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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
RADIO INTERVIEW WITH ALAN JONES
RADIO 2UE**

E&OE.....

JONES:
Prime Minister, good morning.

PRIME MINISTER:
Good morning Alan.

JONES:
You're back. Are you fit?

PRIME MINISTER:
I'm very fit. I had a terrific sleep last night and I am very, very fit indeed. All ready for a very major announcement on Sunday in relation to the drug menace.

JONES:
I'll come to that in a moment. If you don't mind, if I could just take a bit of your time. I'm sure your backbenchers have got hundreds of these as well. This is a letter that arrived on my desk yesterday:

Dear Alan, last night I was amazed to hear in the news that Prime Minister Howard was giving some enormous amounts of money to Indonesia to help with their monetary crisis. What about our aged care? We have elderly people in homes the Government can't afford to subsidise. I'm going through an enormous trauma with my 86 year old father who's still trying to work a few hours per week to pay for my mother who's blind with Alzheimers in a nursing home. They believed all their lives that you worked hard and saved for your old age so you didn't have to depend on a government pension and that's what my father's still doing. He was looking at the prospect of the fees rising from \$26.00 a day to \$63.50 per day, which would have been close to \$2000 per month as chemist bills are extra. How can anyone afford this unless you're extremely wealthy, in which case you certainly would not have your wife in a nursing home and you'd have a private nurse or private care of some sort? This will not be a short-term cost for him because my mother's luckily healthy apart from the blindness and Alzheimers. So she could be there for 15 years or more. It's not only the pensioners who are hurting. What the Government is doing by its action is throwing the independent people onto the pension by its actions and it's losing faith for Liberal voters that have supported them all their lives. This not only effects the elderly couple but their children and grandchildren see how they are hurting and what's happening. Mr Howard has lost our vote after many years of voting Liberal, especially when he can give money to Indonesia, build a bridge in Thailand, money to every overseas country that opens its mouth when the ordinary elderly person is hurting. And why can't every person pay \$5.00 to visit the family doctor from their own pocket. This would eliminate the unnecessary visits and this could be put towards our elderly. Isn't that better to take from the able-bodied people. One should remember people are not in a nursing home by choice, it's because there's no other alternative. This can happen to anyone.

PRIME MINISTER:
Well Alan, a couple of things on that. The first is that we are not giving money to Indonesia. We're not giving it away any more than we gave it away to Thailand. What we are doing is making a loan, potentially making a loan, repayable with interest as part of an International Monetary Fund

supervised rescue package for the Indonesian economy. It is in our own selfish best interests to make sure that the economies of Asia do not collapse. We send more goods and services to Asia now than we do to any other part of the world. If we are to continue to employ people, if we are to continue to pay wages, to be able to pay wages to the able-bodied people, to whom your correspondent referred, so they can pay taxes and help those who need help, we need to employ them. And one way of employing them is to ensure that our goods and services are bought. And now, in the 1990s, the bulk of our goods and services are bought by countries in the Asian region. So it is a, if you like, a selfish act of self interest on the part of Australia to ensure that economies like the Indonesian economy don't collapse.

I repeat, it is not a gift. It is a loan repayable with interest. And it will be only made available if the Indonesian economy and the Indonesian Government agrees to make major changes to the way the Indonesian economy is run so that it will run more efficiently, it is more open, it is more liberal and, therefore, that the support provided by the International Monetary Fund is completely justified. It's easy for people to criticise this action and I knew that it would be criticised when I took the decision in Jakarta to make the announcement and to give the commitment. But in the long-term interests of Australia and its people, its trade and its economy it is important that we play out part in stabilising the region.

JONES:

Okay. Well you said in Scotland of this principle in relation to nursing homes - because the writer of the letter, from Sydney here actually - you said that...these are your words: The principle is very sound, where people can afford to make a contribution to their own care, they should.

PRIME MINISTER:

They or their families.

JONES:

Right. Why doesn't that happen, though, in relation to health care in general? In other words - I come back to this point and this is why you're having difficulty selling nursing homes...

PRIME MINISTER:

Well, can I just deal with the nursing home issue. Now, there are a lot of details in that and I really would very seriously be grateful if you could send that person's letter to me.

JONES:

Yes I will.

PRIME MINISTER:

And I would like to check some of the assertions that were made. I can't say whether all of them are absolutely accurate in relation to the way the thing operates. And I would rather have that checked out and let you and the correspondent know rather than just over the phone without having it in front of me. Because the principle is, as you have stated, is people who are able or their families are able, in a financial sense, to make a contribution - and bear in mind that anybody on the pension or people earning up to \$50.00 over and above the pension are in no way effected by the three changes that are going to take affect in March of next year, nor indeed are people who are already in nursing homes. So that is the first point I make. So, in other words, that principle about people being able to make a contribution if they can afford to do so is one that underpins the policy.

JONES:

But I can do that. I can afford to make a contribution to the medical consultation. But I can actually bulk bill. How can you then try to sell that policy for nursing homes when John Howard and Alan Jones can go to a doctor tomorrow and bulk bill for nothing?

PRIME MINISTER:

Well, the reason we haven't introduced it, Alan, for going to the doctor is that at the last election we promised the Australian people that we would keep the Medicare system. And the Medicare system is based on the principle that everybody pays the Medicare levy and if you go to a doctor you are entitled, under the Medicare system, to be treated by that doctor on the basis that you pay and get the refund or that that doctor bulk bills.

Now, the introduction of the sort of fee you're talking about would be a direct breach of the promise that we made to the Australian people at the last election. Now, you can say, well, you shouldn't have made the promise. You're entitled to say that and you can go ahead and say it or you can say we should break the promise. But you're asking me why we don't introduce such a fee. That's the reason - because we made a promise that we wouldn't. I mean, a Prime Minister must preserve credibility with these things. I looked down a barrel of a camera at that election campaign, time and time again, and said we will keep Medicare. Now, Medicare does not allow - I mean, the extent to which I use that expression, keeping Medicare, did not allow the introduction and that's the reason, Alan.

JONES:

Okay, the cost of keeping it, though, is astronomical - somewhere around \$37 billion a year. And to retrieve some of that cost you've then got to charge the elderly.

PRIME MINISTER:

Well, hang on, not \$37 billion.

JONES:

The whole health budget in this country's about \$37 billion.

PRIME MINISTER:

Yes, I know, but...

JONES:

And we retrieve 11 per cent on the levy.

PRIME MINISTER:

All of that, Alan, with great respect, is attributable and you wouldn't save \$37 billion by charging everybody a \$5.00 fee if they went...

JONES:

No, we pay 11 per cent in a levy - 11 per cent of the cost in a levy.

PRIME MINISTER:

I know that. I'm aware of that. And could I also say that the actual total health bill in Australia compared with countries like America - it is much cheaper in Australia than America. The total national resources spent on health in America, public and private, is much much greater than in Australia, and if you compare the aggregate Australian health bill with those around the world, it does compare quite favourably. I know the system has got flaws, has got defects, but it has also got strengths and I don't think we should overlook those strengths.

JONES:

Isn't it true, in the selling of the policy that something should have been said about a bond that had already been charged by the previous Government for hostel accommodation, which is quite consistent with the bond you are asking to be charged in nursing homes. In other words, has there

been a major flaw in the Governments' capacity to sell, and is that one of the reasons why there seems to be problems at the polls?

PRIME MINISTER:

Well Alan, it is true that the system that we have introduced for nursing homes is exactly the same as the Labor Government introduced for hostels, exactly the same, the bond system. When in fact we decided because that system had been introduced and apparently accepted by the former Government, we decided to extend it to nursing homes. And the same principle, as you say, has there been a failure to explain? Well if people are unhappy then you can always say that all of us in the Government are responsible for not having explained it properly enough.

Now, I certainly, I have given instructions that the explanation effort be doubled. Not so much for the political interests of the Government, but because I do not want elderly Australians and their families needlessly concerned by a lot of the fear mongering that is going on. There was no fear mongering when the accommodation bond was introduced by the Labor Party for hostels and the reason for that is that we, then in Opposition, did not attack it. We did not run around hostels scaring elderly people and telling lies about the Labor Government's policy. We in fact recognised that with an ageing population you have to do something about getting a reasonable contribution from those people and their families, I stress, who can afford to make a contribution.

I know it is not popular, but we live in a very unstable world. We live in a world, as we have seen over the last few weeks, that can change overnight quite dramatically and it is our responsibility, as a Government, to make sure that the country is paying its way, to make sure that we are protected against international economic shocks and what we have done over the last eighteen months has made Australia a much stronger country.

It means we have been able to withstand some of the shocks from abroad and the pummelling of international financial markets in a way that we wouldn't have been able to do if we had ignored Mr Beazley's \$10.5 billion deficit that he didn't tell us about.

JONES:

Ok, just turn the coin over a little bit in relation to this critical issue of elderly care. There is another group of people on the other side of the coin and they are just called carers. There is 1.5 million of them, and indeed they get about \$1.20. 74 per cent of all service needs to people who have a disability, or who are frail aged, are carers. Now, are we really then, doing enough for all these people. 24 hours a day, 365 days a year, no holiday pay, no sick pay, no super, no car allowance, no transport, for people who can't use transport, no nothing. \$1.20 an hour they get. There is 1.5 million of them. They are actually, by their efforts, reducing the demand on scarce nursing home resources. Are we as a community doing enough for them?

PRIME MINISTER:

Alan, the answer is that - if you look at it in isolation - the answer is you can never do enough for people like that and the great bulk of them do it out of love and compassion and care for people they love, for people who are family members or friends and they are the unsung heroes of society. They always have been. Now, of course you can never do enough for that group of people.

JONES:

Will you give a commitment though, to look into doing more?

PRIME MINISTER:

We have, well we gave a commitment in the last budget. We are actually going to significantly increase what is called a domiciliary care allowance, which is a special allowance paid to people who look after others with disability. We are significantly increasing the amount of respite assistance

which is available, so that people who are caring on a full time basis for a family member or friend, can get some kind of respite care. Often the thing that those people most desperately need is day or two off.

JONES:

My word they do.

PRIME MINISTER:

That's what they need, that is the most precious thing. They say I don't mind doing it for five days a week, I'm willing to do it but if I could only have a day off. They do need some respite care.

JONES:

Well I will keep raising that with you. I will just change the tact because we are running out of time but the carers thing is a big issue. The Federal Police Commissioner earlier this week, Mick Palmer said: between 2,000 and 3,000 caged of heroin worth \$3 billion a year, arrive in Australia each year. Customs can only get about 10 per cent.

He says, for every six or seven major heroin trafficking syndicates, the Federal Police have the resources to only investigate one. We have a situation where our international passenger arrivals have increased by 26 per cent over the last four years. Import cargoes have increased 29 per cent over the last three years. Overseas shipping arrivals have increased by 13 per cent. Customs staff has fallen by 20 per cent. How fair dinkum are you, therefore, in fighting the drugs scourge?

PRIME MINISTER:

A couple of things you have never had and you never will have a situation where police and law enforcement agencies have the resources to investigate every single complaint that they receive. You always have to establish priorities. Secondly, the claims that reductions in customs and AFP staff have crippled our campaign against drugs is quite wrong because both organisations have ensured that any running cost savings have been directed to other areas of their operations and not effecting, in any significant way, the anti-drug operation. That deals with that criticism. On the positive side...

JONES:

Except that three containers out of a thousand, coming into this country are checked. If you are a drug smuggler, you have to be unlucky to be caught.

PRIME MINISTER:

Hang on Alan, the surveillance and investigation techniques that police and customs use, they have always been based upon prior information, as well as a degree of random inspection.

JONES:

But no use if a surveillance technique if no one is there to read the camera.

PRIME MINISTER:

But Alan, hang on. It has always been the case that when you intercept people carrying drugs and drug hauls, it has always been the case that the great bulk of those interceptions are on the basis of information provided. None of the changes that have been made prevent the capacity of customs when those tip-offs are given or that under-cover information is received from being there at the customs barrier to stop the bloke and say I am going to inspect your.

JONES:

I have got to go to the news, but you will do something on Sunday about customs resources?

PRIME MINISTER:

I will do a lot more than that. I will be announcing a major campaign, dealing with education, dealing with law enforcement.

JONES:

Listen, we will wait until Sunday because I have got to go to the news.

PRIME MINISTER:

Thank you Alan.

[Ends]