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PRIME MINISTER

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TRANSCRIPT OF THE PRIME MINISTER THE HON. JOHN HOWARD, MP INTERVIEW WITH ELIZABETH JACKSON - 2CN

E&OE.....

JACKSON:

John Howard was elected Prime Minister last March. We haven't had much of a chance to catch up with him since then. But this morning we're happy to remedy that. Prime Minister, welcome.

PRIME MINISTER:

Well it's very nice to be here Elizabeth.

JACKSON:

Nine months down the track are you still relaxed and comfortable?

PRIME MINISTER:

Yes I am. I feel as we come to the end of the parliamentary year that we can look back on the last nine months and feel that as a Government we have made a good start. I don't say that in any sense of complacency. We've worked very hard to keep in touch with people. We've always taken the view that being the Government of Australia is an immense privilege and that when governments lose a sense of humility and acquire a sense of pride or hubris then that's when they start to go wrong. I've endeavoured myself and I've tried to encourage all of my colleagues to remember that we are there as the gift of the Australian people, as a gift from the Australian people, and we certainly don't take that support for granted. We have to work hard to both earn and retain the respect of the Australian people. And I feel after nine months, and it's nine months to the day that we were sworn in on the 11th of March 1996, I do think the building blocks have been put down. We have brought about some changes. I know some of our decisions have been unpopular. I freely acknowledge that because of some of the changes in the size of government they've had a differential impact on the Canberra community, I regret that - I'm sorry about that. I have to point out that it's not as a result of us singling out public servants or the Canberra community. It just

happens that there is a proportionately larger number of Australians employed in the public service in the Canberra community, some 48 per cent, than in any other part of Australia. But I can assure you that there's been no hidden agenda. We're not an anti-Canberra Government, we're a pro-Australian Government and Canberra is the proud national capital of Australia and it will always be that way.

JACKSON:

I do want to talk to you about those perceptions of you being an anti-Canberra Government because I'm sure you've heard those suggested...

PRIME MINISTER:

Oh they have and there's no point in my pretending that there aren't some of those perceptions around and I want to acknowledge that in a forthright manner that there are those perceptions around. I want to say that they are wrong and I want to try in this interview and in other ways to reassure the people of Canberra that we care as much for their future as we do for all Australians and that the decisions that we have taken in no way exhibit a bias against public servants as such. I'm very proud of the fact that we won the support of a lot of public servants in the last election. They are as entitled to justice and fair treatment from my Government as any other section of the Australian community.

JACKSON:

I think the question that they're asking today is how much worse is it going to get? Many of them have been, well, many of them have taken redundancy packages, a lot of them are working in very insecure environments at the moment. They want to know is it going to get worse?

PRIME MINISTER:

I suppose I should start to answer that question by saying that working in an insecure environment is no new thing for many other Australians. One of the differences between the recession of the early 1980s and the recession of the late 1980s was that the first recession largely left people in the public sector untouched. And the downsizing in government began at a State level years ago and in a sense what had happened in Canberra in recent months is no different from what has happened in other parts of Australia so far as the public sector is concerned over a number of years. I also have to say in defence of my Government that a lot of downsizing of the Federal Public Service commenced under the former Labor Government. I mean, the figures, there were thousands and thousands of redundancies under the former Labor Government. Now I'm not seeking to say whether that was good or bad. I'm trying to put it into perspective and once again this idea that Canberra is being singled out for some kind of discriminatory treatment is just not correct.

JACKSON:

But what about the future, Prime Minister, what's going to happen?

PRIME MINISTER:

Well, we made certain announcements in the last Budget. We achieved savings of some \$7.2 billion over a period of two years. Now we are very keen to implement and achieve those savings. We do want to put the Budget into underlying balance in year three if we can. I mean, this things inevitably get affected by economic activity and revenue flows and some of which are very hard to predict. But whilst I can't bind the hands of the government in future budgets I can say that we saw the target of those cuts in the first Budget, brought down in August, we saw that as the kind of target we wanted to achieve. In other words, I don't have in mind another five or six billion dollars of cuts on top or even another two or three billion dollars of cuts on top of the 7.2. So that is about the best way in which I can answer...

JACKSON:

The worst is behind us in other words?

PRIME MINISTER:

Well I believe that if we can consolidate what we announced in that Budget, if we can achieve what is needed to be done to realise those savings of \$7.2 billion over a period of two years then we will have achieved our medium term fiscal consolidation goal. I choose my words carefully because I don't want, later on, somebody to say well you promised this and you haven't delivered that. I don't want to be in that situation. If we can achieve those savings then I think it is possible for me to say to the Australian public 'we have made a very solid fist of fixing up the Budget problem because we have achieved the savings that will put the Budget on target for an underlying balance in year three of our first term in office'.

JACKSON:

Prime Minister, there's a perception in this city that when we hurt here the rest of Australia doesn't care very much. In fact, there's a perception that they actually clap their hands and smile and think it's a good thing. There's also a perception that you don't care much either for a range of reasons. I think you've already acknowledged that perception - does that concern you?

PRIME MINISTER:

Well it does because it's wrong. I mean, I don't clap my hands about anybody having a redundancy. I don't clap my hands about any decision that governments take that have adverse effects on individuals. I don't like it at all, I don't enjoy it for one second. Anybody who thinks that I get some kind of pleasure, or my Government gets some kind of pleasure out of reducing the size of the public service for the sake of reducing the size of the public service is wrong. And any other Australian who does get that kind of pleasure won't get any comfort out of me. I do believe in the private sector very strongly. I am a great exponent and proponent of the cause of small business and that's very important to Canberra's future and I'd like to say something

about that later on. But my passion for the private sector is not borne out of hostility to the public sector. It is a belief that it is through private sector investment, particularly in small business, that you have the greatest possibility throughout the whole country of generating jobs. But there is nothing punitive, malicious or prejudiced in the attitude of my Government in the decisions that it takes towards the public sector. We value the contribution of a professional public service. I reiterated that when I opened the new Foreign Affairs and Trade building a couple of weeks ago - I do so again. It's an integral part of the fabric of our community and the professionalism of public servants in Canberra is something which we should be rightly proud.

JACKSON:

Okay, I'm just aware that there are a couple of issues I do want to move through. There's even been a suggestion that you've advised the local Liberal branch not to run a candidate in the by election for the seat of Fraser because you're worried you're going to take a bath in Canberra.

PRIME MINISTER:

Well the question of what happens with that is something that will be decided by the Party organisation. I've obviously had discussions with them about it and political organisations take decisions on whether they run candidates or don't run candidates in by elections in relatively safe seats held by their political opponents for a whole variety of reasons and...

JACKSON:

Would you like to see them run a candidate?

PRIME MINISTER:

Well that's a matter for them to decide and I believe very strongly in the relationship between the organisation and the Parliamentary Party where the organisation decides where the candidates are run. Obviously the organisation talks to the relevant parliamentary leader and that's me because it's a federal by election and then takes a decision but I would point out to you that if the organisation were to decide not to run a candidate, it wouldn't be the first time that a party has done so in a by election. I mean, the Labor Party didn't run any candidate when Mrs Bishop came from the Senate into the seat of Warringah or when Michael Mackellar retired and Tony Abbott, I'm sorry, Mrs Bishop went into Mackellar and Tony Abbott into Warringah. The Liberal Party didn't run a candidate in Blaxland earlier this year when Paul Keating retired so there's a bit of a pattern to that and I don't think you should draw any particular inferences but that is a matter for the organisation to decide. Obviously my view has been sought and I've expressed it.

JACKSON:

What was your view?

PRIME MINISTER:

Well that's a matter for the organisation, my view it was privately expressed to people in the organisation and it's a matter for the organisation to take the decision and I'm not going to publicly canvass something that rightly ought to remain between myself and the Party organisation. The Party organisation has an important role. I respect that role. I've always accepted the understanding that the Parliamentary Party is supreme in policy matters but in organisational matters, whilst they should listen to the views of the Parliamentary Party, it's their prerogative to take the final decision.

JACKSON:

The Prime Minister, John Howard, is my guest this morning. We're talking at the moment about issues affecting Canberra specifically. In a moment we will move on and talk about some other matters. Prime Minister, everyone that I have spoken to including our Chief Minister, Kate Carnell, believes that your decision not to live permanently in the Lodge sends out all the wrong messages, messages that you don't care about Canberra. I know we've already addressed this question. Will you reconsider your decision not to live permanently in the ACT?

PRIME MINISTER:

No I won't. I'm aware that it is an unpopular decision in Canberra. I must say to you that it has not been criticised in other parts of the country and I obviously am the Prime Minister of the whole of Australia. I'm not just Prime Minister of Sydney or Prime Minister of Canberra or Prime Minister of Melbourne. I'm Prime Minister of the whole of Australia.

JACKSON:

Even Malcolm Fraser went fishing here.

PRIME MINISTER:

Well can I tell you that the perception that I don't spend any time here is completely wrong and that comment about Malcolm sort of implies that I don't even do that. I haven't got the final figures because they change every day obviously but my perception is apart from the time that I've spent travelling to other parts of Australia or overseas since I became Prime Minister, I've spent about 60% of my nights in Sydney and about 40% in Canberra. Now that can hardly be categorised as the behaviour of somebody who doesn't even go fishing in the ACT. The reality is that my family is based in Sydney. When Parliament is sitting of course I am always here. I am always here for extensive periods when Parliament is not sitting. We spend as I say roughly about 40%, the only measure is where you spend your night, in Canberra. Now the suggestion from that that I am unfamiliar with the Canberra community, the suggestion from that that I am in some way retaining nothing more than a nominal association with Canberra is wrong. Now I know it is not popular here. I accept that. The best I

can do is to explain the facts which I have just done which rather refutes the idea that I just sort of blow in occasionally. I mean, that is ridiculous. I plainly don't.

JACKSON:

And you've spoken about your children's education too and the importance of maintaining the family home in Sydney but what about, I mean, they're not at primary school any more. The children are getting older. Once they've completed their education, would you then consider moving to the ACT permanently?

PRIME MINISTER:

Well I am not going to, I am not going to commit myself to what might happen in years three, four, five or six. Our own circumstances may change, our own views may change. I took a decision and I believe it's not only, it's not only a decision based on family consideration because I acknowledge that a lot of people don't have that luxury and I know a lot of people in Canberra - their families are separated because if they are in the diplomatic service, they may have to go overseas but equally, if they have the opportunity for their family to stay together, well they would take that opportunity and I don't think anybody would suggest otherwise but I also took it for reasons of wanting to maintain as well as my contact with the Canberra community, which I believe I do retain because I spend a lot of my time in Canberra as the figures I've just spelt out demonstrate but it's also by spending some time in Sydney as well I am able to maintain very direct contact with the business community in that city. It's not the be all and end all of the business community in Australia but it's a fairly sizeable chunk of it and I think there is value in spreading oneself around.

I think there is value in recognising that whilst Canberra is the national capital and Canberra is the political, administrative and legal capital of Australia, it is not the commercial heart of this country and that we do need people in Government who have a broad understanding of the whole country and there is a danger, no matter how well intentioned you are, if you spend all of your time in Canberra mixing with the same group of people, reinforcing one particular view of life, it is possible, however well intentioned you may be and the people with whom you converse may be, it is possible to end up being a little out of touch with views in other parts of Australia. So I put a very positive light on the decision that I have taken. I think you have the advantages of a Prime Minister who understands and is in touch with the Canberra community but also understands and is in touch with a very big community in the largest city in Australia and I think that is an advantage and I think it gives me an insight and an understanding that with respect, I think my predecessor lost and perhaps some of his predecessors may have lost.

JACKSON:

Prime Minister, let's talk about the Kevin Andrews' Bill. How do you answer concerns of Canberrans that we have effectively now got a lame duck Assembly. They're our democratically elected representatives but if they legislate something that you don't like, you overrule it.

PRIME MINISTER:

Well can I make two comments about that. The first is that the euthanasia issue was a non-party issue so it wasn't Government policy to support the Andrews' Bill. I voted for it because as John Howard, Federal Member for Bennelong, I generally supported the principles of the Bill. You raised the question of States' rights or territory rights. The ACT is not a State. The Northern Territory is not a State. The law of Australia allows the Federal Parliament to pass a law overriding a territorial law. Now until the ACT, or if and until, and I have to say that, if and until the ACT becomes a State and there is certainly no proposal for that on the horizon, that while ever the ACT remains a territory, then the argument that in some way it's rights are being denied because of the existence of this under the law of Australia is just not correct. I mean, I deal in, and you have to deal in the legal reality. The law of Australia expressly allows the national Parliament to pass the euthanasia law, or the anti-euthanasia law so far as it affects a territory and if the ACT were a State it would be a different situation and there's a good historical legal reason for that because the Commonwealth of Australia, the national Parliament came out of the federation of the States and the understanding at Federation was that there would be States and there would be a Commonwealth Government and they would have certain powers. Now the powers given to the States at Federation were not given to the territories so there's nothing wrong or illicit or unfair or illegal about it. I mean it's just what the law allows and it was always intended by the Australian people that that should be the case.

JACKSON:

It certainly is the law, no one would dispute that, but I think it would also be fair to say that a lot of Canberrans feel that it is unfair. I mean, we elected these people, we elected them to make...

PRIME MINISTER:

I have had very - I have to say - I have had very few complaints from people living in Canberra on this issue. I mean, I've had complaints about other things but not on this issue, and after all, something which goes so directly to the kind of society we are, whatever your views are - and I voted in favour of the Andrews' bill - but I do understand the conscientiously held views of a lot of people who voted against it and I don't try and ram my own view down other people's throats.

I've quietly reached a conclusion myself that there are some absolutes in life that ought to be maintained and respect for human life and every effort to maintain it is one of those absolutes, but it is not a view that I seek to ram down anybody's throat from some kind of moral high ground. But after all, that kind of issue does go very directly to the kind of society we are and inevitably if it happens in one part of Australia it will have an influence on what happens in another part, and surely if the national Parliament is worthy of its name it ought to be able to express a view on and pass a law about such an issue.

I mean, I just have to say as an Australian, the idea that being a member of the Australian Parliament I am denied the capacity to cast a vote for or against something

as fundamental as this simply because, according to some theory of the division of powers it is something that belongs to the territories and not to the national Parliament, can I say I find that quite unacceptable as an Australian. I mean, I am an Australian before I am anything else, and most Australians feel that way. I'm an Australian before I am - I don't feel a New South Welshman - I am an Australian first and foremost and that is how a lot of people have reacted to this when I've had discussions with them.

They feel very strongly that this is an important issue. People hold strong views on both sides of the argument and what a joke it would be for the national Parliament to be told you can't express a view on this because according to some view of territorial rights you have no business expressing a view. Now, I know that puts me at odds with some of my colleagues at a State and Territorial level but as you can see it is a view I hold quite strongly.

JACKSON:

There is some concern in Canberra though that this might be the first domino. All right, we've seen Euthanasia, what about the X-rated video industry, are we going to get rid of that?

PRIME MINISTER:

Well, if you are talking about dominoes in respect of things were clearly the power lies with the territorial legislature, well there are no proposals to cause those dominos to fall. As far as particular things are concerned, well obviously in areas where the Federal Government still has a role and still has a legal right, well the capacity to act must be reserved if the Federal Government in future were to decide to do it.

JACKSON:

Prime Minister, we could talk about Pauline Hanson. I don't know about you but I suspect a lot of people like me are getting pretty sick of her giving one liners.

PRIME MINISTER:

I suggested some weeks ago that sections of the Australian media were becoming obsessed with the issue and as days go by I'm more and more convinced that I was correct. And I was quite interested to read in the *Sydney Morning Herald* this morning an extract from an editorial in the *Far Eastern Economic Review*. This is a journal whose writings were used against me several weeks ago by some of my critics. And the editorial actually concludes that my remark that Australia is not made up of a mob of bigots, is absolutely correct; that Australia has a record of racial tolerance and racial understanding, which is an example to the rest of the world, and while we're not perfect and while we have stains on our past, which we plainly have, we are, in relative terms, a strong achiever, if I can put it that way, in the area of racial tolerance and racial harmony.

JACKSON:

I was actually going to suggest that we give Pauline Hanson the flick this morning.

PRIME MINISTER:

Good.

JACKSON:

Let's not talk about her, let's move on. The Telstra legislation is expected to go through the Senate this Thursday. I'd like to just try to clear up one specific point. Isn't it simply the truth that under the new legislation people in the bush will pay more for their phone calls than people in the city and with the partial privatisation of Telstra that the Government will have less control over that differential?

PRIME MINISTER:

Look, the situation is that people, as a result of our measures, will not be worse off and I believe, this is generally speaking, than they are now. They will not pay higher charges. I believe the course of the deregulatory thrust, they more likely than not will have lower charges and greater access. The regime that we are implementing so far as the differentials are concerned is not different than the regime that was operated by the former government. I mean, the people in the bush will be better off. They'll be better off because we're going to invest \$250 million into telecommunications infrastructure in the regions...

JACKSON:

But Prime Minister, is it not true that they will be paying more for their phone calls than people in the city?

PRIME MINISTER:

No, no, no, that is...look, they will not be paying any more than they're paying at present. The question of...

JACKSON:

But will they be paying more than people in the city?

PRIME MINISTER:

Well, people in the city will get...and people in all parts of Australia stand to benefit from competition. Now, you're asking me to sort of prescribe what may happen in every part of Australia to telecommunications' charges. I can't do that. No sensible person can. What I can say is that we will produce a regime which because of its competitive thrust will deliver greater benefits than now exist. It will hold out the prospect of lower charges around Australia than now exist. And because of our

investment in rural and regional telecommunications infrastructure access by country people will be better than it is now and much better than it would have been if the former government had continued in office, because they didn't have this commitment to invest \$250 million in rural infrastructure. I mean, they essentially voted against it. They don't want us to upgrade the bush telecommunications infrastructure. And we're going to put over five years \$250 million into that. That's going to generate jobs, it's going to ensure that people in regional and rural Australia have a world class communications future and a communications future that is the equal of people in the cities.

JACKSON:

Prime Minister we've only got three and a half minutes left unfortunately. I do want to ask you about the future of the ABC. Bob McMullan was outside this building with a petition yesterday, a petition that had been signed by 6,000 Canberrans. He says the funding cuts to the ABC in his opinion will be a big issue in the Fraser by-election. The ABC Board seems to be saying that we have now put our house in order with the restructuring to save something in the vicinity of \$27 million. Any further cuts they say will certainly affect programming. Will, given that that's their position, will you want - insist on the full \$55 million target for the ABC?

PRIME MINISTER:

Well, we've made our position about funding clear. I haven't myself been involved in any discussions with the ABC Board. I did hear an interview by Mr McDonald a couple of days ago on *AM* about the changes that the Board had announced. And I gathered from what he said that he wanted to talk to Senator Alston in the first instance and perhaps to me about the ABC's plans. I believe if that is the case then I will pay him the courtesy of hearing what he has to say because we don't want to be unreasonable with the ABC. Equally we've made commitments - and you'll gather from what I said earlier that we're quite resolute in our commitment to maintaining the savings that were put down in the Budget. But if Mr McDonald wants to talk to me or to Richard Alston, we're happy to do so. I know these cuts are unpopular with the ABC but although it may fall on deaf ears for ABC lovers in the ACT, we don't have any secret agenda about the ABC. I think the ABC renders an enormous service to this country and it's a very valuable part of the fabric of national life in Australia. That doesn't mean to say I agree with every news emphasis of the ABC and it doesn't mean that I don't remain of the view that on certain issues the spectrum of opinion in the ABC is far too narrow, and if it had a broader spectrum of views on certain issues then it might have broader community appeal.

JACKSON:

Prime Minister, we do have to leave it there, we're out of time. Thank you very much.

PRIME MINISTER:

Thank you.