



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
DOORSTOP, CITY HALL, BRISBANE, 20 OCTOBER 1995**

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PM: I have a number of things to say to you and some information to release to you. You may now have a statement where I have said I am going to appoint Con Sciacca as Minister Assisting the Treasurer for superannuation matters. As you know Mr Sciacca was involved, through most of the year, as Minister for Veterans' Affairs, in the Australia Remembers commemorative arrangements and commemorative program, which by the way, reached its climax here in Brisbane and I think that we in the Government have been very proud of the commitment he has made to that. The fact that it has worked particularly well and that, I think, also the RSL and other groups involved in the commemoration were very appreciative of his efforts.

He has very clear personal skills to do an outstanding job consulting Australians and explaining to them policies, things which are of value to them and we think that superannuation is such a significant matter given the fact that this Government now over a period of a decade has got superannuation up to the point where soon, by 2002, every Australian will be putting away 15 per cent of his or her income for their retirement benefits. Many issues are involved here and I know the public want information about this important and sea change to retirement income and national savings and while this area of responsibility, of course, is principally that of the Treasurer, he has indicated to me that he could do with more both administrative support and field support on this. So, Mr Sciacca will be Minister Assisting the Treasurer on superannuation and will be working with Paul Elliott who has been Parliamentary Secretary involved with this and who, with the Treasurer, has done a very good job to date.

That is one thing of, I think, importance to the country and also to Queensland because a Queensland Minister will be doing it and we now have a strong complement of Queensland Ministers in the Cabinet and this is, in a sense, a bit of a feather in Con's cap for a job well done this year and the appreciation of his colleagues.

A number of other things I would like to announce. I have got three statements. One which is to announce a major upgrade of the Bruce Highway which is a \$150 million commitment to the highway and today we have committed \$64 million towards that \$150 million planned upgrade from Brisbane to Cooroy. Under plans approved by Cabinet today a 24 kilometre stretch of the highway between Brisbane and Caboolture will be widened to six lanes. Over the next three years \$14 million will be spent on this section, \$9 million on the construction of an interchange at Buchanan Road serving Caboolture and Morayfield which will be opened to traffic by Christmas next year and \$5 million on planning, project design, land acquisition, traffic management plans and an EIS and public consultation on the Brisbane to Caboolture upgrading. The project which will get under way before Christmas is the first stage of a \$100 million ten year upgrade of the highway.

My colleague, Laurie Brereton, also announced that \$15 million will be spent widening the dangerous stretch of the Bruce Highway between Yandina and Cooroy to four lanes. The full 16 kilometres will be completed by 1999 and will link up with the Yandina bypass now under construction. So, I think there are about 2000 construction jobs over four years involved here. This is a further important upgrading of the national highway system and particularly this section of the Bruce Highway

Another announcement that I am able to make is that we will be spending an additional \$20 million for capital developments for Queensland universities in 1998. Simon Crean has, I think, announced today that \$15.5 million will be for three major capital developments at Loganlea, Gold Coast, Ipswich and Rockhampton in 1998. This on top of the \$27.3 million allocated to Queensland institutions from the capital development pool in 1998/7. Queensland institutions will receive a further \$4.5 million in 1998. Around \$13.5 million will be directed towards a new campus development in Brisbane's western and southern growth corridors and the remaining \$2 million will be allocated to Central Queensland University for its Rockhampton campus. The 1998 allocation represents the federal government's ongoing commitment to providing adequate facilities for Queensland's rapidly growing higher education student population. You might remember in an earlier announcement this year we added 4200 places to university places in this state; \$6.5 million of these funds will go to the University of Queensland to enable construction of a new campus on the site of the old railway workshops in North Ipswich. This is estimated to serve a population of around 400,000 in Ipswich and the surrounding communities. The development of the new campus will enable the University of Queensland to maintain its tradition of providing a diverse and high quality range of courses to Queensland and Brisbane students.

An allocation of \$7 million will go to Griffith University to enable expansion of its existing Gold Coast campus as well as the development of a new campus at Loganlea in Brisbane's southern

growth corridor. This southern growth corridor has, of course, been an important component of the growth along the east coast of Australia. It is one of the fastest growing areas in the country, if not the fastest and you know the national government has had an interest there in rail facilities, in transport and now in education. So, that funding will be made available there as well.

I might also mention that my colleague the Minister for the Environment, John Faulkner, announced with the Government of Queensland today a \$16 million package to protect the endangered Mahogany Glider and other unique flora and fauna along the Queensland coastline. It will involve a package of around 38,000 hectares along the coast being voluntarily acquired. In these areas most of the crucial glider habitat will be purchased and added to existing national parks between Tully and Ingham and voluntary conservation agreements will be introduced on the remaining crucial habitat areas. This package is, I think, an important landmark package that will ensure the continuing protection of four remaining significant Mahogany Glider colonies including the one associated with the Cooper wetlands adjoining Halifax Bay. The package will also ensure the continuing protection of other important flora and fauna species unique to the region such as the Southern Cassowary and the Proserpine Rock Wallaby.

The Minister said they were looking at acquiring 15 free hold and free lease hold properties in the Tully/Ingham area and, I think, land holders in the area have been informed of the Government's intentions. I understand this has been very widely welcomed by industry and by the environment movement around the country.

So, I'll leave my remarks at that and that is, of course, additional to the remarks I made at lunch time.

J: Prime Minister, Peter Costello denied that a Coalition government ...
(inaudible) ...

PM: No, obviously this is the problem about secrecy in politics, of political parties not coming out and saying where they will stand. Obviously the source of that article in the BRW was someone who has been engaged with this process over a considerable period of time and this, of course, was for an announcement in September next year. Long after a national election had been held. As a consequence of such a change and remember it is not as if this has not been heard of before. This is very much in the conservative agenda and they have been at the Commonwealth, of course, they wasted their time with me proposing in my day as Treasurer that we should give them a commonwealth income tax and then let them set the rates. I mean, the glue that holds this federation together is the uniform taxing power of the Commonwealth. The day it is split up and given back to the states you will have six state economies and you will have the Australian nation substantially fractured. When one looks at any of the federations

around the world - be it Germany or Canada - it is very clear that the taxing power is central to their maintenance as cohesive countries

The Coalition's view has been always that if you have all the power vested in the national government - the economic power particularly - and the Labor Party gets hold of the government therefore the whole progressive agenda is advanced. Their question is, how do we hold the progressive agenda back? You hold it back by fracturing the power and giving it back to the States. All in the name of federalism as if when we federated a century ago it wasn't simply to create the nation which, of course, now it is being used as a way of regressively going back to the needs of the States, what ever they might be.

But, in this proposal where they would vary the marginal tax rate from the initial 16 per cent, as a consequence of that it would affect some States differently than other States and South Australia would need to increase the total marginal tax rate by 6 per cent, Tasmania by 9.5 per cent et cetera. So, again, this would have very different affects and, of course, those States which have stronger domestic, stronger if you like indigenous tax bases would be able to give more income tax relief by way of a different rate structure than others. So, the States that had a stronger domestic base would be able to provide a lower rate of income tax than other States. So, you would have wealthy people shifting their domiciles so they could pick up the lower tax rates et cetera. It would be the sort of mayhem you would see from it.

I have said before and I said today earlier and I'll say it again and that is there can be no honesty and credibility in public life and in politics without policies. Mr Howard says they will dribble out, this is what he means by dribbling them out. But here you have got an important component of national economic policy, the prerogative of the Commonwealth to be able run fiscal policy in this country, which you know has been very important in these times when we have had problems with the current account imbalance and savings problems and terms of trade problems in the middle 1980s. It has been entirely central that the Commonwealth has this power. This is a power, of course, they would put asunder.

- J: As part of his denial today Mr Costello says a Coalition government wouldn't raise taxes and has called on you to give a signal.
- PM: He wouldn't be giving the denial unless someone wrote this in the BRW. You wouldn't be asking me any questions about this. In other words, he has kept you in the dark, happily, and then when we flushed him out he gives you a pap answer and you want me to respond to it seriously and I'm not going to. The only response I make is this, at least we can see what John Howard is up to. It is all the old agenda - tax powers back to the States, hopping into working people, knocking Medicare off and getting a consumption tax up, the GST up but in the name of the States and the hands of the States. It is the same agenda and when the Liberal backbencher Kevin Andrews said this week and

was rebuked by Mr Howard for supporting a GST, he probably didn't know that Mr Costello had a more surreptitious way of getting to it, that is to say to the States you have your own consumption taxes.

J: Do you put any store to the criticism today of calling the major institutions ...

PM: I got asked that at lunch time, I can't make a serial of it

J: Has Cabinet decided what to do with the computer bounty ...

PM: No, it hasn't but it will probably do so later in the year.

J: Later in the year, so ... (inaudible) ...?

PM: We had a preliminary discussion about it, but no final decisions were made about it.

J: So you need more information from Peter Cook?

PM: More information and more time.

J: Prime Minister, France has apparently called on Britain and the US to sign the treaty banning nuclear testing in the South Pacific.

PM: I often say to people that those who try to pretend that Britain interests and ours are the same, particularly in respect to the republic, that Britain has her interests in Europe and we have ours in the Asia Pacific. It is very clear in respect of nuclear testing that Britain has been one of the very few countries which has said anything. In fact it said nothing which has been critical of France's decision to test weapons in the Pacific. I make no criticism of them in that respect, it is entirely Britain's right, but people in this country should notice that Britain's interest and our interest are completely different and that the Queen of Australia, as head of Australia and Queen of Great Britain is looking at the world through different prisms and that is why, of course, we need an Australian head of state in this country. We need our full sovereignty to be expressed so our views on important issues such as these are not compromised whatsoever.

J: Just back to computers again, do you think that despite your general predisposition to oppose tariff barriers, ... subsidies that there is a case for the computer industry...

PM: There has never been a, if you like, any religion in all this for us. We have generally taken the view that Australia is advantaged by getting protection levels down and I think the proof of the pudding has been in the eating. Those who believed in high tariff protections have been wrong and shown to be wrong, but we have got other programs and other supporting measures in ship building which has improved, I'm sure, ship building, computers in the partnership programs. We have

sought to encourage particular parts of industry to do innovative things, but in the context of generally declining overall protection.

J: Well, this is an industry that does require considerable investment ...

PM: Yes, but again the bounty does apply generally and the things we tend to do best at are software writing, that sort of sharper end of the business and not particularly the hardware area, the screwdriver area, where this bounty has in the past generally been spread. Now, it may be this is the right way to support the industry.

J: But something more focussed?

PM: But something more focussed might be better too.

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