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## **PRIME MINISTER**

### **RESIGNATION OF SENATOR SHORT : APPOINTMENT OF SENATOR ROD KEMP**

The Assistant Treasurer, Senator Jim Short, has tendered his resignation from the Ministry. I have accepted that resignation.

Correspondence between us, which explains the new circumstances which have promoted the resignation is attached. Senator Short first advised me of these new circumstances during a telephone conversation yesterday.

His resignation is a source of deep regret for me. Senator Short has been a hard working and effective minister. At all times he has behaved with complete honesty and integrity. Not even his harshest critics in recent days have said that he lacked either of these qualities. I have decided to appoint Senator Rod Kemp to the position of Assistant Treasurer. He will retain the position of Manager of Government Business in the Senate. He will be assisted in that role by Senator Ian Campbell.

The new Parliamentary Secretary to replace Senator Kemp now that he has been appointed to the Ministry will be Mr Michael Ronaldson, the member for Ballarat.

His Excellency the Governor-General has indicated to me that the swearing in of the new Minister and Parliamentary Secretary can take place tomorrow.

13 OCT 1996



OFFICE OF THE PRIME MINISTER  
CANBERRA

13 October 1996

Senator the Hon. Jim Short  
Assistant Treasurer  
Parliament House  
CANBERRA ACT 2600

My dear Minister

I have your letter of yesterday advising of a specific approval which you had given, as Assistant Treasurer, to an application by the ANZ Banking Group for the grant of a banking licence to ANZ Grindlays Bank Limited.

Given that you had not recalled this specific act dealing with the ANZ when we held our discussions last Wednesday, I agree with you that the circumstances of the matter have now changed.

With considerable sadness, therefore, I feel I must accept your resignation.

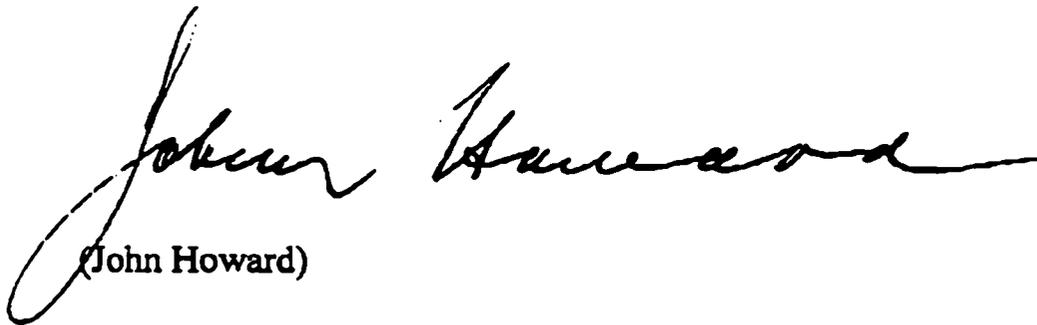
At no stage have you acted dishonestly or improperly. The ANZ approval itself was a routine matter. You followed the advice of both the Reserve Bank and The Treasury.

I thank you for your dedicated work as Assistant Treasurer over the past seven months. In that role and, in particular, as a member of the Expenditure Review Committee, you played a crucial part in putting together the first Budget of the new Government which has won such wide respect in the community.

You may be assured that your qualities of integrity and commitment are widely admired amongst your colleagues.

With warm personal regards to both you and Jan,

Yours sincerely

A handwritten signature in cursive script that reads "John Howard". The signature is written in dark ink and is positioned above the printed name.

(John Howard)



**ASSISTANT TREASURER**

**PARLIAMENT HOUSE  
CANBERRA ACT 2600**

**Telephone: (06) 277 7260  
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**12 October 1996**

**The Hon John Howard, MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600**

**Dear Prime Minister**

I refer to the events of recent days concerning my longstanding shareholding in the ANZ Bank. As I have already advised you, I sold my shareholding on the market on Thursday, 10 October, and will be donating to charity the after-tax profit derived from holding the shares between mid March 1996 and 10 October.

In the past day, my staff have been checking the hundreds of Ministerial approvals I have made since becoming Assistant Treasurer.

In the area of the administration of the banking laws, I have given several dozen approvals. The check has revealed that one of these approvals related to the ANZ Banking Group. In June 1996, I gave approval to a request by the ANZ Banking Group to the grant of a banking licence to ANZ Grindlays Bank Limited pursuant to the latter's move from the UK to Australia as part of a consolidation of the ANZ Banking Group's activities.

The request was routine, and my approval was given on the recommendation of both the Reserve Bank and the Treasury. There were no grounds on which the request might have been decided differently. My approval was influenced in no way whatsoever by the fact of my shareholding in the ANZ Bank.

When I spoke with you on Wednesday evening, I had not recalled having given this particular approval - and similarly during the Senate sittings on Thursday.

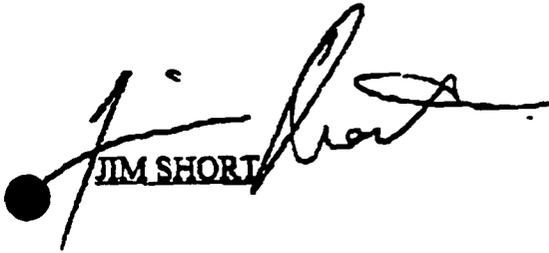
Now that my attention has been drawn to that approval, I feel that the circumstances of the matter have changed. In the light of this, and having given the deepest consideration to all the circumstances, I have decided to tender to you my resignation as Assistant Treasurer.

I have sought throughout my life to act at all times with high integrity. My decision to resign after a careless and personally distressing oversight reflects this principle.

I do so with the deepest sadness. After more than eleven years in Opposition, most of them as a senior Shadow Minister, I was greatly privileged and honoured to have been chosen by you in March to become a Minister in the first Howard Government. I believe I have made an important contribution to the Government in its first months, and I very much regret that I will now be leaving the Ministry.

In doing so, I assure you and the Government of my continuing total support, and I extend to you every best wish for many years to come as an outstanding Prime Minister of our great nation.

Yours sincerely



JIM SHORT