

13 May 1997



**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
RADIO INTERVIEW WITH JOHN STANLEY 2 UE**

E & OE.....

STANLEY:

John Howard, you're not happy with what Bob Carr had to say?

PRIME MINISTER:

No, well firstly I made it very clear in the Parliament today that we would commit the same resources as the New South Wales Government, it's just that we're going to do it in a more planned and careful way and I reject completely any suggestion from Mr Carr that our desire to help the people of Newcastle and the Hunter Valley is less than that of the New South Wales Government, and I ask him to try and keep party politics out of this. It's a problem for both Governments. We can't reverse the BHP decision. We can however help the people of Newcastle in the adjustment process. I am prepared to have my Government commit the same resources. I don't find Mr Carr's way of spending the \$25 million, that's \$10 million from him, \$10 million from me and \$5 million from BHP, I don't find that cost effective and I want to discuss with him other ways in which the money can be spent but I make it clear to everybody that we are going to make the same amount of money available.

For him to start talking about, you know, betrayal and I've got an AAP report here that says that we're not matching the \$10 million, well, the answer to that is, we are and I said so in the House and on top of that I am going to approach BHP to make a bigger contribution. We are going to offer assistance through the Department of Employment, Education and Training. I am also going to get my Major Projects Facilitator, Mr Bob Mansfield, to identify for fast tracking any major investment proposals that are relevant to the Hunter Valley. I mean, the point is that the major impact of these retrenchments won't be for another couple of years and the sensible thing is to take a few weeks to work out the most prudent and cost effective way of spending the resources that governments are going to make available, not to sort of grab the first idea that comes into anybody's head.

So can I say to the Premier of New South Wales, our commitment is the same as yours. Our concern is the same as yours. Our desire to help is the same as yours. Let's put Labor/Liberal politics aside and try and do something constructive in a co-operative way involving BHP over a period of time.

STANLEY:

One point I did put to him when I spoke with him earlier was that an initial payment of \$10 million from the Government without looking at it more closely could lead to a precedent being set where whenever there's a problem like this people are asking for the same.

PRIME MINISTER:

Well that is right. I mean we've got to keep a sense of proportion about this. Mr Carr's Government has taken decisions that affect the timber industry in the Hunter Valley, Hunter area which have involved retrenchments over a period of time, probably two and a half thousand jobs. In the time that the previous Labor Federal Government was in office, BHP's workforce declined

from 54 000 to 23 000. Now look, I am very upset about what has happened in Newcastle and I have a lot of sympathy for the people of the Hunter Valley and we are prepared to make some resources available but we've got to do it in a way where it hits the target and we've got to make sure that the money that is put aside is channelled preferably into programmes that are already in operation and in ways that return the biggest benefit through training and transitional arrangements.

I just want to say to the people of Newcastle that we are just as concerned as the New South Wales Government. We will make the same commitment, I repeat that and I said that in the Parliament today and I am very disappointed that the New South Wales Premier has misquoted me. He shouldn't have done that. It's just that I rejected his way of spending our money and I am entitled to do that. I don't tell him how to spend his money and he can't expect, it's not his money, it's not my money, it's taxpayers' money but we've got control over it, and I want to help but I just think there's a different way of doing it.

STANLEY:

Is there a perception problem though that people want to know that there is something being done by Government in this situation?

PRIME MINISTER:

You've got a huge social, political and economic problem here. There are changes in the world economy which lead to companies like BHP taking the decisions that they do and communities closely knit such as the people of Newcastle, they are affected by these decisions. They feel them psychologically, people who lose their jobs feel them actually and they do need to know that governments care and I do, and I accept the bona fides of Mr Carr when he said he does too. We might disagree as to how best you try and help but we can work that out but we can't reverse the globalisation of the economy. We can't tell companies who are answerable to their shareholders that they've got to invest here and there. We've got to try and work with them and we've also got to remind them of their social obligations and BHP has social obligations, big ones, to the people of Newcastle.

STANLEY:

Prime Minister, I've got you on the line. I know you wanted to respond to Premier Carr because you weren't happy with what he said. I've got to go through the motions. Can you tell us what's in your Budget tonight?

PRIME MINISTER:

You're asking me about what?

STANLEY:

The Budget tonight.

PRIME MINISTER:

The Budget? I can tell you that it will be, the best description I can give you of it is that it is a budget that will save and build for Australia's future. I can't be more specific than that. It will be quite good for jobs and it will be quite good for small business.

STANLEY:

Jobs are going to be a key part of it, isn't it?

PRIME MINISTER:

There will be a lot of things in the Budget that will help jobs.

STANLEY:

Okay, we'll have you talking about it with Alan Jones tomorrow morning then.

PRIME MINISTER:

Indeed. Thank you

STANLEY:

Thanks for that.

PRIME MINISTER:

Thank you.