



# PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON. PAUL KEATING,  
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PM: Thank you for coming. You by now have a copy of the press statement announcing the Ministerial arrangements and changes. The first point I'd like to make to you is that we've got a very experienced and intelligent group here and each has been aligned to an area of natural expertise and experience, so that in the places where Ministers are I believe as a Cabinet, as a Ministry, we'll be able to hit the ground running and not have Ministers spend six months or so learning an entirely new area or policy. Each person there has either had some experience, contact of, natural association with an area of policy, and I believe it's a way of maximising the efficiency, in an efficient way, the natural capacities of the Ministry and the Cabinet. The principle objective here, of course, is to promote a recovery and to restart growth and employment as quickly as possible. Now the key changes are:

- . Mr Dawkins will be Treasurer;
- . Mr Willis will be the Minister for Finance;
- . Mr Beazley will be the Minister for Employment, Education and Training;
- . Dr Blewett will be Minister for Social Security;
- . Senator Richardson will be Minister for Transport and Communications;
- . Mr Kerin will be Minister for Trade and Overseas Development;
- . Mr Griffiths will be Minister for Tourism and brought into Cabinet; and
- . Senator Collins will be Minister for Shipping and Aviation, and also brought into Cabinet.

Now, of course, there are other consequential changes, but they will be very evident to you as I know all you specialist Ministry watchers will understand very quickly. So I'd be happy to take questions at this point.

J: Mr Keating, what is it that recommends Mr Dawkins' as Treasurer?

PM: That was a very hard decision for me to make. I spent eight and a half happy years with both Mr Willis and Mr Dawkins, and each have their strengths. Mr Willis is a technically very well-equipped person who has shown great service to the Government. Mr Dawkins has been very creative in the portfolios he has had. And it's an on balance judgment which I made in Mr Dawkins' favour. But I'm very pleased that Mr Willis has agreed to vest Government with his experience and ongoing knowledge as Minister for Finance.

J: Mr Keating, why did you decide to take Mr Kerin from the Cabinet?

PM: Well, it was always somewhat of an anomalous position in the sense that we had the Trade portfolio represented in the Cabinet by the portfolio Minister, Senator Evans, and formerly by Dr Blewett. That was principally to do with the GATT Round, which is now drawing to a close, and with the Dunkel Package - the issues are now encapsulated in that package. And as we found, whenever the issue needs to be considered it will be considered by Senator Evans, but naturally Mr Kerin will come to Cabinet whenever the matter needs to be discussed. So in practical terms, it leaves him free to take part in the balance of the Round and the bi-lateral trade negotiations which are a permanent part of the international landscape, and not to be burdened with the other Cabinet responsibilities which don't go to this external position.

J: Prime Minister, do you anticipate any changes to this line-up before the election, and have you given guarantees to Senator Button and to Mr Hand that they will retain their positions until then?

PM: I don't have to give guarantees. Senator Button and Mr Hand have both said they won't be contesting their positions at the next election, but both said they wanted to continue as Ministers in their respective roles until then, and that's the position I'm entirely at ease with.

J: So this Ministry will stay as is until the next election?

PM: Yes, unless somebody left of their own volition.

J: There's no value in the New South Wales argument that they should make way for new faces in the front bench?

PM: There are two new Cabinet Ministers here, and they are among the younger Ministers. They are Mr Griffiths and Senator Collins. And both have very heavy and senior responsibilities. I have, in this arrangement, created a Department of Tourism, taking it away as a branch, or division, of DASETT and made it into a Department and given it Cabinet status, which befits its position as one of the fastest growing industries in Australia, which will then be attended to by a Minister of Cabinet rank. And for Senator Collins, he has Shipping and Aviation and there will be an area of greater discretion available to him than there was as Aviation Support. And because a lot of the micro debate is still in that area of transport and communications, and shipping and waterfront, and aviation in particular, then I think it is entirely apposite that he joins the Cabinet too. So we have two younger Ministers of the Ministry joining the Cabinet in two senior and important areas of policy.

J: Mr Keating, why was Codd moved from PM&C?

PM: Well, he wasn't moved out. That's not right. He said look, quite forthrightly to me, I've been here for six years. Mr Codd and I were party to the guidelines and arrangements years ago where there was a view that after about five years a Permanent Head's position should be reviewed - either by himself or herself or by the Government. And he had had six years there, and the head of the Government had changed, his Ministerial head had changed, and I thought it was both considerate and sensitive of him to raise it, and I thought it would be an opportunity to make a change. But can I just record my appreciation to Mr Codd as a most professional public servant - someone who has brought great professionalism to the Department of Prime Minister and Cabinet, to the Cabinet Office and the efficient working of the Cabinet system. And it is with the Government's blessing and good graces that he resigns, but not only that, that in doing so it appoints him to the Board of the former Telecom and also Qantas. And I think given the fact that he is still a relatively young man, Mr Codd has the opportunity to make another life for himself, but also still serving the public in those important positions, and giving us in the Government the opportunity of a further change for the value of change in itself in the management of this very onerous administrative area.

J: Mr Keating, could you explain why Senator Richardson has gone to the Transport and Communications portfolio?

PM: Well it's an area firstly that he has always liked. It's an area which he had in the past asked for. It's one which, I think, given the balance of arrangements Mr Kerin was better doing the Trade job, given the fact that he comes to it with a natural background, particularly from the agricultural negotiations, and the fact that agriculture is still very much part and parcel of the debate around the Dunkel Package and the completion of the round. And for Mr Kerin it meant climbing over a domestic portfolio, learning that issue, whereas Senator Richardson had had a reasonably

long-standing interest in much of the subject area of Transport and Communications. The other thing is, Senator Richardson had completed a couple of years of Social Security Minister, a difficult and onerous portfolio, with distinction, as he had before that propagated the Labor Party's policies in relation to the environment. So he has, I think, an impressive track record and one thing he has proven is that he can raise the public consciousness about a subject, he can reform an area, and in an area where microeconomic change will continue to need reform I thought he was the most appropriate person to employ.

J: Mr Keating, will you be having any discussions with Mr Hawke about his future? Do you have any thoughts about what you might like to see him doing?

PM: No, I haven't. I had about an hour and half with Bob a couple of days after the leadership changed, and we were just talking about the future together, what he might do, and about the country generally.

J: Prime Minister, no Queenslander is in the Cabinet - Mr Beazley, I think, is taking responsibility for that State. Will you continue that system?

PM: What I would like to do, and will do, is ask Mr Humphreys to represent Queensland and be co-opted to the Cabinet whenever a matter affecting Queensland is debated. And he has given me the assurance that he would be pleased to co-operate in that arrangement. And also, in the Parliamentary Secretaries I have appointed Mr Johns also as a Parliamentary Secretary from Queensland. Now, Parliamentary Secretaries, of course, don't have Ministerial status or the responsibilities of a Minister, but I think where issues of material interest to Queensland arise, and they will form time to time obviously, then Ben Humphries is I think well placed to represent Queensland's interests in the Cabinet.

J: Mr Keating, do you expect now that with Mr Dawkins as Treasurer, he will be seeking to put in his policies, some of things he's been pushing this year, such as, export and development schemes or measures to have more influence over the exchange rate?

PM: No. I'm sure Mr Dawkins will be as a Treasurer very much in the tradition of the Cabinet system of Government. That is, his views will matter but the Cabinet views will always matter too, as they did with me when I was Treasurer. And some of things which Mr Dawkins has spoken of have in one way shape or form been addressed over the last few months, others perhaps not. But, again, he has got to make his own decisions as Treasurer, rather than somebody from outside the Treasury portfolio without the advice of the Treasury about some of these subjects. But I have found him to be a most careful, creative and competent person in assessing issues and giving them their appropriate weight

and responses. And I've got no reason to believe he won't be at his best as Treasurer.

J: (inaudible) March.

PM: Well, I can't give you anymore advice, Michelle, than I gave you last time. It will be sometime in the early part of the New Year.

J: Should Cabinet review the Coronation Hill decision?

PM: Well, this is not an agenda item for me and hasn't been. I don't see it being a matter for review. Its not been something to which I've addressed myself.

J: Do you believe there is any role for the Government in the Compass affair?

PM: In terms of a corporate financial role, no, but I thought a role in relation to the passengers and the families of those passengers, and that's why the Government was at pains to make sure as many people were uplifted and taken to their holidays and returned, and that will happen. But the future of Compass will depend upon the shareholders and the creditors of Compass, not on the Federal Government.

J: Do you expect Mr Hawke to leave Parliament very soon?

PM: No. I think that's a matter for Bob, not for me. And I can only repeat to you what he has said himself, that is, he intends to stay around until such time as he advises otherwise.

J: Mr Keating, on Sunday Dr Blewett announced the GATT position for Australia, and said he hoped to be meeting with President Bush. Because of his previous expertise will he still be involved in these meetings, and also do you plan to set any new trade agenda in Australian relationships with America, at these meetings?

PM: Well, obviously, the GATT round is going to be important to Australia and to the United States. There has probably never been a greater lift in wealth than that which has come from the multilateral trading system in the past war years, particularly in manufactures after the Kennedy round, and Australia has regarded this round as being particularly important because it broadened the field into agriculture, intellectual property rights, services and other things in which we had an interest as a commodity trader and a trader in services, and which the United States of course has had an interest. And the United States interest goes even beyond the questions of market access; to its own fiscal policies and the burden which it's bearing itself by virtue of the European agricultural subsidies. So, the United States has a great stake in the GATT round and the importance of it was always evident to me by the Ministerial attention it received at GATT meetings, at the OECD, at the IMF etc. Now, we are reaching the end of the

round and while we are very much encouraged by Mr Dunkel's package, as Dr Blewett said, the devil is in the detail and we'll have to go through the detail to see where we stand. We've got some, the European Commission have said that parts of it are unacceptable, although the British and the Germans have said some favourable things about it. We have not said, and won't say at this stage that we accept it, we want the right to examine it, but we'll certainly be raising it in its context with President Bush during his visit to Australia.

J: Are you taking any kind of a hard line with Mr Bush on the EEP subsidies and the effect they are having on agriculture in Australia?

PM: Well, I'll be having, I hope, a productive discussion with the President, and that will obviously be an issue under discussion.

J: Are you satisfied with the outcome of the inquiry into the Dili massacre as a credible one?

PM: Well, I think the preliminary report was much more credible than that which we've seen before, and I think we regard it as an encouraging document. The Foreign Minister said it was very encouraging and better than expected. I think the important thing is, though, what the final report says and what the Government of Indonesia's consideration of the report will produce.

J: You didn't have any more consideration to when you might visit Djakarta?

PM: No I haven't because it wasn't ... the scheduled visit which Bob Hawke had was very inopportune for me, that is, becoming Prime Minister of Australia at this time. So that's something which I can consider in the future.

J: Mr Keating, at one stage you were interested in having a Minister in charge of competition policies. I notice you haven't done that in this reshuffle. Why did you decide against that?

PM: Well, I was interested in competition policy rather than a Minister for Competition Policy. And competition policies have been coming together under the Attorney-General. We have brought the TPC and the PSA together, and I think that that has been progressing in my absence from the Ministry. And I think that given the time-frame I have now, and the fact that I wanted the Ministry in place as quickly as possible, to get policy changes moving this year, I didn't have the luxury of a long time to debate what departmental structure might best suit the competition issue. But I've been prepared to accept at face value that it has been progressing, and has been progressed, by the Attorney-General within the Attorney-General's portfolio.

J: Mr Keating, Senator Walsh this morning called for the immigration intake to be slashed. Do you think there are grounds for this to be reviewed?

PM: Well, look, I don't want to go round the world for sport, Peter. I'm essentially here to talk about the Ministry and the Ministerial arrangements. It's obviously an issue in public life in Australia, and it has been an issue within the Government, and Senator Walsh's views on this issue are well known to everybody. And he raises it with some regularity.

J: Why have you increased the number of Parliamentary Secretaries? And are these effectively people who are Ministers in waiting? I mean, can you see them being in the next...

PM: Not necessarily, no. But I think it is a very good basis for experience for members of the backbench of the Government, and in some Parliaments all Ministers have Parliamentary Secretaries. In the British Parliament, the British Government, I think most Ministers have Parliamentary Secretaries or numbers of Parliamentary Secretaries. And I think it is a superb way of giving backbench members or former Ministers in other Governments some experience of the Commonwealth realm and its administration. As you know, a Parliamentary Secretary is not paid anymore than a backbencher. It is essentially volunteering a greater effort in the interests of the Government and the Commonwealth, and I think it's a particularly good thing to do.

J: How long would Senator Bob McMullan be expected to remain a Parliamentary Secretary, if you are talking about experience and developing new talent?

PM: Well, you are really asking me for a pecking order for changes to the Ministry, and I can't give you that. But, Senator McMullan has brought a lot of experience to taxation policy, and it is an area of great complexity and I know he's earned the respect and trust of the Taxation Commissioner and his office, the Australian Taxation Office, as also the Tax Policy Division of the Treasury. So, I could say when I was Treasurer I was very happy to have Bob in that job, and because he is now so full bottle in this area it was, I think, entirely sensible to leave him there, and he likes it.

J: (inaudible) some people might suggest that you have rewarded people who were your closest supporters for your campaign. What do you say to that? And secondly, can you say that didn't play a part?

PM: Well, by the same logic you would have to say I rewarded those who played a key role in Mr Hawke's campaign.

J: Mr Keating, you've left Senator Evans in the position as Minister for Foreign Affairs. Does this indicate that

you have no particular plans to change any foreign policy issues? I mean, in particular, the Middle East where Mr Hawke's special interest had a great influence, I think, on attitudes towards Israel?

PM: I think Senator Evans has been a particularly competent Minister for Foreign Affairs. He has reflected glory upon the Government, and it would have been, he is the obvious choice for Foreign Minister. And I would expect, naturally, because the Prime Minister has perogatives in foreign policy that other Ministers don't have, to discuss those, as needs be, with the Foreign Minister bearing in mind his specialisation and his primary responsibility for foreign policy.

J: Prime Minister, could I ask a question, perhaps in two parts? Prime Minister Whitlam's first visit, on becoming Prime Minister, overseas was to New Zealand. Prime Minister Hawke's first visit was to Indonesia. Where will your's be? And secondly, the vitally important environmental mission to Rio, that Mr Hawke was going to take us all along on, is that still happening?

PM: Well, if you are enquiring about your travel itinerary, I can't really help you. I don't think there is any protocol here, it's a matter of when people inherit these positions, and what issues are on at the time. Much of the debate about the trade and investment in the industrialised world has taken place in the northern hemisphere, which has occasioned Ministers of Australia to be travelling to the northern hemisphere. But, in the last decade there has been much greater focus on the Asia/Pacific, as I believe, there should be. We are an Asia/Pacific power and it is in the Asia/Pacific that our primary focus should be. So, while I couldn't say what my travel plans would be, certainly, this area will be receiving the priority.

J: Mr Keating, why did you decide not to have a spill to get some new blood in. And given that you decided that, do you think there will be uncontrollable resentment amongst some of your backbench supporters about that decision?

PM: No, it's not for the Leader to decide whether there should be a spill. If there is a view within the Caucus that it's time for all positions to be declared vacant they generally are declared vacant. But, there was in the Labor Party, the Parliamentary Labor Party's rules for one Parliament only, between 1975 and 1977, a rule which said, in the middle of the term all positions be declared vacant, that rule only lasted one Parliament. And that was removed, and there has not been any clear view coming from the Caucus or any part of it that there should be a spill of positions. And therefore, I am doing what all Leaders have done in the past, and that is, to allocate portfolios from the people chosen by the Caucus, and this Government has won four elections, and won them well, with personnel some of whom are still members of the Ministry, others of which have been added after our third and fourth elections well, second,



third and fourth elections, and it has made us stronger and better. We kept the changes coming through, the Cabinet personnel has dramatically changed from the Cabinet of 1983. And obviously, as time goes by it will change further.

J: Mr Keating, Mr Willis has been Treasurer in waiting for almost 9 years now, and has only had the job for 3 weeks. Do you think you've been a bit rough on him? And how do you think he will take this decision?

PM: Well, it was not an easy decision for me because we all grow close to one another in a Government, particularly, a reformist Government like this one has been. In the expenditure review rounds we sat in each other's company for 10 or 12 hours a day, sometimes for 2 and 3 months at a time, over years. I mean, I can't imagine any other Cabinet effort, Cabinet level effort, where line items of the Budget are reviewed twice a year for eight years, in any other country. We did that as a group of Ministers and, of course, it has produced a great bond between us all. So, it is very difficult to make these choices, and it is, I think, to Mr Willis' great credit that he has done, not only not taken his bat and ball, but decided to put his shoulder to the wheel to one of the toughest jobs in the Cabinet which is Finance, which he knows well, which he's proven he knows well.

J: Mr Keating, it is often said that Mr Hawke saw the Prime Ministership as a sort of Chairman of the Board role, and Mr Fraser in a much more interventionist sense. Can you tell us something of how you see the role, and particularly, how activist you see yourself being as Prime Minister in economic policy. Are you inclined to leave a fair bit of initiative to your Treasurer, or because of your background do you see yourself being more activist in that area than say Mr Hawke was when you were Treasurer?

PM: No, I'd say the former rather than the latter. That I would be inclined to leave policy to Ministers, but I think it is the Prime Minister's duty, the Leader's duty to sketch out the directions, and where we are not certain of those directions, to debate them within the Cabinet to make certain that the directions are right and clear, clear and correct. Now, that is a responsibility of leadership. Beyond that, I think, Ministers should have a particular freedom to creatively develop the work within their portfolios but within the Cabinet system. The Cabinet system does work well. I mean, it is an efficient mechanism, it has worked well for this Government and for Australia. And there is always that nice balance between the perogatives of the Leader and the Prime Minister and the Ministers. Now, all Prime Ministers will be different, all Leaders will be different, some will have a more hands on approach, and some less, some chairmen of the board, some more managing directors, if I can use that, some with a more executive bent. But I think time will tell how any one of us react to these circumstances.

J: So, are you more inclined to the chairman of the board, or the managing director?

PM: I'd say I'm somewhere half way in between, if there is such a position.

J: Mr Keating, will you be sharing your thoughts on urban development and so forth, which you've expressed fairly strongly in the last few months, with Mr Howe? And does his Better Cities program carry on as he sketched it out?

PM: Well, Brian and I. I'd like first of all to find out about the Better Cities program exactly what is happening within that area. But, as you know, I regard urban development issues very importantly. I think how we live, the cities we live in, how they develop, the choices in housing, the beauty of the places we live, are very important issues. And Brian, I think, has also regarded them, for sometime now, as importantly as I have. But, it is true that we don't have an urban facility within the Commonwealth bureaucracy. What we had in the seventies is largely rundown, and we are constructing something from the ground up, and that task has fallen to Brian Howe, and it's not easy. But, to the extent that he has begun it with the Better Cities policy, I'll be taking an interest in what in practical terms that policy entails, implies, and I look forward to having a chat with him about it.

J: Mr Keating, did you give any consideration to moving Mr Howe from Health given his association with the co-payments scheme?

PM: No, Mr Howe expressed every willingness to continue as Minister for Health and Community Services. And, of course, as Deputy, Deputy's have a sort of acknowledged right in the system to decide what they think is in their best interests.

J: Prime Minister, will you be getting out and about tripping over the camera cables in supermarkets?

PM: Well, I'll live principally in Canberra, as I think all Prime Ministers have done since the Parliament moved to the Capital in 1927. But I've always got about Australia as much as I could and I've always done a lot of shopping. I've seen many of you at the Fyshwick markets, as you know. I might have been an ungainly box carrier, but I've done it with might and main, and with good grace. For years I've bought the bird seed and I've bought the fish, and the odd record.

ENDS