

13 May 1997

**TRANSCRIPT OF THE PRIME MINISTER**

**THE HON. JOHN HOWARD MP**

**RADIO INTERVIEW WITH PAUL BEVAN ON**

**ABC RADIO 2NC, NEWCASTLE**

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(tape starts)

**PRESENTER:**

.. some programmes. Could you elaborate on that?

**PRIME MINISTER:**

Yes well what I also said in the Parliament was that we would match what the New South Wales Government contributed.

(Tape break)

I don't think the proposal that Mr Carr has put up is the most efficient way (inaudible) of the New South Wales Government's money and \$10 million of federal money and at least \$5 million of BHP money. There is a better way in our opinion of doing it and because the full impact of the retrenchments won't be felt for a little while yet, although some impact will be felt fairly soon, we ought to spend a few weeks working out the most intelligent way of dispersing the money but I want to make it very clear to your listeners and to all of the people of the Newcastle area that we are very concerned about the social and community impact of the BHP decision. I have to be honest and say that I can't reverse it any more than Mr Carr can reverse it or any more than Mr Keating would have been able to reverse it if he was still Prime Minister or Mr Beazley. We shouldn't pretend that something like this can be reversed but we can help as governments to ease the impact, to help people into other activities and to make programmes and resources available in that process.

Now that is what I am willing to do and I will say it again, we will commit the same resources as the New South Wales Government. I want the people of Newcastle and the people of the Hunter region to understand that. We just want to do it in a different way. I don't want to have a political fight with Mr Carr. He's a Labor Premier, I'm a Liberal Prime Minister but the livelihood of Australians is at stake here and we should really keep politics out of it.

**PRESENTER:**

Even though you are from different sides of the fence, will you be working with...

**PRIME MINISTER:**

I will work with Mr Carr. I saw him last week and I genuinely don't believe that the proposals he's put forward are the best way of spending the money and...

**PRESENTER:**

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What would you...

**PRIME MINISTER:**

One of the things that I am going to do is to get our, I've got a Major Projects Facilitator on my staff and I'm going to get him to see what major projects might be brought forward to have some beneficial effects in the area. There are some activities within the Department of Employment that could perhaps receive additional resources. Now what you really have to do is to talk to the business people in the region. You've got to talk to the unions, you've got to talk to the civic leaders and work out with the limited resources available what is the most intelligent way to spend the money. Now I am quite happy to do that in co-operation with Mr Carr. I am happy to nominate a Commonwealth representative on a joint Commonwealth-State committee. I am quite happy to talk to and work with the unions. I can't deliver miracles. I won't promise that but I just say again we are not the least bit reluctant about making resources available. We will match dollar for dollar what the New South Wales Government is committing. We just want to do it a little differently and I just ask Mr Carr not to politicise this. And here we are on opposite sides of the political fence but we should work together on this particular issue.

**PRESENTER:**

When you are looking at programmes that you can put funding into to help with this sort of situation, aren't you bound to a certain extent by the dismantling that's already gone on under the Coalition Government? For instance, Skilshare has been reduced by 40%.

**PRIME MINISTER:**

But there are other programmes.

**PRESENTER:**

Working Nation has been virtually, totally dismantled.

**PRIME MINISTER:**

Please, with respect, don't try and distort what I have said. I have said that our resources will be there. I mean, you can't sort of get around that. We're going to make some resources available. There are some programmes that exist and one in particular relates to regional unemployment, areas of particular regional unemployment difficulty. It would be possible for example to supplement that particular programme. There has been a very successful placement programme I understand operating in the area in relation to the tourist industry. It would be possible perhaps to continue that. There are a number of options.

**PRESENTER:**

An interesting point there is that these people... a couple of things... First off, the last round of retrenchments at BHP would have seen the shedding of their more skilled workers, no insult to the people who are still there.

**PRIME MINISTER:**

No, I understand.

**PRESENTER:**

You are going to have people who have been at the BHP for a longer period of time, less skills.

**PRIME MINISTER:**

I understand.

**PRESENTER:**

They're not going to be getting jobs in tourism.

**PRIME MINISTER:**

No, I'm not pretending.. look, the last thing anybody in my position or Mr Carr's position or Mr Beazley's position should do is to sort of promise that the waving of the magic wand can achieve miracles. It can't but what I'm saying to you and I'm saying to your listeners is that we are prepared within limits to assist. I am happy to work with the New South Wales Government, I am happy to work with business men and women in the Hunter and with the unions to identify the most intelligent way of using the limited resources that will be made available. There's no point in people yelling at each other, there's no point in people trying to score political points. I am not blaming the unions, I am not blaming the previous Government. I am not, I mean, the fact is that we have a difficult problem that we have to come to terms with.

**PRESENTER:**

You specifically did blame the previous government in Parliament today though and there was an awful lot of political point scoring going on...

**PRIME MINISTER:**

If I am told by the Ministers in the former Government that this particular closure is my fault, when you bear in mind that in the 13 years that the former Government was in office, BHP's workforce declined from 54000 to 23000, I repeat that, 54000 to 23000, you might expect me in the heat of a Parliamentary exchange to defend myself.

**PRESENTER:**

At that time the previous ALP Government injected \$45 million in 1983 into the economy to try to compensate.

**PRIME MINISTER:**

Well I am just telling you that is the fact. Look, you bring up..

**PRESENTER:**

You're saying \$10 million.

**PRIME MINISTER:**

No, you bring up this question of blame. I don't want to get into political blame but if I am attacked obviously I will defend myself and I will point out that under the previous Government BHP's

workforce around Australia declined from 54000 to 23000.

**PRESENTER:**

But they did work to try to compensate that.

**PRIME MINISTER:**

You say they worked, it obviously wasn't very effective. Now look, don't drag me into sort of a political exchange on this but if you force me to I will defend myself by quoting figures that are uncomfortable for the former Labor Government. From the moment that BHP made its announcement, Mr Beazley and Mr Crean have tried to sort of blame all of it on us. Now look, that is ridiculous. We've been in office for 13 months. They were in office for 13 years and I don't think people who were listening to this programme are really very interested in an exchange between you and me about...

**PRESENTER:**

You're quite right.

**PRIME MINISTER:**

You've started asking me, and I don't really want to go down that track but if...

**PRESENTER:**

Neither do I.

**PRIME MINISTER:**

If you take me down that track I'm going to defend myself because I'm not going to have the reputation of my Government unfairly reduced but what Bob Carr and I have got to do is work together. He's put forward \$10 million. I have said we will match that. I think BHP should contribute some more and I will talk to the company about that. I don't think what the Premier has put up is the most intelligent way of spending the \$25 or more million. I would like to talk to him about other ways of doing it and I am quite happy in that process to talk to the business leaders and to talk to the unions...

**PRESENTER:**

This proposal that has been put to you is for a foreign trade zone at the Steel River site which BHP has made available, about a hundred hectares is zoned as standard land. The foreign trade zone will allow various tax breaks to try to entice industry into this area. Will you be giving support to that?

**PRIME MINISTER:**

Well we've had a look at that and there are two problems with it. The first problem is that under the Constitution we're told, you can't discriminate in your tax measures between states or different parts of states and it's highly dubious as to whether it would be constitutional because other state governments would challenge us giving a tax advantage to a part of New South Wales.

**PRESENTER:**

Although I understand a similar scheme exists in the Northern Territory at the moment.

**PRIME MINISTER:**

The Northern Territory has a different status because it's not a state. Now I haven't completely ruled that out but that is the initial problem because you will get other depressed areas of Australia, you will get, I mean there are areas of Tasmania for example that have a higher level of unemployment than Newcastle and the Hunter Valley and they will come to me and say, can we have the same thing and you will get other states that may not have those depressed areas saying, well we're not going to agree and we're going to take it to the High Court. Now I am not ruling that out completely.

**PRESENTER:**

I think they would have difficulty in justifying their position is as bad as ours though.

**PRIME MINISTER:**

I am talking about the law. I am not talking about the comparative economic position. I am just saying to you that if the Constitution says you can't tax one part of the country more heavily or more lightly than another part of the country and then you go ahead and do it, the part of the country that doesn't get the advantage will take you to the court. That's, I'm just stating a fact of life between governments so I haven't completely ruled that out, Paul but I am just saying that that is one of the threshold difficulties. It is one of the things that we are prepared to look at but you asked me the question. That is one of its sort of preliminary difficulties. Look, what I ask in this is that we have got, we haven't got a lot of time but we've got some time to approach the thing in a calmer way and not try to apportion political blame because that's not going to achieve anything. That's not going to save one job, it's not going to reverse one corporate decision and if we're going to have a non aggression pact on political blame I will be a willing signatory but if somebody has a go at me and tries to land all the blame for a 13 month old Government, particularly from a 13 year old Government, I will naturally try and defend my Government.

**PRESENTER:**

Look to the future security and avoid the political cost of... another thing, another vital role that the Federal Government can play here is working with the BHP to ensure that it satisfies its commitments to this area. Some of those will be what it can provide by way of mopping up afterwards in the employment situation. Will you be working closely with BHP on those, on that obligation?

**PRIME MINISTER:**

Yes.

**PRESENTER:**

And cleaning up the site as well is another good question.

**PRIME MINISTER:**

Yes well, I mean, there are, I can't give a tick to everything that people might want in that area but in principle yes.

**PRESENTER:**

Prime Minister, thank you very much for your time. I know it's a very busy night for you.

**PRIME MINISTER:**

And I certainly intend in the next little while to visit Newcastle and to talk first hand.

**PRESENTER:**

Will you come in and join us here in 2NC studios?

**PRIME MINISTER:**

I will certainly try.

**PRESENTER:**

The invitation is there, Prime Minister.

**PRIME MINISTER:**

Thank you. I will certainly try and do that.

**PRESENTER:**

Thank you very much for your time. John Howard, Prime Minister of Australia.

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