



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
INTERVIEW WITH PAUL LYNEHAM, "7.30 REPORT", ABC TV,
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UNDER EMBARGO UNTIL 7.30 PM

J: Prime Minister, welcome to the program.

PM: Good, Paul.

J: Surely many Sydneysiders would agree with John Howard's suggestion that the aircraft noise should be shared more fairly by greater use of the east-west runway.

PM: Opening the east-west runway will just make Mascot inherently unsafe and it will basically add another 100,000 people to the noise level.

J: Unsafe because of the intersecting runways?

PM: Because of the intersection of the flight paths.

J: But there were intersecting runways there for a long time.

PM: But not two runways. They are now intersecting two runways. At one stage, until this runway was built, they intersected only one runway. In fact John Howard has this to say about building the runway. This is a press release of his from 1989. "The Government is playing carelessly with a situation that could too easily result in a major tragedy. The risk must be averted. In the interests of safety, airport facilities should be upgraded immediately including construction of the third runway." I mean he hasn't got a leg to stand on. What has happened, Paul, here is he has had a little bit of pressure from his own electorate. He holds this seat of Bennelong, he has held it for 20 years. He is out there telling us he is the champion of

micro-economic reform. The largest micro change of the air traffic system of Australia, was the third runway in Sydney. He is now saying "cut its capacity dramatically by putting a cross-wind runway across it."

J: But all politicians respond to electorate pressure. I mean Bob Hawke did it to you in the Tax Summit, didn't he? A bit of pressure from Bill Kelty and your cart ran off the road.

PM: But the Government didn't respond to the pressure when it made the decision to build the runway and it did build the runway. You see John Howard is saying, "Elect me, Prime Minister of Australia. I will do the hard things in the micro-economy." He said recently, "The greatest priority that faces the Government at the present time is the national economic interest to reignite the process of micro-economic reform." The biggest micro-economic reform in aviation, is the third runway at Mascot. It is the thing that let's the whole national system flow. It is the gateway to Australia. He is saying, "You elect me Prime Minister because Labor can't take the fight any further on waterfront, on the shipping, in the airports, in the labour market. I will clean up and do the hard bits." The first whiff of grapeshot, the first bit of pressure from a seat he has held for 20 years, and he goes to water. He runs away from statements he has made, absolutely categorical statements in favour of building this thing.

J: But you say he is sort of shutting it down, or you imply he is almost destroying the third runway. He is just saying, "Hang on for a few months. Deal with the noise problem."

PM: No, he is not saying that at all. If we run an east-west runway now across the two intersecting flight paths, it would be inherently unsafe. Therefore, to try to make it safe you would have to drop the capacity back enormously and you would never make it safe. That is what he is saying. Secondly, he is saying, "If you don't do it, I will knock \$2 billion out of the Budget from the asset sales. I will refuse the passage of the asset sales legislation in the Senate." This is the same person who is telling us we should have bigger surpluses. You see the thing about him is he can't take any pressure. He was like it when he was Treasurer, he was like it when he was Opposition Leader in the 80s. The first bit of weight goes on and he snaps.

J: But he is over 9 points ahead in the polls, he can't be doing everything wrong?

PM: And he is weak and sneaky to go with it, Paul.

J: But the people ...

PM: He is weak because he always caves in on the big ones. You know what we call him in the Parliament - gunna Howard. He was gunna

float the exchange rate, but he didn't do it. He was gunna deregulate the financial markets, but he didn't do it. He was gunna knock the tariff wall over, but he didn't do it. He was going to fix the ports and wharves, but he didn't do it.

J: He'd say he is going to beat you at the next election, and he will do it.

PM: Well he won't. Look, do you think the public are going to say, here is a man who knows this airport should be built, who supported its building, who cajoled the Government of the day to build it and now - for the weakest of political reasons - he is now saying he wants to cut its capacity dramatically and not only that he will actually knock \$2 billion out of the Budget while he is doing it.

J: You said yesterday it was still your intention to stretch the Parliament out. Does that amount to "I have definitely ruled out an election before Christmas"?

PM: No, because Prime Ministers with any sense don't rule anything out.

J: Do you concede you would get clobbered if you went now?

PM: No, I don't concede that at all. I mean the Government is about 7 to 8 percentage points, two party preferred, at difference with the Coalition in the published polls.

PL: And your private polling says you lose by 20 seats.

PM: No it doesn't. And the moment a poll happens, people start shifting their position immediately. But I do believe the public expect that when they give a government a mandate, they expect it to go and do it. The mandate we were given, was to restore growth to the economy, and employment. We have now had 16 consecutive quarters of growth - 4 straight years of growth. . We have had nearly 680,000 job growth....

PL: And you have got what people are calling a voteless recovery?

PM: Well, I don't...let's wait and see. I mean, what will they do? Take an outfit that has got no policies, that has no strategy for dealing with wages?

PL: Well, the election is a way off yet - he can out his policies, can't he?

PM:that's got - other than cutting wages, which is his only policy - that on the micro-changes which will keep the efficiency of Australia going, at the first test he fails it.

- PL: Can you show me a piece of paper where John Howard says his plan is to cut wages?
- PM: Yes. I can show you a piece of paper which says that they will go to individual employment contracts, and they will not have the Labor Party's - this Government's - no-disadvantage test. That means that penalty rates, holiday leave loading, overtime....
- PL: But Peter Reith recently said that they would keep the no-disadvantage tests.
- PM: No. He said a no-disadvantage test - not the no-disadvantage test.
- PL: Well, until you discover what their components are, you can't...
- PM: No, no, no. What he says is this - if you want to take away...we say this, if you want to have an enterprise bargain, and remove overtime, holiday leave loadings and penalty rates, you can do it provided that the overall package leaves the working person no worse off. In other words, you can get the flexibility, but they have to be either no worse off, or advantaged. What they would do is just simply let them lose it, as the Western Australian legislation makes clear - which Mr Howard has endorsed.
- PL: But until you see their policies, many voters are going to say here's Paul Keating with the old scare campaign again.
- PM: No, no, forget about the policies - have a look at this week. Here he is this week, he is going to try and knock....has he been saying we should have a bigger budget surplus? Why then, is he going to try and punch a \$2 billion hole in it by refusing the sale of the airports in the Senate? Hasn't he said for years that we should have built a third runway in Sydney to improve the micro-economic efficiency of the East Coast air traffic system? He has - why now is he trying to stifle it? I mean, the fact is he represents nothing.
- PL: Talking of representation, was Jennie George right when she said yesterday that in the lead-up to the election, the ALP could not forget that it was in power purely to represent the interests of workers?
- PM: It's in power to advance the national interest, which is best advanced through growth and employment. And whenever that happens, working Australians always get a piece of the action - the biggest piece of the action - and the place is more cohesive, and better. I think that's what she means, and that's what we mean.
- PL: And given that you have so many marginals that you are holding by such a slim margin, and the Opposition only needs to win 9 to take

Government, how can you possibly be seen now as having any real prospects of victory?

PM: Oh, well, I mean, that's a pretty dull question, Paul, from a smart character like you.

PL: Well, how can you?

PM: You know that all these elections are won by the last half a percentage point - they have been won by the last half a percentage point since Federation. I mean, they are all...to get 50% plus 1%, the hard bit is getting the 49.5% first to put the last half a percent on.

PL: Yeah, but you are so far behind from that?

PM: No, we are not. Look, the thing is that the Government has done the things that it was asked to do at the last poll. I stood up there at that policy speech in Bankstown, and I said we will restore growth and employment to the economy, we won't leave the unemployed behind. And we have done exactly that. And look what has happened since - Mabo, APEC, the structure for the republic, *Working Nation* for the long-term unemployed...

PL: But you have been very frustrated that there has not been any real appreciation of these efforts?

PM: Well, I don't think that pollsters - I have always said to you it takes a politician to read the hieroglyphics of the polls. I mean, you have got to understand what people are saying behind them, what they think. And also, I think, the public are smart enough now, they know they can always give the Government a needle through the polls, just the same as a by-election. But it is a wholly different matter in the old ballot box on election day.

PL: Thanks for your time.

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