



# PRIME MINISTER

2 December 1996

## TRANSCRIPT OF THE PRIME MINISTER THE HON JOHN HOWARD MP INTERVIEW ON AM PROGRAMME WITH FRAN KELLY

E&OE .....

### **KELLY:**

Prime Minister, News Limited Chief Executive, Ken Cowley, says the Government's got to stop using the Senate as a scapegoat and you've got to go faster with your reforms. Do you accept that criticism?

### **PRIME MINISTER:**

No, that criticism's quite inaccurate. Mr Cowley and others must understand that in the Australian political system to get a law passed you've got to pass it through both Houses of Parliament. We were given a majority of 45 seats in the House of Representatives but we were not given the majority in the Senate. If we had been given the majority in the Senate the industrial relations law in its original form would have been passed months ago. One third of Telstra would have already been sold. The budget in its entirety would have now been passed. The migrant waiting period legislation in its entirety would have now been passed. Much in all as businessmen out there - and I can understand their sense of frustration - would will it otherwise, we have to operate within the constraints properly laid down in the Constitution of Australia. Running the Government is not quite like running a business. In business you can often order obstacles out of the way. In Government, particularly when you are dealing with the Senate you have to sit down and talk to them and try and persuade them.

Now actually we have done quite well, given the difficulties. We have passed in an amended but still very strong form, the industrial relations legislation. We have got the appropriation bills through. We have got many of the other supplementary budget bills through although there are one or two very important ones coming up this week. We have got our family tax initiative through. In the next couple of weeks there will be a crucial vote on the Telstra legislation. Now if we can get it through, and that is a big if, and I really don't know, I honestly don't know at this stage. The relevant Minister

is still discussing the matter with the relevant Senators who hold the balance of power. We have to do that. They haven't signed off on it so to speak in entirety, so these are just the conditions under which you must operate a government in Australia in the 1990s because the way the Senate is now structured with an even number of Senators retiring every three years, and this is the key thing for people to understand, it is virtually impossible for either the Labor Party in Government or the Coalition in Government to get control of both Houses of Parliament at an election, no matter how strong the vote and the vote could hardly have been stronger in March.

**KELLY:**

Well as you say, the vote could hardly have been stronger in March, given the chorus of criticism and frustration there is now coming from business leaders and given that if that all builds in the community, how tempted are you to go back to the polls to try and get a stronger mandate in the Senate? I mean, is the climate approaching where that would be a temptation?

**PRIME MINISTER:**

Fran, I wouldn't accept that there is a chorus.

**KELLY:**

Well there has been criticism from the Business Council of Australia and others about a number of factors...

**PRIME MINISTER:**

Well hang on, just let me answer the question. Please, can we conduct the interview... you asked me a question. Can I please be allowed to answer it. I don't think there is a chorus. There are some people, and I am pointing out to those people now that they have to understand the way the system operates. They might look around certain State Governments and say, oh gee, they're going at a faster rate. They're going at a faster rate because they might control both Houses of Parliament. Now you have to live with the result that people give you. That is called democracy. Now obviously, there are devices available under the Constitution in the fullness of time for there to be a double dissolution if that's what the Government wanted. I have said repeatedly that I don't want to have a double dissolution. I would want the Parliament to run its full term. That doesn't mean to say that we won't, as Peter Costello and I both indicated last week, we won't be reluctant if the Senate rejects a piece of legislation to put it back again within the time periods that are laid down in the Constitution, but as I also indicated last week, we are not spoiling for another election. We are not spoiling for a double dissolution but ultimately, we will do what is necessary to get our program through, but when you look at the main things that we were elected to do to reform IR, to relieve some of the tax burden on small business, to get rid of the unfair dismissal law, to sell one third of Telstra, to bring in a strong but a fair budget and to bring in a family tax initiative.

Now the only two things that are swinging out of those five commitments in the election campaign are one third of Telstra and some of the related budget measures. The rest of it, despite the fact that we don't have the numbers in the Senate, despite that fact, the rest of those commitments in the election campaign have been achieved. Now..

**KELLY:**

So given that then, would it be fair to say that we don't have an Oppositionist Senate, given that you've got that raft of things through? Is that fair to say?

**PRIME MINISTER:**

I think you have a Senate which is different on each measure. You certainly have an Oppositionist Senate from the Labor Party. The great distinguishing feature between the Labor Party and the Coalition is that when we were in Opposition, we made it possible for the Labor Party to bring about any of the economic reforms for which it was responsible. One of the great ironies of this debate about the privatisation of a third of Telstra is that it was the combined votes of the Australian Labor Party and the Coalition that facilitated the sale of the Commonwealth Bank. It was the combined votes of the Labor Party and Coalition that facilitated the sale of Qantas, the Democrats I have to say at least to their credit, if you can call it that, voted consistently against privatisation both under a Labor Government and now under a Coalition Government, the people who have really turned oppositionist in relation to things like privatisation, the Labor Party, I mean, how a party that told the public it would never sell the Commonwealth Bank but did in full, they'd never sell Qantas but did in full, how they can lie straight in bed, opposing the sale of a measly one third of Telstra when they know themselves that if they'd have got back at the last election they'd have sold the lot, so they are oppositionist. I think the minor parties, look, the Democrats helped us on industrial relations. They negotiated with us and I thank them for it and I thank the Independent Senators in different ways for the way in which they have helped some of our bills through. Whether I have cause to thank them and some others at the end of the next two weeks, time alone will tell but I think people have got to understand that however much they might wish it away, a Senate controlled by others in the Government is a fact of life. I don't think the public wants to be racing off to an early new election but equally I don't think the public wants the program, important elements of the program of the Government delayed indefinitely.

I think it's just a question of taking things in a measured, sensible, orderly fashion and it's also a question I think of looking at what the Government has already achieved. I mean, I have to go back to those five things that dominated the election campaign - small business, family tax, unfair dismissal, industrial relations reform, sale of one third of Telstra, fixing up the financial mess that we ultimately inherited. Now, with the exception of Telstra and elements of the budget package, we have done very well, we have done exceptionally well given the constraints under which we operate.

**KELLY:**

Exactly, and given those things, these sections, Telstra and some of your budget bills...

**PRIME MINISTER:**

They're very important.

**KELLY:**

Very important things....

**PRIME MINISTER:**

And a lot of money, I mean if they don't go through then there will have been a very heavy hit made by the Senate on the bottom line of the budget. I mean, nobody should be in any doubt about that.

**KELLY:**

And if they don't go through then would you go back to the...

**PRIME MINISTER:**

Look Fran, I am not going to, you see, this is the difficulty if I may say so, of trying to communicate with the Australian people. I am trying to say to the Australian people very directly and very clearly, we want to serve our three years. We have no desire to be racing back to early elections and I don't think the public wants another election but we also, we want to get our program through and we are prepared to talk to the minor parties in the Senate and we are prepared to be reasonable but not surrender important principles. That's what we did with the IR bill. We made changes. It wasn't in its original form but it is still essentially what we wanted. Now that was good. We were able to do the same thing with some of the other pieces of budget legislation. I am delighted we got the new schools policy change through last week. That is going to give new freedom of choice for low income parents to send their children to independent schools. It is not a measure that is going to help the elite GPS schools of Australia. It is a measure that is going to help low income people, say in the western suburbs of Sydney, to exercise the option of sending their children to a low fee paying independent school, a measure incredibly enough that was opposed by the Australian Labor Party.

**KELLY:**

On another issue Prime Minister, do you agree with Senator Alston that fixed share limits, as in the current cross media ownership regime, are too inflexible and difficult to administer?

**PRIME MINISTER:**

I have been on the record for a long time as saying that I don't favour the cross media prohibitions because in the first place they were conceived in malice. They were conceived by the former Government in the 1980s to break up the then Fairfax media

empire which not only included newspapers but also you will recall the Seven television network and the Macquarie radio network, and also to dismember the Herald and Weekly Times group. They have in any event been overtaken by technology and that is the reason why in a world where you can beam something from one part of the world to the other and it will, they don't take too much notice of the geographical boundary between nations. We said before the election we would review those laws and that is under way at the present time and..

**KELLY:**

So do you favour using general competition laws with some special interest clause?

**PRIME MINISTER:**

That is an option and all of those options are being examined. There is a share of voice option, there are a series of options and we are going to look, we've had a lot of submissions from different people and in the end you've got to achieve a sensible balance between local ownership and also diversity. There's no doubt that if you only worry about diversity, only, local ownership levels could well suffer. If you only worry about local ownership levels then diversity could suffer and it's a question of getting a right balance and I think I may have said it before, perhaps even on this program, that no matter what you do in media policy, somebody there will say that you are favouring one or other media proprietor. We are going to try very hard to make our reforms non-mogul specific.

**KELLY:**

So you would, in fact, then disagree with Ken Cowley from News Limited who said yesterday that he believes the Government has its ear closer to the Packer end of town? You reject that?

**PRIME MINISTER:**

Of course I do. I have very regular contact with Mr Cowley as he knows, and as Mr Lachlan Murdoch knows, and when the boss visits town he normally wants to see me.

**KELLY:**

So why did Ken Cowley make that...

**PRIME MINISTER:**

Well look, I think in this, you know, they all sort of like to get a few runs on the board and to make it clear they're in there punching for their side of the argument. I understand that, just as on occasions past I can understand why Mr Packer and the spokesman for Mr Packer under the former government have said certain things. Look, we...

**KELLY:**

You're not trying to rectify the balance here?

**PRIME MINISTER:**

I'm just trying to be fair to Australia. And the good outcome for Australia is to have a balance between those two considerations. And you've got to recognise that in a nation of 18 million people then it's unrealistic to say you should have no foreign ownership at all. It is equally unrealistic to say that you can have unlimited diversity. It is a question of striking real balance and it's a question of taking care to ensure that you don't penalise the local home-grown media organisations, that's a very important consideration.

**KELLY:**

On another issue - the Republic. It's reported that the Government's completely dispensed with its promise to have 50 per cent of the People's Convention delegates elected and you're working entirely on an appointed model. Is that true?

**PRIME MINISTER:**

Well, we're looking at a range of options. I want to say on that subject that we are going to, as we said during the election campaign, involve the Australian people in the process from the middle, the beginning and the end. I have not altered my commitment to ensure that the Australian people have a vote on this issue before the end of the century, nor have I altered my view that if the Australian nation is to become a Republic it should become a Republic in circumstances that unite rather than divide the Australian community. In my judgement, the worst possible outcome on this issue would be to have a referendum, say in the year 2000, which was defeated by 51 per cent to 49, or for that matter, carried 51 per cent to 49. It's one of those things where if we are going to change, it's got to be something that the overwhelming bulk of the community are taken along with, feel part of, feel committed to, and even though in the case of some them they may not have wanted it, have thought:- well, we've had our say, the thing has been fully discussed, it hasn't been rammed down our throats and it hasn't been steamrollered.

**KELLY:**

But if people aren't elected to it, if it's all Government appointed to the Convention, doesn't that cast a pall over...

**PRIME MINISTER:**

I suggest that you sort of just wait and see the outcome of all of that. There are a number of options that can produce an outcome where a lot of people participate in producing that outcome. But if we do have a convention process, I believe that that convention process - and I think it's very likely that we will have it because we said we were going to have it - that convention process will significantly aid public

understanding. But very importantly it will ensure that people feel involved and that is a very important element of this. Now, my own views personally are that I'm not a republican, but I have always said that I'm going to facilitate debate, facilitate process, facilitate an expression of public opinion and proper ultimate decision making process if that is what the Australian people clearly want. But I feel I have a responsibility as Prime Minister to make certain that if this event is to occur it occurs at a time and in circumstances that draws the Australian people together and they feel part of a new phase in the life of our nation; they don't feel as though - some of them - that they've had something they don't want forced down their throats without proper discussion and with indecent regard to their sensitivity and their feelings.

**KELLY:**

Just finally and briefly Prime Minister, the Northern Territory Chief Minister, Shane Stone, has alerted you to the Larakia claim over large parts of undeveloped crown land in Darwin. He's described it as a greedy money grab and an issue of national importance that could be repeated across Australia. Are you concerned about it and are you thinking of intervening?

**PRIME MINISTER:**

Well, I haven't been briefed on the details of it although the Chief Minister did alert me to it on Friday. Am I concerned about it? I am concerned about the present Native Title Act. That's why we are trying to reform it. Those reforms are in the Parliament now. They will pass if the Senate lets them through. They won't pass if the Senate doesn't let them through.

**KELLY:**

But if a claim like the Larakia people's claim, the traditional owners claim, is fair and valid within the High Court, is that fair enough then...

**PRIME MINISTER:**

Look Fran, I don't know whether it is or it isn't. We are waiting on the High Court...we are waiting on the High Court to take a decision or bring down a decision on the Wik claim which will decide the status of a large number of unconditional pastoral leases in Queensland. Now, that's a very important decision...

**KELLY:**

Indeed, but it's not the issue here is that we want...

**PRIME MINISTER:**

No, but it goes to the heart of the greatest concern that has been expressed to us around Australia about the present Native Title Act. Fran, we support Native Title, we support the High Court's decision in Mabo, we did not support the Native Title Act in its present form, we are trying to amend it. The amendments are fair, they will

remove the legitimate grievances of pastoralists and industrialists without, without - I repeat - undermining the basic rights that were given to the Aboriginal people by the original High Court decision. Once again it is a question of us having proposed a reform, an intelligent reform and that reform not having been implemented yet because the Parliament hasn't passed it. Now...

**KELLY:**

Back to the Senate.

**PRIME MINISTER:**

Well, it's the system, I mean, it is and we have to work with that as best we can. And I understand that and I want the Australian community to understand it because it is the system we have to live by. And years ago it was possible. The Malcolm Fraser Government controlled both Houses of Parliament for five years. No government in this country has controlled both Houses of Parliament since the 1st of July 1981 which is more than 15 years ago. Under the present voting system no government of this country will, in its own right in my prediction, control both Houses of Parliament in the foreseeable future no matter how strongly the vote that Party receives out of House of Representatives selection. Now, that puts on the Government, obligations; it has to work, it has to pressure, it has to explain, it has to advocate, it has to demonstrate its will, it has to be reasonable, but it also has to be tough on occasions. It also, may I say, puts obligations on Oppositions. Most of the deregulatory reforms for which the Keating Government is, from time to time, praised, would never have been realities if I, in particular, as Opposition Leader and economic spokesman for most of the time of the then Opposition, I had opposed those measures. I mean, privatisation of the Commonwealth Bank and Qantas would never have occurred if it hadn't been for the Liberal and National Parties. Yet now that the boot is on the other foot, despite their own hypocritical track record on privatisation in government, the Labor Party is turning the system on its head. Now that is the situation. We'll try and get around it and I think we have done exceptionally well in getting around it so far, but the next two weeks will be a very, very interesting test of not only our capacity but also the degree of reasonableness, particularly of the Labor Party but not only of the Labor Party in the Senate.

**KELLY:**

Prime Minister, thank you very much.

**PRIME MINISTER:**

Pleasure.