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PRIME MINISTER

5 July 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD, MP
RADIO 5AN WITH KEVIN CONLON**

E&OE.....

CONLON:

Prime Minister, good morning.

PRIME MINISTER:

Good morning, very nice to be here.

CONLON:

Prime Minister, have you opened the batting yet, what's the biggest issue on your plate now do you think?

PRIME MINISTER:

Well the biggest issue on our plate is to get the things that we were elected to do through the parliament. We were elected on a platform to fix the industrial relations system and to relieve the burden on small business by the unfair dismissal law. We were elected to privatise a third of Telstra and put a billion dollars into the environment. They were the principle things on which we were elected. Those laws, or changes to the law giving affect to those things, have now passed through the House of Representatives and they are gathering dust in the Senate during the recess and the biggest challenge we face, the most important task, is really to do the things that we were elected to do.

CONLON:

With a tame Senate, as Prime Minister Fraser had, they would have been in place by now?

PRIME MINISTER:

Oh yes. If we had of had control of the Senate, if we had of enjoyed, say, control of both Houses as Jeff Kennett, for example, enjoyed those things would have been in place by now and other measures such as the introduction of the two-year waiting period for newly arrived migrants to get certain welfare benefits. Those things would now have been in place and in their own different ways making a contribution to our reform agenda. Now it remains to be seen what the Senate does with the legislation when we come back in August, but it's got to be remembered that they were things that we told the public about in minute detail. Now I have been advocating industrial relations reform in various positions I've held in politics now for the last ten years. Nothing is more indelibly associated with me so far as reform is concerned in changing Australia's industrial relations system. I remain absolutely committed to a free labour market.

CONLON:

Does the fact that you chose this as the main issue, does this suggest that really you are going to put the pressure on and that the double-dissolution remains a real option?

PRIME MINISTER:

Well it's silly to talk about a double-dissolution when you've only just won and you've only been there five minutes.

CONLON:

But you're already stymied.

PRIME MINISTER:

Well there is certainly a delay and obstruction and logjam already on things that we told the public about and the public adjudicated at polling. It's not as if we held them back, it's not as if we kept them in the drawer and produced them unheralded after the election. We told everybody about these things and they were central to the campaign. We had a long debate about Telstra and the environment and a long debate about industrial relations. The public voted for us. Now I can't prejudge, I can only call the shots as I see them. Come August and come the report of the two Senate Committees we may all be very pleasantly surprised and find that all is sweetness and light and everything sails through and what we were elected to do we are allowed to do. But it is important that people understand that we act quickly. The legislation to give affect to our small business promise on the unfair dismissal law, for example, that was brought into parliament within weeks of it sitting and it went through the House of Representatives and it's now, along with the industrial relations reform, it is now stalled in the Senate. I hope in August when we get the Senate Committee report, I do hope that the minor parties in particular will see the sense of letting our legislation, essentially in the form that we presented, which is identical to what we told the people we would do we hope that they will pass it.

CONLON:

Prime Minister tonight you will commemorate the birth of Tom Playford. No doubt it's passed your mind that he might be a very different kind of Lib to the one you are?

PRIME MINISTER:

Yes I think that's right. But that doesn't mean to say he isn't part of a long and broad tradition. The Liberal Party of Australia is unique amongst centre right parties around the world because it is the trustee of both the Liberal and the Conservative political traditions in Australia. In other parts of the world centre right parties tend to be exclusively conservative parties and you then have separate Liberal Parties. But in Australia the Liberal Party of Australia is a custodian of both traditions. I mean I myself am liberal on some things and conservative on others.

CONLON:

Perhaps on economics he would be the one who looks liberal and you look conservative?

PRIME MINISTER:

Well no, no I think actually he would be regarded as conservative. You always have a lot of confusion on the nomenclature he was...

CONLON:

Maybe it's what ...

PRIME MINISTER:

... people who believe in more government intervention are tentative in the economic debate to be regard as conservative in the correct use of the word rather than liberal.

CONLON:

Let's look at what he did and compare with what you're trying to do, he spent on construction, pipelines, factories, dams. He expanded the housing trust, the housing commission, rather than contracting public housing. He nationalised ETSA rather than privatising ETSA and so on. Is there a chance that maybe Tom Playford was right and it's time we thought some of this...

PRIME MINISTER:

Well I think he was right in his time. You must always judge people by the standards of the times in which they operated. It is always unfair to evolve backwards when you look at history and impose today's attitudes, today's values, today's priorities on the deeds of people a generation ago. That is unfair, it's unintelligent and it fails to accommodate the fact that something that

worked 30 years ago no longer works. Thirty years ago there was no such thing as globalisation. 30 years ago we didn't have a communications revolution. Thirty years ago we didn't have, you know, the dissolution of boundaries between nations to the extent that we have now so things that operated successfully 30 years ago don't necessarily work today.

I mean if you looked at the Labor Party of 30 years ago, I mean heavens above, who privatised the Commonwealth Bank? Paul Keating, Kim Beazley both privatised the Commonwealth Bank ten years after Bob Hawke said that Ben Chifley would spin in his grave at the thought of privatising the Commonwealth Bank. He said that after I advocated its privatisation. I mean the most monumental apostasy, if you like in political terms, has happened there. Now I don't frankly criticise that. I mean I've always supported privatisation. I've been consistent the Labor Party has been hypocritical because the great icon of privatisation as far as the Labor Party is concerned used to be the Commonwealth Bank. That's why if they could sink their pride and sell the Commonwealth Bank, the whole of it, why on earth do they still stubbornly object to selling a third of Telstra.

I mean if I had been a Labor Party purist I would have thought after the Commonwealth Bank had been sold well they'd well and truly sold out the Chifley inheritance and the Chifley legacy. But if you look at, I mean, you invite me to compare Playford with modern day Liberals, I invite Labor people to compare Curtin and Chifley with modern day Labor people.

CONLON:

I think they're spending too.

PRIME MINISTER:

Well yes they are but I think the important thing is to judge people by the standards and the attitudes and the values of their time. That's the real test and I think by the standards and attitudes of his time Playford was very successful and deserves a kind reflection in history.

CONLON:

Prime Minister can we move, at 21 to nine, to one of the big issues of the week the announcement of your immigration plans. Jeff Kennett, Liberal Premier, says the cut in the numbers is unfortunate and unnecessary. He reckons long term cuts would be a tremendous disadvantage to Australia. What do you want to say about, perhaps, the long term picture of immigration?

PRIME MINISTER:

Well I disagree with Jeff on this. We occasionally disagree on some issues, we agree on most things. It's an interesting issue. The Labor Premier of NSW, Bob Carr, has supported our decision. What we have done is two things, we have reduced the intake by about 9,000 on the last financial year. But it will still be the average of the intakes of the last three years. The second

thing we have done is to shift the emphasis away from overwhelmingly on family reunion to a greater degree towards skilled migration.

CONLON:

And that's where you've got some flak already.

PRIME MINISTER:

Yes, I don't think we're getting flak in the community, I think this is a move that the mainstream of the Australian community believes that the immigration programme has to some extent got out of control. It is being driven by the system rather than the government driving the programme, and that's always a mistake.

CONLON:

But what about a comment from, say, the Ethnic Communities Council in NSW where they say the extended family is the cornerstone of family migration in families?

PRIME MINISTER:

Well I would expect the Ethnic Communities Council of NSW to say that because they do represent a particular point of view on immigration. My sense is that the great bulk of the Australian community will support the decision. You've got to remember Keith that more than 30 per cent of people who arrive in Australia, even after three years, in the preferential family category, are out of work. The unemployment rates amongst some of the recently arrived people in some of the ethnic communities is very high indeed. And it's not fair to them, any more than it is fair to the rest of the Australian community, to continue to support a program that relentlessly produces such very high levels of unemployment in particular areas.

CONLON:

Has in fact your family reunion drop down 13,500 been triggered, at least in part, by the Chinese students who were allowed to stay by the Hawke government - 40,000 of them? They are increasingly bringing out now spouses, fiances, families. Is that a real driving force?

PRIME MINISTER:

Well it's - when you say a driving force - it's not so much a driving force in our decision but...

CONLON:

It's a practical effect isn't it?

PRIME MINISTER:

Well one of the consequences of that decision has been some of the things that you described. But we haven't taken these decisions with an eye to particular groups from particular countries and I want to emphasise that. I mean, this thing is absolutely universal and it will fall where it may, according to the operation of the rules. In some years it will affect some groups from some areas more dramatically than others, and that will change over a period of time. But it's completely...we have preserved absolutely the non-discriminatory principal so far as our immigration is concerned, absolutely.

CONLON:

Interesting developments out of Mr Downer's trip to Hong Kong. Today from The Age immigration officials conceded that in a worst case scenario thousands of Hong Kong residents could arrive on temporary visas then apply to stay. In addition to the 95,000 visa holders there are another 20,000 students in Australia, they could apply to stay. Is that a big bubble and a very difficult one you're going to have to tackle next year?

PRIME MINISTER:

Well inevitably, as we come towards the Chinese takeover of Hong Kong, there is going to be a lot of speculation about what happens. It would be premature in my view for people to assume that there are going to be bubbles of that kind. There was a lot of talk in the lead up, for example, to the coming of democracy in South Africa - not that I compare the Chinese takeover incidentally to the culling of democracy in South Africa - but some of those fears, most of them, did not materialise. I think we ought to wait and see. One hopes that the new Chinese regime in Hong Kong will be accommodating to the all freewheeling character and spirit of that great city/State, but we'll have to wait and see. Obviously the people who have entitlements, have entitlements so far as this country is concerned. On the other hand we always, in these things, we've got to pay regard to the national interest.

CONLON:

Prime Minister, with just over a minute to when the regionals have to go to other commitments, the question of employment and particularly AN employment - the Australian National employment - one MP today has said that AN's plan to axe 900 jobs is a disaster.

PRIME MINISTER:

Well that plan, should I say, of AN's about the 900...900 redundant, that was all hatched when the former government was in office.

CONLON:

But are you following through?

PRIME MINISTER:

Well, we have commissioned a report, the Brew Report, and we obviously have to look very seriously at the recommendations in that. I'm not saying we're automatically going to adopt it. But there were bad decisions taken in 1991 regarding AN and the association of the Australian National Line with it, and we have...the rail corporation rather, and we can't ignore that fact.

CONLON:

Are we looking at the decimation of jobs in Port Augusta here? Mr Sharp's hinted at maybe more than 800 jobs there. That's just about the entire workforce.

PRIME MINISTER:

We have to take a sensible economic decision that won't be taken insensitively to the union considerations that are involved. But these sorts of things are never easy, and if the difficult day is put off indefinitely it ultimately catches up on you and that of course has really happened. The decisions that were taken in 1991 were very bad medium and long term decisions and they have aggravated the current problem which has been landed in Mr Sharp's lap.

CONLON:

If we go broadly to the issue of Jeremy Rifkin who is an international author. I don't know if you've caught up with his best seller, but he's starting to say that there is a crisis in western economies, including ours. We talked to him last week on the programme. He's saying that even at the top there is a rethink going on because we are losing full-time adult jobs at an unprecedented rate and we're not replacing them. Do you see a crisis of the kind that Rifkin sees?

PRIME MINISTER:

Well I don't see a crisis, anything but. But I do acknowledge that the nature of employment has changed dramatically in the west over the last 20 years and Australia is no exception. The idea that you would start with a company and stay with it all of your life, that is the exception rather than the rule now.

CONLON:

But what we're seeing now is the people flooding out of the banks or out of Telstra or out the ATO, and then there are no full-time adult jobs for them to go to.

PRIME MINISTER:

Well, there are fewer...it is wrong to...it is wrong you say...

CONLON:

Okay, far fewer.

PRIME MINISTER:

Well, there are significantly fewer, but I mean let's not exaggerate it. There are still plenty of full-time adult jobs, but the composition of the labour market is changing, that is true.

CONLON:

And you accept that in effect we are not generating full-time adult jobs...?

PRIME MINISTER:

And not to the same degree that...

CONLON:

We generate part-timers, casuals.

PRIME MINISTER:

Not to the same degree that we did in the past. But we are certainly entering a period where we will need far more flexible conditions of employment to accommodate the far more flexible labour market opportunities that people have. And instead of sort of burying your head in the sand and saying that this shouldn't be happening, what you really have to do is to respond to it and to try and build industrial relations laws and build other principles that accommodate this new era. And people have a different attitude towards work now than they may have had 20 or 30 years ago. They increasingly accept that they will work for more than one employer. Some people will increasingly accept that they will work in a more...have more irregular work patterns, more irregular hours of work.

CONLON:

So what do we have to accept now though, as the level of unemployment? I mean, what's the rate which is now going to be acceptable without there being long term, maybe even short term, drastic social consequences? It's not just an economic question, it's a social question, isn't it?

PRIME MINISTER:

I can't really piece...it's always very hard to put a particular figure on that. And let me remind you that there are countries in the world that have lower rates of unemployment than Australia. Japan has a much lower rate of unemployment; the United States has a lower rate of employment;

New Zealand has a slightly lower rate of unemployment and even Britain - which is often bucketed by my political opponents as some kind of exercise in social Darwinianism from economic policy point of view - has a lower rate of unemployment than Australia does at the moment. Now, I think the idea that we could go back to the 1960s where you sort of thought it was a national crisis if you went to two per cent. I can't honestly see us going back to that in the near term. I would like to think we could, but I am...

CONLON:

So what's full employment, five or six per cent?

PRIME MINISTER:

I don't want to put...the trouble is, whether the Prime Minister says...you know...then somebody says, 'oh, Howard gives up on unemployment,' and I don't give up on unemployment, it's the most important social goal for governments to keep striving to get unemployment down.

CONLON:

Tell me, this is coming at the same time as say our Premier, Dean Brown, is saying, 'slash and burn Prime Minister, you can take 10 per cent off the Public Sector,' and in effect of course, that's shedding the same full-time adult jobs. Is it appropriate with the level of unemployment to also be...?

PRIME MINISTER:

The signals Keith, are...I mean, I understand what you're saying, but on the other hand in one of the government departments 2,500 voluntary redundancies were sought, and there were offers - expressions of interests - of more than 3,000 which is an interesting commentary on the confidence many people still have in finding alternative employment. And I'm quite sure many of those people will find fairly readily, alternative employment. So you shouldn't assume when you hear these numbers being mentioned, you shouldn't assume that that is the beginning and the end of the story. There is still an enormous amount of mobility and flexibility in the labour market. And many people who take redundancies in the Public Service do go into other jobs. And the idea that they just go on to the unemployment list is a complete mistake, they don't.

CONLON:

John Howard, at the risk of navel gazing, there is a giant love-in at Coogee at the moment about the picture of the ABC, an internal one. But the Government turn comes later, obviously you will want to look at. Do you think sponsorship is again a real option?

PRIME MINISTER:

Well, a lot of people argue for them. And I can understand the ABC point of view on it and that in some way dilutes its purity as a public broadcaster, I understand that. And can I say, as you've asked me, that whatever I may from time to time say about particular attitudes that I perceive in the ABC and...

CONLON:

Like political correctness to the fault?

PRIME MINISTER:

Yeah, well, on occasions on issues, and I don't mind repeating that. But I do believe very strongly in the ABC. I think it is a very special part of the communications system in this country. In no way am I in favour of "getting rid of the ABC". I mean that is...

CONLON:

Or maybe with the rewrite of the charter, getting it out of the way of the commercial broadcasters, as many of them will lobby you.

PRIME MINISTER:

I would like to see the ABC continue its special role. I will disagree with it on certain issues. I will sometimes criticise its priorities. It is a public broadcaster, and as a leader of one side of politics in this country I have a perfect right in those circumstances, fairly and openly and frankly, to express those views. Now, the question of funding is always hard and I don't want to be specific, it's obviously got to be considered along with everything else. I understand the views of the ABC management and the supporters of the ABC about sponsorship. I hope they also understand. The consistent...with everything I've just said about the importance of the ABC, we can't ignore budget and commercial realities in making decisions. So I hope we get the balance right.

CONLON:

Prime Minister, of the many issues can I perhaps just raise one about Austudy which has been much in the news. A Bordertown story - this has come through to us from our regional friends - one 28 year old Bordertown student has always wanted to study law, she's had a 10 year plan to do it, she's worked for 10 years, now to save enough money to get to Adelaide, but even with Austudy she's going to need some extra money - she's got not relatives up here. It's a crucial part of the jigsaw for her. Is she now looking at maybe that crucial part of the jigsaw going away? Is she now, along with many other rural people, going to be disadvantaged?

PRIME MINISTER:

I think I could say without any fear of contradiction that the idea that we're going to sort of sweep away all student assistance of that kind and replace it with nothing, that's not going to happen. I said the other day when asked was the abolition of Austudy an option, I said well, it's an option, but I then went on to give some nuance to that. And the truth is that student assistance, effective student assistance, based on need - and I stress that, based on need - is part of the apparatus. Now, how generous that should be...what the need criteria ought to be is something that any government's entitled to look at from time to time. But I wouldn't want anybody to imagine that we are in favour of removing entirely the apparatus of supporting people in need. But, like all of these things, you've got to ask yourself whether the taxes of working people, often on very low incomes, whether they are best employed in, and how far they should be employed, in funding people to get qualifications that will entitle them to a far higher level of remuneration than the remuneration of the people whose taxes got in there in the first place. I mean, it's a balancing act, very much.

CONLON:

Sounds like more student loans might be the way to go.

PRIME MINISTER:

No, I wouldn't automatically assume that, I wouldn't. I mean, the point I'm trying to make is that we are sensitive to the need for continued student assistance based on demonstrated need and lack of capacity to support oneself. That's the principle. How best you deliver that...and you shouldn't assume that we're just looking at accrued loans for Austudy proposal, that would be to misstate the sophistication of the examination.

CONLON:

Prime Minister, thanks very much for joining us today. Enjoy your day, and a wet one in Adelaide.

PRIME MINISTER:

Thank you.