



## PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
INTERVIEW WITH STAN GRANT, REAL LIFE PROGRAM, CH 7  
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### **E&OE PROOF COPY**

**SG:** Why did Ros Kelly take so long to resign?

**PM:** Because she believed, as all reports have confirmed, that she had done nothing improper, that there was no question of fraud and impropriety, and therefore questions about her choices, that is the exercise of her ministerial discretion, were subjective ones that didn't require resignation.

**SG:** So, what was the final straw then?

**PM:** Well, the House of Representatives made a report and said that there wasn't an adequate paper trail. That is, in terms of recommendations, that the record keeping, they said, wasn't up to scratch. I think Mrs Kelly would have had to live with that. But then of course, the Senate, as is its habit, was debating whether they would have a full scale senate inquiry which would then go on for more months, and I think having gone on for months she thought it was doing the Government more harm than good.

**SG:** But before that parliamentary inquiry there was evidence of incompetence, of bias, of misleading parliament. Wasn't that enough for you to say to her you have to go?

**PM:** No evidence of misleading Parliament. There was none of that. Not incompetence, an argument about bias.

**SG:** I don't know if the whiteboard is seen as competent, do you?

PM: It is a matter of how she made the decisions. But you see these were decisions for amateur sports clubs, Stan, for netball courts ...

SG: \$30 million, though.

PM: Yes, that's right. For grants of \$50, 000 and \$100,000 to netball courts, squash courts, basketball courts, for small amateur sporting organisations that can never get this sort of money. As she said yesterday, nobody said that any one thing that was built shouldn't be built. What the Liberals said was, "this is a pity, we are not getting as much of it as we should". But that didn't stop John Hewson saying that in one go he would spend \$30 million on a university without one note of paper, one bit of evaluation, and when asked, "well how did you arrive at your \$30 million, Dr Hewson?" He said contemptuously, put his fingers up and said "three times ten."

SG: But, Prime Minister, even now after we have had the resignation, we have had the parliamentary inquiry, it sounds as though you are still trying to play it down, still trying to say it is a piddling matter.

PM: No, I am saying that you asked me why she didn't resign early. I said because there was no hint of impropriety or fraud, but a debate about the priorities she set and that was going to go on for some time, and she thought that it was going to do the Government harm.

SG: Do you accept in prolonging it, for as long as it was, that the Government suffered a lot of damage and gave the Opposition the opportunity to score a few points?

PM: Let me read to you from today's newspoll, and this is the real story of the day, Stan. It says, 'despite the Coalitions political success in forcing the resignation of a Cabinet Minister over the sports affair, voter dissatisfaction with the Leader of the Opposition, Dr Hewson, has reached an all time high.'

SG: So, you don't accept that you did suffer any collateral damage, as Kim Beazely put it?

PM: What has happened in the period since this sport things has been on, the Government's popularity has risen. Now, it's not to say that the Government wants the issue around. But what today's newspoll makes clear, and this would be if you put a stethoscope on the heart-beat of the Liberal Party in this building today, they wouldn't be talking about sports they would be talking about the fact that they are going backwards.

SG: Prime Minister, now that one Minister has gone for incompetence, does this mean that other Ministers are now on notice as well? They can take it as being warned?

PM: Well, I think, one has to be, competence is part of one's skills in this life. Now, this Government is 11 years in office and it has been a very competent Government, but part of that is because of the discretion Ministers have. This sort of amateur baby blue view of the world, that a Minister can only do what is on a piece of paper and tick it - a piece of paper from a bureaucrat - is only the view that somebody could have who has never held a big job, who has never held a major portfolio, who has never made the big decisions. Because this Government has actually run the policy, it is not being run by the bureaucracy, it is being run by the Government.

ST: Ok, given that you are going to allow that discretion to continue, unfettered, how do you make sure that this situation is not repeated again. The Democrats are calling for a code of conduct, are you prepared to agree to that?

PM: Well, the first thing the Democrats can do, in any code of conduct, is to declare their own interests in the Senate. Do you realise Stan that in the House of Representatives Members and Ministers have to declare all their personal assets and all their interests. There is no Senate register. Whenever the Government has proposed a register of Senator's Interests, the Democrats and the Greens and the Liberal Party between them vote it down. So, the only suggestion I have got to make to Senator Kernot, if she wants to start on the questions of accountability and putting things on the table, they ought to first start with a register of their assets in the Senate.

SG: So, you are saying no to a deal over a code of conduct?

PM: Well, let them show by actions and deeds, rather than words, that the Senate is actually interested in putting some code on itself.

SG: So, you are saying, no you don't want more cheques and balances to make sure this doesn't happen again?

PM: No, but the same code which the House of Representatives has had on itself for 10 years. You probably don't quite realise this, but there is a set of disclosure things in the House of Representatives that there isn't in the Senate. And yet it is the Senate moralising about codes of conduct.

SG: Well, again, Prime Minister, you are saying no to Senator Kernot?

PM: We are saying pass the register in the Senate, show us a modicum, just a modicum of sincerity on this and we will think about it.

- SG: She is also saying, Senator Kernot is also saying that if you agree to the code of conduct she won't go ahead and support the Opposition for another inquiry into the sports rorts affair.
- PM: Well, that is a veiled threat, you see.
- SG: You don't wear that?
- PM: What I said last week, all these minor Parties, almost every week they have a veiled threat. The current week's threat is, if you don't agree to this that and everything else we will have a senate inquiry into all this. I mean, last week Senator Kernot wanted to gaol public servants who answered back. I mean, those dreadful public servants who happened to say that they were instructed by the Government and Senators say, "gaol them, gaol them."
- SG: Now that Graham Richardson has taken over Minister Kelly's portfolio, is Graham Richardson just holding that portfolio over until Carmen Lawrence goes into Parliament?
- PM: Well, there is a number of things, there is an inquiry, which as you know, Mr Griffith's will soon be undertaken into these matters connected with Mr Griffith, he has already been cleared by a police inquiry, which means he has a prospect of returning to the Ministry at some point. You've got Dr Lawrence's election in Western Australia. These are choices the Labor Party has got to make.
- SG: So the chances are that Dr Lawrence will take over that portfolio?
- PM: No, I couldn't say that to you Stan, but at least, obviously, there are some choices for the government.
- SG: What about Ros Kelly's future?
- PM: She was a great Environment Minister and she has a very proud record and I think it is worth recording that, can I just give you a couple of instances: she negotiated the agreement on the National Forest Policy; developed and implemented the Commonwealth's endangered species legislation; established Ocean Rescue 2000; made major advances in the World Heritage Listing at Shark Bay, Fraser Island and Kakadu; established the National Reserve System Program; established the Feral Pest Program, this is a very proud record from an Environment Minister.
- SG: But, for all of that, she will be remembered for the 'sports rorts' affair and having to resign over that. What about her future?
- PM: She will go now to the backbench of the Parliamentary Party - to the Caucus.

- SG: No chance of being recycled at la Graham Richardson?
- PM: And if she wishes to recontest a place in the Ministry, well, of course, that is going to be open to her and open to the Caucus to consider her again at some time should she so choose.
- SG: Do you look at that favourably?
- PM: It is not a matter of whether I look at it favourably. At some point in time every member of the Caucus has a right to offer themselves for selection.
- SG: But, after this affair, do you think it is feasible that she could possibly come back?
- PM: The thing is, I don't think at the moment it is even in her mind.
- SG: The Opposition has already signalled that it is going to go on the attack after this. It has asked questions already about your piggery. It has also said that Dr Lawrence will be targeted once she gets into Federal Parliament, so how are you going to counter that?
- PM: Malcolm Fraser the other day said this: "... twelve months since the loss of the March 1993 election, we are as much in the dark about what the Liberal Party stands for as we were the day Fightback was buried ...". A very condemnatory statement by a former Liberal Party Prime Minister. In other words, the Liberal Party's problem Stan, is they have no policy, their leader is at 26 per cent approval rating, they would lose an election if it was held today and they think now their recourse because they believe they are going to lose the next election and they are facing a further five years in opposition, they think what they'll do is throw mud as some sort of substitute for policy. Well, what the electoral record shows is that people without a policy, without substance, without a link and contact and understanding of the Australian community don't get returned to office.
- SG: Prime Minister, Peter Costello today has been contacted by Federal Police wishing to interview him over leaked documents in this 'sports rorts' affair. What do you make of that?
- PM: Probably the Secretary of the Department, sensibly, and not unreasonably, when documents are stolen from the Department of Finance has asked the Police to investigate it.
- SG: He says it is an attempt to harass and intimidate public servants who have been making information public about malpractice.

- PM: Does he mean the same public servants they are threatening to go in the Senate? Are they the same ones that the Liberal party will vote to discipline in the Senate? Look, Stan, don't believe that nonsense. If the Department of Finance seeks a recourse to the police for loss of documents and the trail leads to Mr Costello, that's Mr Costello's problem.
- SG: Prime Minister, finally, one of the things to come out of this of course, was that disgraceful performance in Parliament last week. How can you make sure that that is not going to happen again?
- PM: What that was about was that Dr Hewson was defeated in his executive, was obliged to move a censure motion against me over the sports affair - he didn't want to do it. When he did it he made a mess of it. It was a terribly weak speech.
- SG: But you stirred the pot didn't you?
- PM: No, hang on ...
- SG: You got your backbenchers do create a bit of a raucous.
- PM: No, it was a terribly weak speech and so because the Liberal's said well, what will we do now, our blokes made a mess of it? They said let's make the news "Parliamentary uproar". So, then it was all about them telling the Speaker off and jumping up and abusing so ...
- SG: Your side is not innocent in that either.
- PM: No, but the story was not "Hewson weak: hopeless speech" but "Parliamentary uproar". That was an instant decision the Liberal party frontbench made when Dr Hewson finished his speech. Now Stan, look, they are a desperate little bunch, they have been in opposition for eleven years heading to thirteen and, I believe, going to sixteen.
- SG: But you are as much to blame for that little effort last week, how can you make sure that it doesn't happen again?
- PM: I beg your pardon. No I wasn't. I got up and made a speech. They censured a Prime Minister and allowed me five and a half minutes out of fifteen to reply, the other ten minutes were taken up by raucous noise and abuse.
- SG: Stephen Martin, the Speaker, is talking about having to bring Arnold Schwarzenegger into Parliament to have some sort of control. Has it really gone that far?
- PM: If you look at Parliaments around the world, this one is a fairly demure one. Look at the Japanese, the Korean Parliament, the Italian

Parliament - let's not over do the hyperbole. What happened here - the Liberal party leader made a censure on the Government, on the Prime Minister, failed and his front bench to smother for him decided they would have a day of parliamentary hi jinx. Stan, these things come and go. The next day I was in Tasmania pulling together an historic agreement between the Commonwealth and the States to open up the water, electricity, railways and ports of this country to competitive breezes. That day I was in the course of getting across those issues. The following day we actually came to an historic agreement with the States. As far as I am concerned if the Liberal party wants to get involved in Parliamentary nonsense as distinct from substance let them.

SG: If the Speaker Stephen Martin has to discipline the Government, has to throw any of your Minister's out of Parliament, how would you react to that?

PM: Speakers have done that in the past.

SG: You would accept that?

PM: The Speaker has disciplined Government members in the past. Of course I would accept that.

SG: So he would be under no threat at all if he did that?

PM: No, but the Speaker sensibly, will make his own judgements about these matters. It is not a matter of me or you deciding some strategy for him. What happened here was basically a rudderless Opposition with a leader now nobody supports, a weak leader, a weak person who can't cut the mustard in policy or in discipline or in organisation, is sitting there with a divided Opposition and the only tactic they know is now noise and disruption.

SG: Prime Minister, for all the attacks you have made today on Dr Hewson, you are the one who is being accused today of having looked after a mate for too long.

PM: Mrs Kelly resigned her position and she has paid the price for whatever is believed to be the management of this program. But again, let me repeat, after a very distinguished ministerial career in the environment and in other portfolios, no hint of fraud or impropriety, an argument simply about choices and one which would have gone on for months.

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