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**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD MP  
INTERVIEW WITH MICHAEL CLARKE  
NORTHERN EXTRA - ABC RADIO 4QN**

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**CLARKE:**

As you all know Federal Cabinet is meeting in Townsville today and it is a great pleasure to welcome to Northern Extra the Prime Minister of Australia, John Howard.

**PRIME MINISTER:**

How are you Michael? Its very good to be here for the first time, I think as Prime Minister, definitely as Prime Minister. Perhaps I have been here once or twice before wearing other hats.

**CLARKE:**

That's right. Can I ask you first of all your purpose for coming to Townsville, it's rather cold in Canberra, that hasn't been a factor has it?

**PRIME MINISTER:**

No, to fulfil an election promise and that election promise was that we would take Cabinet around Australia and that we wouldn't only meet in Canberra and occasionally Sydney and Melbourne, that we would take it around the regional centres of Australia and we are doing that. We will be in Tweed Heads in a few weeks time, we will be in Perth later this month and we are determined that at the end of our first three years in Government we will have taken the Cabinet to the people in a very comprehensive way. Townsville is a great regional centre of Australia and a great city and that's why we are here.

**CLARKE:**

And, certainly there are a lot of local issues that you will be looking at while you are here and we will canvass them in a moment but first of all if we could just turn to two comments you made yesterday in relation to a relationship between wages and unemployment. Is there a belief that lower wages means lower unemployment?

**PRIME MINISTER:**

Now, what I was doing yesterday was trying to honestly address the reasons why Australia's unemployment rates, for example, is higher than that in the United States. People often say to me why can't Australia have as low an unemployment level as America? And, one of the reasons why America's unemployment level is lower than Australia is that minimum wages in America are much lower than they are in Australia. And, whilst I wasn't advocating any change to the Australian approach I do think, if you are to have a sensible debate about this you have to be honest and you have say to people why it is there are differentials.

Our opponents had thirteen years, thirteen years, and they averaged unemployment at 8.7%, that's where it is right now. We've had sixteen months, so any idea that somehow or another our opponents have got the answer and we haven't is dispelled by that comparison.

We will get unemployment down through a combination of sustained higher economic growth and greater flexibility in the labour market. In looking at greater flexibility in the labour market we have got to understand that in a sense countries like America have chosen to have lower minimum wages and through that have purchased lower unemployment. Countries like Australia have said that if you get work, in Australia, then you ought to be paid or guaranteed a higher minimum than the United States, that's our ethos. And, I think it is a very understandable ethos and we have to try as it were to secure greater flexibility according to the Australian ethos, according to the Australian way of doing things. And, we have our own way of doing things but it is important when people say to me as Prime Minister and say to anybody in the Government, why can't we have an unemployment rate as low as America's? One of the reasons is, that as a community we have until now said that we demand higher minimum wages and I think it is very important that people understand that.

**CLARKE:**

But you are not calling for a debate in that...

**PRIME MINISTER:**

I am calling, I want a proper debate about the causes of unemployment. I want the community to understand the choices that as a nation we have made over the years, and we continue to make in the context of that debate, and it's too important an issue to just become the subject of slogans and rigid party positions and let's face it, if the Labor Party had the answer they'd have delivered it a few years ago and they might well still be in office.

So, I think we have got to be honest enough to realise that after thirteen years they claim they didn't have the answer and that is one of the reasons they were chucked out. And, what I want to do is to engage the Australian community in a proper debate about the causes of unemployment.

One of those causes is the rigidity of our industrial relations system. We are adopting a number of strategies including the *Work for the Dole* approach and can I say that I hope many of the local communities in North and far North Queensland applied for participation in the pilot *Work for the Dole Scheme* now that the Senate has cleared the way for the introduction of that. I hope it will be up and running full pelt, well before the end of the year, and we hope to have something like 10 000 young Australians involved in pilot schemes. And, if it works well, which I believe it will, the preliminary indications are that there are lots of groups in the Australian community who want to participate then the number of pilots and perhaps the whole scope of this may well be greater than we originally thought.

**CLARKE:**

Can I ask, does Cabinet think there is going to be a special Cabinet next month to look at the issue of Australia's high unemployment?

**PRIME MINISTER:**

We from time to time focus on particular issues. We had a few months ago a special focus on health, we have special focuses on foreign affairs and defence issues, we will have a special focus at some stage in the next few weeks on the employment issue.

It is not to be seen as anything more than focusing almost exclusively during a Cabinet meeting on one issue. I think it is a good idea from time to time rather than just go through the agenda to decide a few weeks ahead, well look we are going to spend most of that day talking about health. We did that a few months ago and it was a very productive discussion.

We are going to spend a particular date talking about employment and unemployment issues and it is not anything more, nor indeed is it anything less than that, I think it is very important that we dedicate an entire Cabinet day to discussing that issue, it is an enormously important issue and it is very much tied up with our approach to small business. And, could I say on that subject, particularly because of

the role of small business in a community like Townsville that in the last week there has been two quite dramatic changes which will be of incalculable benefit to small business around Australia.

One of those is the capital gains tax changes that came in a week ago today and under that any small businessman and anywhere in Australia can sell the business and reinvest up to \$5 million of the proceeds of that sale into any other kind of business without incurring any liability for capital gains tax.

And, the other bit is changes to the deregulation of the telephone industry and some people may say what's that got to do with small business. I understand that after wages telecommunication charges are the biggest single item that many small businesses have and if you are looking at reductions of 30-40% in telecommunications charges as a result of the deregulation of the telecommunications industry...

(tape break)

... of course you are looking at their capacity to get major reductions in their telephone bills, in the cost of using their online services and so forth. Those two things alone will return enormous dividends and they are both direct policy initiatives of my Government.

**CLARKE:**

I guess one of the concerns of the deregulation and the telecommunications industry is that people in regional centres and rural centres in particular may feel that they'll lose..

**PRIME MINISTER:**

Quite the reverse. What the communications revolution is doing is abolishing the tyranny of distance as far as communications is concerned. I mean, it is the very reverse of that ancient fear. We have turned the perception on its head and to reinforce that there is a special \$250 million telecommunications infrastructure fund that is coming out of the sale of Telstra over and above the \$1.2 billion that's going into the Natural Heritage Trust and that is going to be used entirely, and this is of particular benefit to Queensland because of the decentralised character of the States. That \$250 million is going to be used entirely to build telecommunications infrastructure in the regional and rural areas of Australia. So, so far from deregulation from threatening the bush, deregulation will enhance the bush, will give benefits to the bush that we wouldn't have dreamt of before.

**CLARKE:**

Okay, well moving on. There is a poll today in today's Australian that shows that support for the Coalition has fallen to 43% of the primary vote and I understand that a lot of that support has moved to parties like One Nation. Are you concerned about this?

**PRIME MINISTER:**

No, not overly. I look at the polls. All politicians do. In a sense that particular poll is a compilation of the last three months. The contemporary take-out of the polls is that the One Nation support appears to have peaked and in most of the recent polls there's been some reduction in that figure. But you can't have an indefinite honeymoon in politics. We had a very long honeymoon, we've obviously been criticised fairly in some cases, unfairly in others on a number of issues over the past few months and it is inevitable that you will go through these peaks and troughs but one of the constants in all the polls is that we are still comfortably ahead of Labor and any sort of temporary disenchantment people might feel with the Coalition is not being translated into an increased vote for Labor. I mean, the real losers out of that compiled poll this morning is the Australian Labor Party because they get no joy, they are not seen as a credible alternative. Now, I don't take the Australian people for granted and we do live in a more volatile political world than we did ten years ago, and nobody can assume that if you have a big majority that you are there forever. I mean, that's nonsense, I'm not like that and I intend

to work very hard and very energetically to do the right thing by the Australian people, take good decisions and to earn their respect and their support between now and the next election. I don't take that election for granted and no supporter of the Coalition ought to.

**CLARKE:**

Moving to matters international at the moment with we've watched over the last couple of days what's been happening in Cambodia. At this stage as far as you know, will evacuations of Australian nationals occur?

**PRIME MINISTER:**

That's unsure. We are ready if it is necessary. We have two C-130s at Butterworth in Malaysia - they arrived yesterday. The latest information I have is that an evacuation at present is not necessary but if we need to we will.

**CLARKE:**

And with the situation in Cambodia, is Australia going to support the leadership of Hun Sen?

**PRIME MINISTER:**

Well in the end it is the matter for the Cambodian people. We are disappointed at the peace process to which Australia made a huge contribution including a peace keeping force commanded by General Sanderson which served this country great distinction. We are very disappointed that the peace process has broken down but in the end it is a matter for the Cambodian people to work out. You have to be realistic about those things. It's been a very tragic country. I can't think of a country that's had a sadder history since the end of World War II than Cambodia when you think of what it went through, it got sucked into the Vietnam war and then of course it went through the terrible nightmare of Pol Pot and then it had Vietnamese invasion and now it is going through a form of more open civil war. I feel very deeply for the Cambodian people.

**CLARKE:**

But our position at this stage when it comes to leadership and Parliaments, who will Australia be supporting?

**PRIME MINISTER:**

Well, I think that needs to be... I mean Hun Sen is not the authorised government of Australia and obviously his behaviour has been of a -how should one put it - of a revolutionary kind. Now, obviously you'll have to wait and see how the situation unfolds and you have to always mix a presumption of legitimacy against realism in these things.

**CLARKE:**

You made some comments yesterday about the American activist Lorenzo Ervin. Has a decision yet been made on his visa?

**PRIME MINISTER:**

Well, I understand there's a meeting taking place at about lunch time today but I guess I am speaking on behalf of all Australians in expressing amazement that somebody with that record should have been allowed into our country. There is a power under the law to keep people out who are of bad character. That was the law that was used in relation to David Irving and Gerry Adams and I would have thought that somebody who has been convicted of plane hijacking and who is invited to this country to address a group of people who are declared anarchists is hardly somebody who qualifies as being of good character and I can't for the life of me understand how if proper procedures were followed he was allowed in. I think that's what most Australians think and steps are being taken to do something about it. I can't say anymore at this stage. I gather there is a meeting taking place around lunchtime between the immigration authorities and his legal advisers but I have no patience and I don't

think any Australian has any patience for a bloke of this type. I notice with interest and approval that many Aboriginal leaders vigorously disassociated themselves from him and they said we don't want to have anything to do with this and I applaud them for saying so because any association of decent Aboriginal leaders with this man would do a great disservice to the Aboriginal leaders.

**CLARKE:**

Mr Howard after today's Cabinet meeting in Townsville you will be going to the Torres Strait. What's the purpose of your trip there?

**PRIME MINISTER:**

Well I've been invited by the Torres Strait Islander people. I've not been there previously as Prime Minister. I'm looking forward to it, I'm looking forward to talking to them. They are a distinctive part of the indigenous people of Australia. They have problems and views and attitudes and approaches which are different from those of the Aboriginal community and it is very important in dealing with the indigenous community broadly defined in Australia that we understand some of the differences between the Aboriginal and Torres Strait Islander people and treat them respectfully as being different communities although united across a broad spectrum of issues.

**CLARKE:**

Do you expect the issue of greater autonomy to come up?

**PRIME MINISTER:**

Well, it might. I'll be going there to listen, I won't be going there to lecture or to deliver tablets from mountains or naval craft, I'll just be going there to listen.

**CLARKE:**

Okay, turning to some of the Townsville issues that you might be addressing today. Will Townsville be the host city for a tropical medical school?

**PRIME MINISTER:**

Well, this is going to be discussed by Michael Wooldridge and also Senator Vanstone and her adviser with some of the interested parties. I am aware of the support for it. I can't say at this stage whether it is going to happen but we are addressing the support for it quite seriously and Michael and Amanda who are the two key Ministers in my Government that are involved in it will certainly be listening very carefully to people and trying to get some more information about it. It does have a lot of support and I understand why.

**CLARKE:**

Does the Government recognise that there has been a chronic shortage of doctors in areas like North Queensland.

**PRIME MINISTER:**

Well we certainly have, we've done something about it. In the last Budget and the Budget before that we introduced a number of special measures designed to boost the number of doctors in rural areas and some of the changes that were made were criticised by the medical profession in relation to Medicare provider numbers. They were designed to get the oversupply of doctors in the urban areas flowing through into the rural areas. Now, it takes time, you can't alter that in a few months. We've actually done a hell of a lot already in our first two budgets to get more doctors into the rural and regional area but it will take several years before the benefits of that flow through. I mean, it's taken years for the shortage to develop. A lack of foresight by earlier governments meant that nothing was done to stop it happening and it will now be a few years before the benefits of our measures begin to flow through but when they do, then I think people will really appreciate the decisions that Michael Wooldridge has taken over the past couple of years.

**CLARKE:**

With your meeting in Townsville, no doubt you will be looking at the local issues. Any special announcements for the north that will be announced today?

**PRIME MINISTER:**

Well, I'm going to say something about the reef at lunchtime today in relation to some modest upgrading of some facilities which will be of benefit to the reef and I'll be saying something about that at my address at lunchtime today.

**CLARKE:**

One issue that has attracted a lot of concern in the north is the town of Bowen just south of Townsville. Earlier this year it lost its single largest employer, the meat works, there was about 450 jobs lost there and the situation has been likened to what happened in Newcastle. Is the government aware of the problems there and are they going to provide any sort of financial assistance or a rescue package for the families.

**PRIME MINISTER:**

Well, one of the problems of course of the meat industry is that for decades it was dogged by a rotten out of date inefficient industrial relations system and that's one of the reasons why the Australian meat industry has not been anywhere near as competitive as it ought to have been, why thousands of jobs over the years have been lost in the meat industry. And before people start talking about subsidies and special measures you have to be honest enough to acknowledge the contribution that rotten industrial relations practises have made to the destruction to the profitability and efficiency of the Australian meat industry. I mean, very important with all of these things is that we are honest enough with each other as people to try and identify the causes of problems before we start saying well, the solution is to have some kind of subsidy.

**CLARKE:**

But I guess it is a cold comfort to the people of Bowen who have lost their jobs.

**PRIME MINISTER:**

Well, I understand that but there is a limit to how much governments can provide special assistance packages in every part of the country. I mean, we have done a lot of things to try and create a more economic climate for the meat industry, more efficient climate. We've changed the industrial relations system, over time I believe the AQIS reforms which have been unfairly criticised and I understand in the case of two meat establishments in Queensland, one of them Australian Meat Holdings is going to end up paying \$120 000 a year less in 1997/98 for inspection charges and a consolidated meat group is going to \$88 000 - 90 000 less for the inspection services. (inaudible) that we won on the other side... to pay a small increase but overall as this new system gets underway it will deliver very significant benefits to the meat industry and we are putting a lot of additional resources into AQIS and I think you are going to find as those additional resources, the benefit of them flow through, you are going to get enormous benefits to the industry.

**CLARKE:**

Would you be keen for yourself or one of your Ministers to maybe visit Bowen to get a first hand look at the situation?

**PRIME MINISTER:**

Well, it is always open for that to occur. I can't make commitments on the run all around the place. I mean there is a limit, 24 hours a day, 365 days a year but I certainly would be very happy to you know, if there is a particular request to a particular Minister then I am certain we would have a look at it.

**CLARKE:**

The Great Barrier Reef Ministerial council met earlier this year and imposed a ban on gill netting in certain parts of the reef. Fisherman, of course, were not happy with this decision but environmentalists were, they were. But many fisherman, they say they will lose their livelihoods for that. Should there, will there be compensation?

**PRIME MINISTER:**

Well, we are looking at that. That is being examined. It was one of those difficult decisions where you've got to try and balance the two considerations. We try and do that all the time. It's very interesting that we take a balanced decision on something like Hinchinbrook and we get criticised by the environmentalists and we take a balanced decision on the reef and we get criticised by others. We are looking at the situation. I understand the concern of the fisherman, but I also understand the concern, not just to the environmentalists, but the concern to the whole community about a depleted resource in that area, natural resource.

**CLARKE:**

Just finally on the issue of native title. Are you happy with the way farm groups have reacted to your legislation on Wik?

**PRIME MINISTER:**

So far, yes. I observed a couple of months ago some pretty uninformed criticism from some rural areas but that seems to have died down and the National Farmers Federation is making some more positive noises. I can understand why the NFF is very wary because it was badly stung in 1993. NFF was badly let down and misled in the native title negotiations in 1993 but I have no doubt in the world that any fair minded pastoralist in Australia looking at the 10 Point Plan and understanding it will see it's a fair deal for him or her. It respects for the principles of native title but it gives security to pastoralists. And I am absolutely committed to the 10 Point Plan and I am determined to drive it through the Parliament.

**CLARKE:**

Would you describe that as one of the hardest things you've had to...?

**PRIME MINISTER:**

Oh yes, it's been a very difficult issue, yes - a passionate, emotional, tensely fought issue. I was criticised to start off with by the Aborigines for even contemplating any changes. I was then criticised by the pastoralists in the Queensland government. I suppose I should draw comfort from the fact that I was attacked from both sides. It probably means I'm driving a fair line down the middle. But I really do get angry with people who see something like this as capable of just, you know, a snap of the fingers and being fixed overnight. It's a very difficult issue for the country but we've worked our way through it and we've got a plan that will work. But I do want the Australian community to understand that having invested an enormous amount of time and effort into that plan, we're not going to change it. We will entertain some alterations at the margin but the essential principles of it, and people who know the issue know what I'm talking about when I say that they are not up for negotiation.

**CLARKE:**

Well that is Federal Cabinet meeting in Townsville today and Prime Minister John Howard we thank you very much for your time. Enjoy North Queensland.

**PRIME MINISTER:**

Thank you.