...

PM: Well, we have now got the system in place where - you know the Minister for Transport last night talked about a national track, so we will have a company which runs the rail, and then we will be able to have them competing for users on the system. So, instead of having a railway company that runs the rail and the locomotives, we will have a railway company that runs the rail, a track company, and then we will have...people will be able to bring locomotives. And, as you know, we have also announced that we will be making in Australia this huge refurbishment of the locomotive stock. So, we will see a much more competitive rail and transport system. And this will take containers off the roads, it will make our roads safer, it will make the country more efficient, and that's what we need. As we are a trading nation, we

needed efficiency, and we needed this interface between rail, road and port, like we have here.

J: ...(inaudible)...

PM: No. That is already arranged. This is already a national system - it's called national rail - it's already in place.

J: What's your reaction to Mr Howard's comments this morning?

PM: Which one?

J: Like extending the term of the Governor-General?

PM: Oh well, it's interesting that Mr Howard thinks that...he has highlighted the point that now, the Prime Minister and only the Prime Minister, speaks to the Queen about the Governor-General. He is apparently saying, towards the end of this term, that he thinks that we ought to be doing something else. Well, on Wednesday night I will have some proposals for him - if he thinks that the Prime Minister only shouldn't be appointing the Governor-General, I'll have some proposals for him, and we will see how forthcoming he is about those.

J: What's your reaction, Prime Minister, to the fall in interest rates, by Aussie Home Loans and ...(inaudible)...

PM: Well, I notice...I don't know whether you have seen - I have got a copy of it here - the Sun-Herald in Sydney this morning has got "Housing Rates Tumble", and we are seeing a fall in variable housing rates, and also we have now got most of the fixed rates under 10%. So, again, I think this confirms the strength of the Budget, and of course, it gives the lie to Mr Howard's claim about 5 minutes of sunshine. You know, he was telling everybody [that] rates were going to go up - last week, we saw the National Accounts out: 3.7% growth for the year, the broadest measure of inflation at 2%. Which means that, as the Treasury say in the Budget statements, the recovery is entirely sustainable. And that means, of course, that the notion that it's going to peter out was, of course, simply an advertising agency's fib, which the Liberals were happy to put about.

J: So, have the rates peaked in this current cycle?

PM: I'm not here to give you a commentary on the future of interest rates, but to say to you, that the major determinate of it is inflation. And what we saw in the National Accounts last week, is that the broadest measure of inflation - the non-farm product deflator - was at 1.9%, and the consumption measure was at 2.2% - I think that's the best guide people can get to interest rates.

ends.