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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD, MP
INTERVIEW WITH MIKE CARLTON - RADIO 2BL**

E&OE.....

CARLTON:

A year ago this Sunday, March the second, John Howard was celebrating his rise to the Prime Ministership and Australia's first Coalition Government since 1983. So a year on for and against, how has he done and what more is there to do. The Prime Minister joins me across the table here this afternoon. Good afternoon.

PRIME MINISTER:

Good afternoon, Mike, very nice to be with you.

CARLTON:

Thank you. Are you comfortable and relaxed?

PRIME MINISTER:

Yes.

CARLTON:

It's your phrase. Is Australia more comfortable and relaxed under a year of your Government and if so discuss?

PRIME MINISTER:

Yes I believe it is. I don't think there is the level of personal vitriol in politics that there was before. There's a more civil interchange between the Prime Minister and the Leader of the Opposition than you used to obtain before.

CARLTON:

But that's you two, are the rest of us relaxed?

PRIME MINISTER:

Well I think that tends to have an influence. Look, not everybody is happy, not everybody agrees with what I've done. But I do think we have taken some of the spleen out of public debate.

CARLTON:

Was that important to you?

PRIME MINISTER:

Yes it was important to me because I thought the Australian community had got well and truly fed up with the ritualistic eye-gouging of politics and it did want, as part of the change - that's only one of the elements, did want a rather more civil exchange and they did really want a situation where every so often the Government and the Opposition might actually agree. I mean, I acknowledge the fact that the other day Kim Beazley said he wholeheartedly agreed with our policy on immunisation and I thank him for that. And I have tried in different ways to do that in relation to the Labor Party - to include them and him in the processes and not this, sort of, winner takes all attitude. Now we still have huge differences and I have no starry-eyed view that the Labor Party is going to rise in unison and cheer what I've done.

CARLTON:

No they're not.

PRIME MINISTER:

They're not, of course. But I do believe that a bit more civility helps. We are seen as being less influenced by minority groups and that is what the public wanted. It was one of the reasons for the support we won in many parts of the country. So I think the answer is yes, but I will have my detractors and dissenters.

CARLTON:

No, surely not.

PRIME MINISTER:

Indeed.

CARLTON:

Indeed. All right. You pride yourself that you're an ordinary man. Some people criticise you for it, but you pride yourself in that, that you are in touch with ordinary Australians. I mean, are they in touch with you - what are their concerns now?

PRIME MINISTER:

Well they still feel a sense of insecurity. Their lives have changed dramatically. They worry about a future for their families, they worry about the basic important things like paying their mortgage, their children getting jobs, their children doing well at school, there being good education options.

CARLTON:

But they don't care who's on the CASA Board for instance.

PRIME MINISTER:

No they don't really, no. No they don't care all that much about that, no, no, no. The people who follow those things are the people who follow politics intensely and you've always got to separate what the public sees as Canberra games from things that really concern them. The most important thing the Government did last week, by far, and the thing that the community out there was most interested in was our decision on immunisation. That was far more important than many of the things that perhaps got more air play and more the preoccupation of Canberra watchers but the Australian public was more interested in immunisation.

CARLTON:

Right, yeah. Right in this first year you've got some big ticket achievements. Gun control, of course, industrial relations reform, the partial sale of Telstra. I'd like to take some broad headings if I can though.

PRIME MINISTER:

Sure.

CARLTON:

The economy, in better shape than you expected or had a right to expect?

PRIME MINISTER:

The economy, I said months ago after I became Prime Minister, I said the economy was more than good in parts - we inherited, it had pretty strong growth, it had very high unemployment and we had a big balance of payments problem. But the economy now is stronger than what it was, in many respects, a year ago. Now I'm not claiming all of the credit for that. I don't think any government can claim all of the credit for

good things in the economy any more than it can be blamed for everything that goes wrong. But it is fundamentally sound, it's growing quite strongly and the omens this year for the economy are a lot better than they were six months ago. Now there's still a lot of pain in the small business community and I understand that.

CARLTON:

Do you, because they're very critical of you. Just the other day and that yellow pages...

PRIME MINISTER:

I'm not surprised at that because a lot of people in the small business community are still doing it hard. They haven't got the benefit of the interest rate falls quite as rapidly as they might have.

CARLTON:

So you haven't done much for them so far have you?

PRIME MINISTER:

Well a lot of the things that we have done for them are only now beginning to take effect. The industrial relations laws, the removal of the unfair dismissal laws - they are only just now coming into operation. A big part of it only starts on the 12th of March. So I say to them I understand your concerns, I know why you are still unhappy, you've reason to be unhappy but please be a little patient...

CARLTON:

"Trust me": he cried.

PRIME MINISTER:

Well, be patient and allow what we're doing to take effect. I mean, the first of July will see this very big change to the capital gains tax law that help people who sell their businesses invest in other businesses up to \$5 million without paying capital gains tax. Now that is a huge taxation incentive. That doesn't start until the first of July so we do need more time for those things to take effect.

CARLTON:

Okay. The critical problem you face is unemployment, particularly youth unemployment, you'll be judged on that at the election won't you?

PRIME MINISTER:

Well it's up to the Australian people to decide what they judge us on...

CARLTON:

But they will, you know they will.

PRIME MINISTER:

...but it is very important and we are trying to tackle it in a whole variety of ways. The industrial relations laws will help again, but they only started, in part on the first of January, and in full on the 12th of March. We have to say give a bit more time for those changes to work.

CARLTON:

Right. Labor had its big programmes, spent billions which basically had the effect of removing the unemployed from one column of statistics to another. But you've done no better have you? The statistics are the same, the unemployed are still there.

PRIME MINISTER:

Well we've only been in office for a year...

CARLTON:

That's a third of your time in Government.

PRIME MINISTER:

Well they had 13 years, we've had one. I think it is a bit rich when you've been in power for 13 years and you took unemployment to 11% and you left the next crowd with eight and a half to say how outrageous after eleven and a half months that you haven't fixed the problem. I mean, it will take time. I'm not going to set some kind of particular target by a particular year. I promise the public that we're devoting all of our energies, we're trying a whole lot of strategies to tackle the problem of unemployment. We have an employment committee of Cabinet that meets on a regular basis. It meets just as regularly as the full Cabinet. And we've got a whole lot of different approaches and ideas. Helping small business will help. The 'work for the dole' proposal will help. There are some other strategies which we'll looking at in the next few weeks that will help. But it will take time.

CARLTON:

Will you get it down by the next election?

PRIME MINISTER:

Well I'm aiming to get it down as soon as possible without any particular reference to the next election. I mean I want to get it down.

CARLTON:

It would be nice though, wouldn't it, two years?

PRIME MINISTER:

Well of course it would be nice but it would be nice for the people who are out work if we could get it down irrespective of any election date.

CARLTON:

What about youth unemployment? You've got this 'work for the dole' scheme which might at best raise morale.

PRIME MINISTER:

Well, I think it's quite important. The, I guess, the self esteem part of youth unemployment is quite important.

CARLTON:

We have the highest youth suicide rate in the world...

PRIME MINISTER:

We do. I went to a seminar on that this morning...

CARLTON:

And that's a terrible state...

PRIME MINISTER:

It is a terrible state of affairs and it's something that's got to be tackled in a bipartisan fashion. And I don't blame the policies of the Labor Party any more than they can blame us. Some of it's due to the effect of family breakdowns, unemployment. Some of it is due to people just feeling unwanted and left out of society. It's particularly high in rural and regional areas of Australia. But it is an absolute blight on a country which in so many other ways holds its head up as being a pretty successful happy society.

CARLTON:

And it suggests we're not all that comfortable and relaxed doesn't it?

PRIME MINISTER:

Well, a lot of people who feel like taking their lives are obviously not, and, of course not, and I don't pretend everybody and I think I acknowledge that.

CARLTON:

I want to jump from the economy a bit but just a little on the budget. Cabinet got back to work after Christmas to find the Treasury got its figures dramatically wrong yet again. You've got another black hole of what, \$3 billion, \$5 billion, it changes every day. Is there going to be another big round of spending cuts?

PRIME MINISTER:

There will be further spending cuts...

CARLTON:

Big round?

PRIME MINISTER:

...but nothing like last year.

CARLTON:

Nothing like last year.

PRIME MINISTER:

No, but there will be some spending cuts.

CARLTON:

Has Treasury let you down? Are you getting good advice from them?

PRIME MINISTER:

Well I was very disappointed at the company tax error.

CARLTON:

That was the Taxation Office, wasn't it?

PRIME MINISTER:

That was the Taxation Office. A combination of the Taxation Office and the Treasury. It was an error of \$1.6 billion in \$130 billion.

CARLTON:

It's not bad...

PRIME MINISTER:

I'm saying, I'm saying, I'm putting...

CARLTON:

If you were running a business you'd be broke, wouldn't you?

PRIME MINISTER:

I beg your pardon?

CARLTON:

If you were running a business like that you'd be broke in the end.

PRIME MINISTER:

Yes, but, well as I'm not...I can't defend it but I think it has to be said on their behalf that it was an estimating error. It's not as if they added something up wrongly. I mean, what you're expected to do with these things is to calculate on the basis of what happened last year, how much tax companies are going to pay next year.

CARLTON:

Right. It's given you a black hole though.

PRIME MINISTER:

Well of course it has. It's made our task harder and it's made me crankier. It's just as well I had a good holiday...

CARLTON:

Were you firm? Were you...(inaudible)...

PRIME MINISTER:

Stop asking me so many Sir Humphrey questions.

CARLTON:

That's all right. Where's the fat to be cut? Are you going to deliver Keating's tax cuts, the \$4.5 billion superannuation incentive?

PRIME MINISTER:

Well I'm conscious of what's been said about that but I can't really say any more on that than what Peter...

CARLTON:

Peter Costello's not very keen on it.

PRIME MINISTER:

Well I can't say any more than what he's said. Obviously we have to find our resources from somewhere. We want to try and do it in an equitable way. We're not incidentally planning to take any more, as a newspaper report said this morning from the ABC.

CARLTON:

I'm delighted to hear that and as you can see the smiles of delight on the faces...(inaudible) Not another dollar?

PRIME MINISTER:

There's a figure in this triennium of \$55 million...

CARLTON:

And that's it?

PRIME MINISTER:

And that's it.

CARLTON:

For three years, you won't touch another cent on...

PRIME MINISTER:

That is the commitment.

CARLTON:

The last commitment was you'd maintain funding at existing levels and you whipped \$55 million out...

PRIME MINISTER:

You've seen the whites of my eyes.

CARLTON:

Is this a core commitment?

PRIME MINISTER:

Well you've heard what I've said.

CARLTON:

Okay. Health, can we look at health?

PRIME MINISTER:

Yes.

CARLTON:

The States are screaming for more money. Australians are walking about of private health insurance and the AMA today said they're right to do so.

PRIME MINISTER:

Well I thought that was a very irresponsible selfish statement. Right at the moment the AMA is cranky with the insurance funds because they don't like some of the policies of the private health insurance funds. But for the Vice President of the AMA to make that kind of statement, which I hope incidentally is not adopted by AMA policy, is quite unhelpful. Private health insurance is under a lot of strain because something should have been done years ago to keep people in private health insurance. Graham Richardson, three or four years ago, said that if private health insurance fell below about 40% of the population you'd begin to have a sort of a critical mass problem. It's now down to 34%. Our private health tax rebate start in July. They should have been introduced some years ago.

CARLTON:

Jeff Kennett says it's money down the drain.

PRIME MINISTER:

Yeah well I don't agree with Kennett on that. In September of last year he said it was the greatest thing since slice bread. I think...

CARLTON:

But you are getting to this crisis point, aren't you?

PRIME MINISTER:

Well I think the health situation...I wouldn't use the word crisis. That's sort of an alarmist way of approaching it. But it is a difficult policy area. There's a load on public hospitals because people are dropping out of private insurance and it's very, very important that we find ways of keeping them in...

CARLTON:

But basically the AMA's right. The sums don't add up. You only now getting any benefit from health insurance if you're elderly or chronically ill. For a young healthy family it doesn't compute.

PRIME MINISTER:

Well it's less attractive but everybody at some stage hopes to be old and if you are...

CARLTON:

(inaudible)

PRIME MINISTER:

Well let me...

CARLTON:

Expect, expect to be old.

PRIME MINISTER:

They expect to be old, they don't want to be old, they expect to be old. They hope to live long enough to be old and the idea that you can just sort of cream it off when you need it is one of the reasons why we have a problem. And you do have to get, as part of any health insurance system that works, you do have to get young healthy people into it. Now, there are shortcomings, but the more people who drop out, the more shortcomings are created.

CARLTON:

And that's a problem for government.

PRIME MINISTER:

Of course it's a problem and we'll be addressing it. We've got a Productivity Commission file a report coming very soon I think. It may be arriving in the next few days. We have to address that and make some decisions and make some announcements. But I don't pretend that it is easy but I don't think the AMA's contribution is very far sighted. I'm disappointed and I hope it's not adopted as AMA policy.

CARLTON:

Okay. Can you rule out any changes to Medicare in the coming budget? That was a core promise.

PRIME MINISTER:

Well, we certainly won't be changing the fabric of Medicare. I mean, everybody has a different view about what it represents. But the universal availability and funded by, certain services funded by, in part, by a levy, that's not going to be changed, no.

CARLTON:

No, okay. Aborigines and the Wik decision - you've been in a long round of talks about that. I gather no decision has been taken.

PRIME MINISTER:

No, I've got a lot more talks yet and I've said that I'll take a decision if there is an agreed outcome, I'll take that to the Cabinet by Easter. If there's no agreed outcome from the discussions then we'll have to decide. I certainly will have to be putting some proposals to the Cabinet. I'm taking a deep personal interest in this.

CARLTON:

You'll have to put proposals to the National Party won't you? (inaudible)

PRIME MINISTER:

I put proposals to Tim Fischer and his colleagues all the time. Tim's aware of the negotiating stance that I'm taking. Tim's handling his own position in relation to this very well and he has my total support. It's a difficult issue for rural people who are understandably disappointed with the High Court's decision in the Wik case and we have to try and find whether there is an agreed outcome that everybody can feel comfortable with and I'm trying very hard to do that. I have talked with the Aboriginal leaders and I'm talking to them again and I'll keep talking to everybody to see if we can get an agreed outcome that's fair to everybody but also delivers an amount of certainty. I mean that Century Zinc project in Queensland ... I had in last week six Aboriginal elders coming down pleading with me in my office in Canberra to change the Native Title Act so the project could go ahead. I mean they are absolutely furious, angry. Their descriptions of what they described as the "minority malcontents" in the Aboriginal community who are holding up the project and are going to deliver jobs opportunity and hope to their children and there were six of them in my office saying you've got to get rid of the present Native Title, you've got to give us a fair go, we are going to sue the Native Title Act, they were really worked up. It was a very interesting window onto the conflicting opinion. Not everybody should imagine for moment Mike that all of the Aboriginal community supports the present Native Title regime. It really doesn't.

CARLTON:

It's an amazing situation though isn't it, when the Chief Justice accuses the Deputy Prime Minister of damaging the court, undermining its integrity, attacking the court for short term political gain. Have you asked Tim Fischer to tone it down?

PRIME MINISTER:

Well Tim and I talked about that. The dispute between him and the Chief Justice arose out of a comment that Tim made giving the impression that he was criticising the court for being too slow to deliver the Wik decision. Now, they've had an exchange of correspondence. It's interesting that in the letter that was published in the Herald this morning, the Chief Justice didn't dispute the right of people to criticise court decisions. What he expressed concern about was any suggestion that there was a reflection on the integrity of the court or the application of the judges to their job. Now, let me make it clear we have a long history of judicial integrity in this country and I support very strongly the role of the High Court within our present system.

CARLTON:

Do you repudiate what Tim Fischer has been saying about the High Court?

PRIME MINISTER:

Well, I certainly don't repudiate his criticism of the Wik decision.

CARLTON:

What...

PRIME MINISTER:

Well, anybody has got a right to criticise an individual court decision. You don't have a... well, you shouldn't criticise the integrity of judges and I don't...

CARLTON:

But Tim Fischer did....

PRIME MINISTER:

No no no...

CARLTON:

Well that's what... well, the Chief Justice got that impression.

PRIME MINISTER:

Well, I don't think what Tim said amounted to a criticism of the integrity of the court. Let me make it clear as Prime Minister. I have total confidence in the integrity of the members of the High Court.

CARLTON:

Individually and together?

PRIME MINISTER:

Yes, in their integrity absolutely and I think they are applying themselves to their task. That doesn't mean to say both as a citizen and as Prime Minister I agree with all of their decisions. I was disappointed in the decision of the High Court in the Wik case. It would have been much better in my view if the court had decided the other way. Instead of it being 4-3 the way they decided, if it had been 4-3 in the other direction... but well...

CARLTON:

Umpires decision.

PRIME MINISTER:

Well, I accept that they've given a decision but they must accept, and the community must accept that Parliament has a right to alter the law as interpreted by that decision.

CARLTON:

It just seems there's an attack on the court largely coming from the National Party, not just Tim Fischer; Rob Borbidge was at it again today. I mean he'd virtually like to see him put up against a wall and shot...

PRIME MINISTER:

Well, I don't know about that...

CARLTON:

Does this undermine the public respect...

PRIME MINISTER:

Look it is very important that the role of the court be respected and upheld and I am a traditional defender of the role of the courts in our system of Government. One of the problems Mike is that the perception has developed that some judges believe it is their role to give the Parliament a hurry on and do things that they think the parliament should have done.

CARLTON:

Do you share that perception?

PRIME MINISTER:

Do I share that... I think that in some areas, let me put it this way, I can understand why some people have developed that perception.

CARLTON:

Oh that's a weaselly answer....

PRIME MINISTER:

No no well let me be even more specific. Let me be ... I mean, the former chief justice made a speech at the end of last year in which he basically expressed the view that it wasn't a bad idea if the court hopped in and did things that Parliament found it difficult to do. Now that is not the role of the court. That's the role of the Parliament. If people don't like what the Parliament is doing they throw us out. You don't throw judges out. Part of a judicial system is that judges are there, they can't be removed unless for proven misconduct or corruption until they reach the statutory retiring age. Now, I am totally against any change to that system. I'm against any change in the method of appointment of High Court judges. They will continue to be appointed by the Government of the day.

CARLTON:

None of this State consultation?

PRIME MINISTER:

We'll talk to the States, we've been doing that for 20 years, but they won't have a veto and any suggestion that we go down the American path of having Senate hearings or having elections I am totally and utterly opposed to that. I think it would destroy a very important part of our system of Government.

CARLTON:

Would you like Tim to tone it down?

PRIME MINISTER:

Well, I don't think Tim ever overdoes it. I think he is a fantastic deputy and a fantastic bloke.

CARLTON:

All right. Some quick ones if we could. The Republic. You've said this is a low priority issue Why are you smiling?

PRIME MINISTER:

I just knew you'd get to it!

CARLTON:

You've said this is a low priority issue for you and most Australians, but if this constitutional convention comes out decisively in favour of a Republic, would you then see it as your role to pursue it vigorously as a leader?

PRIME MINISTER:

Look I would not in any way stand in the way of people expressing their views strongly if that ultimately leads to a republic well, so be it, I will accept that. I've made that very clear all along. I am not going to try and ram my view on this down the throats of the Australian people but I have to be honest and say what my view is, everybody knows, they knew that before the election, I said I'd have a convention, I'm going to have it. I'll obviously listen very carefully to what comes out of that and I'll be guided by what comes out of it or doesn't come out of it or ...

CARLTON:

The suggestion is you'd like nothing to come out of it, to end in total confusion...

PRIME MINISTER:

Well, I am not going to act in anyway to torpedo it. I'm not going to do that, but let's see what happens.

CARLTON:

Very quickly on the constitution. Have you, now that you've actually been in the Prime Ministership for a year, are you attracted now to the idea of a four year term for the Government.

PRIME MINISTER:

I always have been. Yes. That will be one of the subjects that will be on the agenda at the Constitutional Convention.

CARLTON:

Would you... we've already had a referenda on it. Would you be prepared to bowl up another one at any stage?

PRIME MINISTER:

Well, if I knew the Labor Party would support it.

CARLTON:

Well they ought to, they did last time. But Oppositions don't like it nearly as Governments.

PRIME MINISTER:

Well, I'd have supported it. I told Bob Hawke in 1988 that if he went for 4 and 8 - 8 for the Senate and 4 for the Reps we'd support it. He said, oh no, we're not going to support 8 years for the Senate so he then campaigned on 4 and 4. In other words he's cutting theand you'll never get something through that reduces the role of the Senate because the smaller States understandably will always oppose that.

CARLTON:

All right. I've got about 30 more questions to put to you and I've only got three minutes to do it. Would you be dismayed if Kerry Packer were to own Fairfax?

PRIME MINISTER:

I don't want to approach media policy in mogul specific terms if I can put it that way but if you are asking me am I in favour of relaxing the cross media rules...

CARLTON:

I'm not asking you that...

PRIME MINISTER:

I know you are not asking me that but look I don't have a paranoia about Kerry Packer, no. I don't have a paranoia about Kerry Packer. I think in shaping media policy we've got to decide whether between one of three alternatives I suppose. You could leave everything as it is with the instability that that produces. You have a much higher level of foreign ownership or perhaps in some areas you might in the eyes of some have a much higher level of concentration or perhaps the fourth alternative is some kind of mix of those three. We'll look at the cross media rules. I mean, Packer has a - his whole family and his business has a very strong background. He is as far as a - you might put - a wholly Australian based operation, he's the one sort of...

CARLTON:

Well up to a point.

PRIME MINISTER:

Well, well, he's got interests overseas but nobody can deny that he's a media .. he's a private media organisation that has a strong Australian base.

CARLTON:

There's three other questions I'd like to throw at you. Which one would you like? The Senator Colston question, the Pauline Hanson...

PRIME MINISTER:

I don't mind.... I don't mind staying a bit longer.

CARLTON:

I'm tempted, we could roll a tape. Shouldn't you have been tougher on Pauline Hanson?

PRIME MINISTER:

No I don't think so.

CARLTON:

Didn't that do a lot of damage?

PRIME MINISTER:

No I don't, in fact we had some figures in Parliament last week that showed that the number of people from Asia wanting to come here as students and as visitors had continued to rise quite sharply. I think I did handle it correctly. I was writing criticising sections of media for getting more worked up about it than the community was.

CARLTON:

All right. One last question. Are you liking the job?

PRIME MINISTER:

Yes I am.

CARLTON:

Have you got another election in you?

PRIME MINISTER:

Several.

CARLTON:

Several.

PRIME MINISTER:

Several.

CARLTON:

Well several, let's say two elections, that will take you through to 2002. Do you still see yourself there then?

PRIME MINISTER:

I would expect so, yes.

CARLTON:

Three terms as Prime Minister.

PRIME MINISTER:

I say, you know, ten years perhaps but seriously I will continue to do the job while I do it well, while I'm healthy and so far I think I'm satisfying those two criteria but ultimately my colleagues and the public will decide that. I mean, the public might decide at the next election...

CARLTON:

They might.

PRIME MINISTER:

They could well. They could say we'll get rid of him.

CARLTON:

Prime Minister, thanks very much for your time.

PRIME MINISTER:

Pleasure.