



## PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PARLIAMENT HOUSE  
22 MARCH 1989

E & O E - PROOF ONLY

PM: Well I am sorry it's late but I thought as a matter of courtesy I would come and just make a brief statement. As you know Mr Willis will be available in a more detailed press conference tomorrow. Cabinet has spent now a very considerable period of time considering this matter. It goes without saying there were a number of complex considerations that have had to be taken into account. There were many of us in the Cabinet, and I include myself in this, who started with the presumption that it would make more economic sense to not proceed with a third runway at Kingsford-Smith but to proceed immediately to fast-tracking of Badgery's Creek. I must say that the more this matter was examined the more one became persuaded that that would not be the appropriate economic decision or the correct decision in terms of aviation principles. It is the fact, and I don't disguise it, that this has been a difficult decision to take in political terms because there is the assertion made that the decision that we've taken which we perceive to be in the interests of the country as a whole, Sydney in general, may cost us some seats adjacent to the Kingsford-Smith airport. And that was not something that could be lightly dismissed. But nevertheless, in the balance the majority of the Cabinet believed that this was the correct decision to be taken. Let me say that the interests of the people in the immediate vicinity were not however overlooked by Cabinet in our deliberations. Indeed, they formed a significant part of our consideration. On the information, the best information available to us there will in fact be a decline in the numbers of people seriously affected, severely affected by aircraft noise from 56,200 at present to about 35,500. That's a decline of about 37%. That decline will occur as a result of a combination of the new generation of quieter aircraft and the greatly reduced usage of the east-west runway. So we were in the position where a combination of economics, a combination of sensible aviation principles and a consideration of a reduction of noise levels in general in the area led to the decisions that were taken. I repeat that hours and hours of consideration have gone into this, it was a hard and tough decision to take and one which I'm convinced and the majority of my colleagues are convinced on all the evidence is in the best interests of the nation, of Sydney, and of the aviation and tourist industry in this country.

JOURNALIST: Do you believe that Caucus will accept this decision of Cabinet?

PM: Yes, I don't think it will be unanimous but I believe the majority will.

JOURNALIST: Do you think Mr Punch should stay in the Aviation portfolio?

PM: Let me say this about Mr Punch. You've raised him and I'm not going to go on for a long series of questions, it's too late for that, but it's a legitimate question. No-one could have argued the contra case more eloquently and from his point of view more effectively I think than did Mr Punch. This is before he got into the Cabinet and the whole of the Cabinet proceedings. He had a firm conviction as to the alternative point of view. He argued that case strenuously and I can say I believe from his point of view I don't think he could've argued that case more effectively. He wants to consider the position as to whether from his point of view it's most appropriate to stay on in that particular portfolio. I think it's reasonable that he should consider that position and I'll have a further discussion with him when he's ready to have that discussion.

JOURNALIST: Inaudible

PM: Well he should think about it and then he'll talk with me.

JOURNALIST: Would it be reasonable to move him off? Would that make more sense in the circumstances ...?

PM: It's a combination of circumstances. I think the first thing to do is what I've said. I've had a brief discussion with him and he understands that. He wants to think about the position and talk to me further and I think that's a perfectly reasonable thing to do.

JOURNALIST: Would you say this decision was taken, when you say the majority of your colleagues agreed with you, is this to imply that the agreement, the decision was taken without consensus?

PM: It's not only to imply, it's a matter of logic that that conclusion must follow. But in the end this is not a Cabinet which takes formal votes. It's clear that the majority, and a clear majority favoured the position and when that was clear that that was the position it didn't take a vote, there were no hands up and that sort of thing.

JOURNALIST: Should it have taken as long as it did?

PM: Yes of course it should. It's a matter which by any criterion is one of the more important that Cabinet's had to deal with. And it was one in which, let me say for the first time any government had in fact built up a relevant information base. Let me remind you that the people who were in before us had seven years in which they could've dealt with this matter - they didn't. We'd already taken a first step in dealing with the longer term problem by making a decision to acquire land at Badgery's. And as we came to the point now of having to make as it were a final decision in this matter a great deal of information had to be built up which involved a lot of assumptions about rates of growth of international traffic, of domestic traffic, assumptions about possible improvements in runway productivity, possible improvements in productivity which flow from other management and traffic flow decisions, judgements that you have to make about the diversion of some types of traffic or portions of it like general aviation traffic away from Kingsford-Smith. Now in their nature all of these issues are extremely complex and many of them by definition can't lend themselves to dogmatic assertions as to what the actual factual position will be. Therefore there is room for differences of interpretation. Now those things you simply don't rush. You can if you want to but I think that what I said earlier is indicative of the way in which we've gone about this. I was one who started off with a fairly clear presumption as to what I thought the best economics and aviation principles would be. I became persuaded as more information became available, as we asked more questions, as more figures were put in front of us in response to those questions, that initial presumption that I had changed.

JOURNALIST: Inaudible

PM: No need to be so assertive, I can hear.

JOURNALIST: In the end what was it that turned the argument for you?

PM: It was a combination of information which together went to the point as to when would be the most likely date at which you would need the new facility. On the information that one had had earlier and the assumptions one made it looked as though what you would doing would be if you built a third runway would be to go through all the exercise of building it and almost as soon as you'd built that it would've reached saturation point. That was a sort of presumption that I and others had made on the sort of preliminary assumptions and estimates that were available to us. The more one looked at the evidence and got additional information in response to questions, the more it appeared to be the case on which we've acted that there would be a quite significant period of time between the completion of the third runway and when that additional facility would reach saturation point. So when you then looked at those considerations therefore in terms of what outlays would be

PM (cont): necessary now to have an accelerated construction at Badgery's Creek and you looked at that in discounted terms, as you have to do to make the proper economic assessment, it became clear that you would in fact be expending more money and considerably more money on the immediate Badgery's alternative. That was the essence of the change in our position. Now -

JOURNALIST: So when will Badgery's Creek open and when will the third runway open?

PM: Well, taking the third runway first, there will be an Environmental Impact Statement and one can't be sure how long that will take but the assessment is that taking the period of the Environmental Impact Statement and the construction period into account, you're looking at a period of the order of five years for the third runway. There's no question about that, that that could be the order of it. I mean if your EIS was considerably shorter, then that period of five years may be correspondingly shorter. But that could take that sort of period of time. In other words, I think one of the misapprehensions through a lot of this discussion has been the assumption that as soon as Cabinet made a decision about a third runway, hey-presto, you've got it. You haven't, it's that sort of period of time. Now we will be, as you will see from the decision or the press statement that's been distributed, we will be moving to accelerate the acquisition of land at Badgery's and we'll be moving to the construction of a general aviation facility there that will not take a long period of time. Then we're also making the decision that the second stage of Badgery's will be one which will involve a domestic and international capacity and we want immediate work to be done on the preparation of plans for that with the actual timing of that second stage being one that you will make in the light of the additional information that comes available to you as to the way capacity is moving. Now, I'm not going to go on any longer now, the further detailed questions you can address to Mr Willis tomorrow morning or later this morning.

ends