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**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
RADIO INTERVIEW 2 HD NEWCASTLE**

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JOURNALIST:

Joining us now Prime Minister John Howard. Good evening. How are you?

PRIME MINISTER:

Very well.

JOURNALIST:

It's been a busy day. Do you think the visit has proved worthwhile in trying to get some of the problems facing steel making, people working in steel making?

PRIME MINISTER:

It's been a highly successful day. I have seen the unions, I have seen the management of BHP. I have talked to some of the workers. I have met community groups. There's a tremendous spirit of optimism, a determination that Newcastle will emerge from this setback stronger and better than ever and what the day has done is to me, demonstrate that some of the doomsday stories that have spread to the rest of Australia just aren't true and several people said to me around lunchtime, will you please tell the rest of Australia that Newcastle is not down and out. Newcastle will overcome this difficulty and I think it's a very positive message that comes out of today's series of meetings. On top of that, I have announced some specific measures which will generate jobs and provide training places and they are to be dealt with quite separately from the \$10 million that I have said the Federal Government will make available to match the \$10 million from the New South Wales Government and at least \$5 million from BHP, and what's happening with that is that we are examining various proposals that people are putting up. It may well be that the best thing to do is to pool the funds from the three sources to support two or one project which will be of enormous benefit to the community. Overall, a very successful day and there's a great desire, despite the anguish of the last couple of months to look forward and to focus in a very positive fashion.

JOURNALIST:

I was listening to tapes of some of your discussions with steel workers at the Mayfield plant today and one comment was, what's the point of all these traineeships if we haven't got the jobs at the end of it? Do you think that's a valid point?

PRIME MINISTER:

That is always a valid point and the whole purpose of what we're on about now is to get investment into new industries so that we do have jobs. I mean, of course the whole purpose is to have real jobs at the end of the road. We face a problem. There are two and a half thousand jobs disappearing in BHP. What we have to do is to attract investment into new areas, new industries and we're already well down the track towards doing that. We've got the Hawk jet plane project from British Aerospace. That's going to create several hundred jobs. We've got further investment in the tourist industry. There are a number of other proposals that are being examined at the present time. It's a question of building, in a confident way to the future but the last thing we must do in a situation like this is sort of wallow in despair and think negatively and just generally talk the place down, and I was greatly encouraged by the determination of the union leaders and the civic leaders and the company to think in a very positive way.

JOURNALIST:

The Opposition Leader, Kim Beazley, has been here a couple of times since the announcement and he has made much of the fact that it's been a few weeks since you've got here so I guess we must put that question to you, for you to respond. What's your reaction to criticisms of the length of time it's taken you to get to Newcastle?

PRIME MINISTER:

Petty and irrelevant. I mean, what matters is what you do when you come here, not when you come. I mean, coming within a couple of days in a kneejerk reaction to the original announcement would not have produced the proper analysis that my visit today has produced. I mean, I just push what Mr Beazley says aside. Of course the Opposition Leader has got to say something but it really ought to be a little more constructive than that. I mean, I am not interested in having a political debate with Mr Beazley about Newcastle. I would like to keep this thing non political. If he wants to point score, let him, but I have come here with constructive proposals. There is more to come. We've got a very good citizens' committee. I have found a mood of optimism, a desire on the part of the unions and the company to work through the transition effectively, a great enthusiasm in the community, a recognition that the Hunter Region has great resilience and great reserves and bonds of community that other regions of Australia don't have, and that's the message that's come through very clearly to me from everybody today. They're positive, they're hopeful, they want to get on with life and they're not really interested in negative point scoring.

JOURNALIST:

Do you think we're wasting our time though? Sections of the community, and it's clearly a divided issue, this, in trying to fight to keep the steel works, do you think that's a waste of time?

PRIME MINISTER:

It's a question of my saying, if there is a viable proposal, well obviously the Government will look at it but the evidence at the moment is not all that strong. I think there's an acceptance that the BHP decision has been taken and that people have got to move on but obviously, if at some stage, a viable proposal emerges well that ought to be examined. I would never want to say that that's impossible although I have to say, it seems extremely unlikely in present circumstance and we must work beyond and look beyond BHP. We must look to other industries, We must look to other opportunities and there are plenty of them but accepting all the time that unexpectedly, there may be a proposal which is viable.

JOURNALIST:

We've just had unemployment figures for the region this week and it's about 3% above the national average. That's a problem the 13 years of ALP Government has failed to solve and it hasn't changed since your Government has been in power.

PRIME MINISTER:

No, the unemployment rate is about the same now as it was in March of 1996. I acknowledge that but we have only been there 16 months. The Labor Party had 13 years and the policy changes that we have made have not yet had an effect on the unemployment level. That doesn't mean that they aren't the right measures and it doesn't mean that in time they will not have an effect.

JOURNALIST:

Do you think those policies though will help regions that have above the national average? That's a problem that we always seem to have 3% above the national average.

PRIME MINISTER:

Well I think our policies to help small business will certainly do that because regions rely very heavily on small business. I think the encouragement that we're giving in particular to the tourist industry in

the Hunter Valley, the tourist potential of this part of Australia, is enormous and also, you must remember, and I am talking here of regions in general, not just the Hunter, but there are a number of particular projects that the Government has in mind - the Federation Fund, the Natural Heritage Trust, the Telecommunications Infrastructure Fund. If you add all of those together you have capital investment of somewhere in the order of \$2.5 billion. The great bulk of that will go into regional areas of Australia. Now that will have a job generational effect. There's no doubt about that.

JOURNALIST:

Yes. Just before we let you go, what is your basic message for people listening to this about, from the Government's point of view, what they should do to try and help the region?

PRIME MINISTER:

Think positively. The Government understands your position. We are making practical announcements that will deliver real help. We understand the personal and emotional side of what many people in the Hunter Valley are going through. We have enormous faith in the resilience of the people of Newcastle and think beyond BHP.

JOURNALIST:

Thanks very much for your time. We appreciate it.

PRIME MINISTER:

Thank you.

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