



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
ABC LATELINE INTERVIEW
TUESDAY 18 OCTOBER, 1994**

KOB: What, for you, is the philosophical core of this statement?

PK: The simple proposition that the arts are central to Australian life and culture and that as our identity becomes more obvious, as we make a greater claim on our own sovereignty, as we project ourselves into the world, as we rejoice in what we become, the arts will be an obviously central ingredient to all of that.

KOB: What we've grown used to in the past, in governments, plural, attitude to the arts, has been encouraging the arts for arts sake, which would deliver some indefinable benefit for us in terms of cultural richness. But, this one, this time, represents a different ball game, doesn't it. An enormous emphasis on links from the arts to business, to exports, to an economic dividend?

PK: Well, there is an economic and a cultural dividend and a social dividend, that is true. And we are building on the arts and our education. I have said before on this program, one of Australia's great comparative advantages in the world is its education system. And, the confidence which the arts now have, the rejoicing about our own culture which there now is.... That flux with our education system is going to produce... I'm sure this is going to be one of the countries where the arts have a most profound impact on the way this country develops. Artists feel that, people were telling me that today. People were saying, "You can feel it", artists can feel it. I think the community can feel it.

KOB: OK. I'd like to try and get to some of the essence of the spirit of our identity and our culture that you talk about later in the program, and there are many areas to try and cover. But, I'd like to focus for the next few minutes on what you identify as the new multi-media age because

you seem to identify that as the big new challenge that this country faces. You talk about a fundamental conceptual shift, you say information technology has crossed the 'technical Rubicon into the realm of consciousness, the realm of culture'. What exactly are you getting at?

PK: I wrote that line myself so thank you for picking the best line in the document...

KOB: What exactly does it mean?

PK: What it means is that we are at a stage where the dissemination of art, culture, news and education is going to be very profound in the sense that we are going to go past... We are going to go beyond the people who package information, we are going to go beyond the networks, we are going to go beyond the newspapers. This technology has the capacity to take the creator's product straight to the person. And, getting that right and being in that, being in the product and benefiting from the system is, I think, important not only to the country and its development but because so much of it is going to be creative and so much of it, at this point, is a phenomena of the English language countries, we're so well placed to be a part of it in a productive sense and someone who is a receiver of the wisdom which this can communicate.

KOB: So, how do you put flesh to that? You capture the breadth and depth of Australian creative output on CD-ROM, you digitise our poets, our artists, our musicians, our film makers and flog them off to the world?

PK: Well, I think we stand a very great possibility of doing that. I think we are going to see... The difference in this age is interactivity, it is not just passive listening and passive viewing. There is the capacity to talk to this and be part of it. And, therefore, the system that is going to be developed is going to carry a whole range of services; pay television, inter activity, telephony et cetera. So, we're on to something here, now. If we are not part of this... We cannot miss this as we missed, say, the hardware phase of computers. You could afford to miss the hardware phase of computers, we missed it. The PC came in our time, in the last decade and we missed it. Because we had to prepare for it a bit earlier than we normally do.

KOB: But it is still somewhat vague in terms of what exactly this is. Is it, for example - in terms of trying to value it, in trying to place it - does it have the potential to be our new mining industry, our new wool industry?

PK: Oh, absolutely and much more so. I think so. Much more so.

KOB: So, when people put an estimate in the medium term of a three trillion dollar market which I think Michael Lee, the minister, mentioned recently, that's not an exaggeration?

PK: Well, I wouldn't want to quantify it in our terms but there is no doubt that we have a very deep artistic inheritance in this country, a unique culture. We have the capacity to develop product for this highway, so called, and the things we are doing today, in part, go to further develop our capacity to do that. And, to bring in the creativity of a lot of young people. This is not going to be a business that people of your age and my age are going to be in. This is going to be, basically, young people who have, I think, the chance with that creativity and the technical opportunity which comes with this medium. Now, this will not be true of film and television because that will be a highly developed business as it is in every other country. But, there is a tremendous, that sort of blossoming of creativity one sees - particularly with young people today who are computer literate - we are going to see this opportunity.

KOB: Because, really, you would agree would you not that the bulk of adult Australians would not even know what CD-ROM is?

PK: No, but let's make this clear. It's not just about CD-ROM. This is about film and television product, it is about extending the possibilities for telephony....

KOB: But it is also about having a fundamental grasp of potentials and the realities, the looming realities of the super highway as well?

PK: Yes, well, the fundamental earner, the first primary, basic I think, fundamental earner on the super highway is going to be pay television. And we are going to build layers of services on top of that; telephony, education, all the other things, banking, specialised products. You're talking here of the possibility of hundreds of channels, specialised products which people can subscribe to. They can subscribe to their favourite journalist who can talk to them directly. You can have your own program, Kerry...

KOB: Thanks, Paul...

PK: You'll go straight down the tube without anyone chopping it around.

KOB: And we're also talking about a lot of emphasis on international markets. Your statement draws on a recent report called 'Commerce in Content', looking on our international future in the interactive multi-media markets. One of the prerequisites to success that that report stresses is that Australia must develop, and I quote, "... the world's best intellectual property and copyright environment". We are a long

way from that with our existing laws protecting intellectual property, aren't we?

PK: I don't think so, no. We've said a lot in the statement about it, this very day.

KOB: So, there's not much to fix?

PK: Well, put it this way, if you are in the business of producing - this is an OECD mainline country... If you are in the business of producing product the first thing that you guarantee is that your copyright system is a good one. That's a basic thing to do, I would think.

KOB: So, we're close to world best copyright law in this country, protecting our artists and our intellectual property?

PK: Well, let me say this to you, by the time that we are producing product which has the capacity for broad dissemination in mass markets, we certainly will have.

KOB: Can we bridge back from the super highway and the CD-ROM to the core of this statement as it applies to what we are as people. You pay homage to our diversity, but how genuinely diverse is the patronage of our arts, the spread of our arts?

PK: I think it is very diverse, support for artists is by peer group assessment through the Australia Council. We've now added to that capacity, we're diversifying, again, further, by giving the Australia Council a major organisations board and picking up other bodies...

KOB: It's centralising much more, isn't it?

PK: No, oh no...

KOB: Well, the Australia Council is now a much more powerful body, it is almost the supreme body in determining the flow of government funds to the arts.

PM: To artists. But not necessarily to the arts, and the other thing we envisage it doing is instead of just it being a grant-giver, we see it basically providing markets for our products abroad, improving private sponsorship for the arts - in other words, giving it a bigger role, but a role which in a sense disseminates some of the power away from the centrality of simply just giving grants.

KOB: Because you know of the criticism that has been levelled at the Australia Council over the years, that it has developed into a club dispensing patronage - a club - that it has fostered creeping political correctness, that its links to the Keating Government are too close for

comfort, and yet they do now have this super-power status. How do you guarantee fair play and a healthy remoteness from Government, and it is important in your terms that they have a healthy remoteness from Government?

PM: Yes. Absolutely. We have always thought that...

KOB: Well how do they do that?

PM:well, by the quality of the people that are on it, and by its charter. You have got the current chair - Hillary McPhee, arguably Australia's foremost publisher, certainly of Australian product, and Michael Lynch, a respected arts administrator - that sort of talent you rarely....Governments are very lucky to have people like that. And the notion that they are, in some way, going to sign up to what? Anyway, what does the Government want politically, other than that the thing flourishes....

KOB: Votes.

PM: No.....

KOB: Votes in the end.

PM: ...no, no, no, no..other than it flourishes and works - that is what we're after - we are after a good outcome.

KOB: You presented eleven prestigious creative fellowships to Australian artists yesterday - they all came from NSW or the ACT, such a small part of this diverse country in a sense. Didn't that raise some question mark in your mind about whether the Australia Council is really on the right track in terms of the diversity...

PM: Who says they're...

KOB: ...the national diversity.

PM: But they're not chosen by the Australia Council - they are awarded by the Australia Council, but they're chosen by a panel, a very broadly representative cross-disciplinary panel who chose those people looking at..so it wasn't simply the literary grants people looking at a writer, it wasn't a visual arts person looking at visual art - it was a cross-disciplinary, cross state thing..

KOB: OK, well let's say everything...

PM: ..but they chose...

KOB: ...let's say everything was absolutely on merit and these were the eleven best artists that you could have chosen, what does it say about the health of our artistic diversity if all eleven of them came from the one area?

PM: Well, it depends - last year that wasn't the case, and the year before that...

KOB: But it was this year?

PM: ..the one thing, let me say about the fellowships - they are chosen exclusively on merit. The one thing the Government said from the inception - this is not a triers scheme - this is for people of excellence in mid-career, and so this was the first time we had, if you like, open nominations. So there were plenty of nominations, and obviously hard choices, but they have never moved away from choosing those that they thought were best. And in this case, by doing it, they have kept these fellowships to such a standard that the people that get them are obviously from that calibre of achievement. So, you might see a preponderance from NSW this year - it will be mixed up other years. We have now got 45 of these - if you track through them I think you will find that it's very broadly spread.

KOB: Some specific initiatives - \$60 million to develop new Australian product for commercial television in the next three years - how do you guarantee that product will be the high quality that you seem to have as your goal in giving the money, and how do you avoid the commercial networks abandoning any pretence at quality in their existing obligations to meet Australian content quotas?

PM: Well, Australians are interested in their own culture. They are interested in Australia - every time that someone runs an Australian series, or a mini-series it always has tremendous ratings. Australians respond tremendously well to their own culture....

KOB: Yes, but we're also talking about products like "Man 'O' Man", and quiz shows...

PM: I know, but this will not be going to that, but we have all appreciated the "Brides of Christ" and "The Dismissal", and these sorts of programs and mini-series, and it is to this top-end of the product that this fund is directed.

KOB: Ok, so that funding is directed to the top-end - so let's say the networks are able to use that money to give that quality gloss to their overall product - would it concern you if you then also saw more productions of local quiz shows, more kind of "Man 'O' Man" type programs

PM: Well all that would happen then is that networks would get less of the money and more would go to the...we're saying about half of this will go to independent producers of product for television...

KOB: But this is on top of the quota material?

PM: On top of the quota material. So, this doesn't lessen the quotas, but let's say the networks did as you said, and said "look, we're getting some quality here, so let's drop it off there", what we would do is simply take the residual away from the networks and give it to the independent producers. And it may well be Kerry that independent producers get the lion's share of it because they have got more ideas and are more prepared to produce than the networks are in house. Now I would like to think we can get the networks to produce higher quality products like this in-house.

KOB: You have allocated \$13 million to SBS over 4 years to commission quality material of a culturally diverse nature - but the priority has to go to product that can be sold overseas - so you are saying to artists "please produce your best, as long as it's commercial". Is that really the way to go?

PM: Not necessarily, but I think that a reflection of Australia's multiculturalism on SBS in drama will be received well in Australia, and interestingly I think, it will play well abroad. I don't have any problem...look, we have had art-house release cinema here in this country for God knows how long. It doesn't...getting into the big league is what it's all about. Selling, and getting out there - transmitting Australian culture to the world. Film has been one of the things which has allowed us to actually put a view of Australia....

KOB: I mean part of the Australian culture of the world is "Neighbours"...

PM: Yeah.

KOB: That sells overseas. So SBS might foster a product like "Neighbours" which has a bit of cultural diversity in it and flog that overseas? Is that what you would want?

PM: Well they might, but they might also - and I think the SBS is a quality organisation - I think SBS will understand why this money is given and do something with it. I mean people are intelligent aren't they? If they say "well the government has given us this money, now what we'll do is basically squander it or waste it or we'll do something", well in the end it will dry up, and I don't think people will do that. And can I just say I'm sure "Neighbours" was never produced for sale abroad, it just happened to sell abroad.

KOB: You say that a creative infra-structure will only be effective where all existing players in the industry - this is the television industry I think we're talking about - identify and pursue common ends - content will be the defining element. Do you think that people like Kerry Packer and Rupert Murdoch - driven above all else by commercial imperatives - will really embrace what you are saying there?

PM: Why should they...I missed your point...what's your point?

KOB: You're talking about all existing players in the industry identifying and pursuing common ends.

PM: Well I don't think....

KOB: This is the cultural statement about promotional culture.

PM: I don't know where in the document you read that, but if it's to imply that there is some sort of uniformity of commitment a common goal...

KOB: It was under Film and television.

PM:on the part of all these people, of course there won't be. But again, I think that a lot of what we produce in Australia has come from network television, and it might also come through major organisations like News Limited.

KOB: But you say that will only be effective - the creative infra-structure will only be effective if all players are committed to the common end.

PM: The common end being?

KOB: That content will be the defining element.

PM: Yes. I think that's making a separate point - that content...I don't know whether the text...

KOB: You have emphasised in this report that content is all.....

PM: Well that's what I'm just trying...

KOB: ..that content is all. But you're saying that the Kerry Packers and the Rupert Murdoch's and everyone else in the industry has to be committed to a common end, and your common end seems to me is quality...

PM: Yes, well Kerry the distributional systems are under challenge aren't they? Free to air television is under challenge from pay television, and it's under challenge from terrestrial systems. We're going to find with this revolution in information technology that traditional distribution

systems - newspapers - are under challenge. What sticks to you in the end? Content. I mean, this system is hungry for product, it's hungry for content and that is why part of this statement is lifting the content.

KOB: But, how much of the system will be hungry for quality content?

PM: Well, enough of it and that is why there is a commitment to the high quality end of the production fund with television and that is why, again, with the multi-media it's on content for the information highway products. But the whole essence of the statement is about bringing forward the essence of our culture and translating that into content for transmission - to us, to others.

KOB: You talk about the great power that the media has and you say that cross media ownership rules provide a check on this power. Our national broadcasters - this is all in the statement - have a special independent role to reflect the nations diversity. Now, in terms of those cross media ownership rules which you say provide a check on this power, does that mean an ongoing and indefinite commitment to cross media rules by this Government?

PM: Well, it depends where convergence goes.. I mean, we are seeing now and very obviously, I mean if Telecom lays an optic fibre cable which is going to carry interactive services and pay television, they are going to have telephony on it. It's very obvious isn't it?

KOB: Yes.

PM: So, we are seeing a convergence, there is no doubt about that. But, what the cross media rules have done is separate radio from television, television from print et cetera.

KOB: But, there is pressure coming on the Government?

PM: Indeed. But, it is coming naturally. It is coming because of this change.

KOB: Well, can you see a natural step from cross media which responds to the new imperatives, but at the same time checks the power that you acknowledge?

PM: Well, I think, Government's should try to do that.

KOB: Well, it's bad luck if they can't isn't it?

PM: The technology does run ahead of you often. I mean, you should try to do that and then adapt public policy to the imperatives of the technology and I hope we can do that, but there is no doubt ...

KOB: But, you are saying that it is possible that you won't be able to do that.

PM: The cross media rules went in in 1984 or 1985 and since then, I mean, the rise of personal computers, the change in photonics, fibre optics, I mean, all of these changes are changes, which are in a sense, running ahead of the policy.

KOB: But, you seem to be saying quite clearly that the technology is such that you are not confident that you will be able to maintain the kinds of checks of power that you feel you have so far, that you may not be able to control the technology.

PM: Well, one would be confident that one could be reasonably effective in maintaining a diversity of power bases in the Australia media, but I don't think one should even try to be confident about resisting the shift of these technologies. I mean it is not going to be very long, I mean, here's Newslimited with Star Television - Star is actually now going to broadcast from the Middle East to the Russian Far East and down to Queensland. Now, what are you going to do with that? Poke your tongue out at it, through a bill up in the air, table a motion in the House?

KOB: The ABC is still the biggest single recipient of funding for the arts. Do you believe that the \$500 million a year is money well spent at the moment?

PM: I think so, yes.

KOB: You are happy with the ABC's performance?

PM: By and large yes. There is a debate in this country about the ABC, whether it's a bit too precious, a bit too confident of its own remit. But, by and large if the question is, is the money well spent? Yes. Could it be spent better? Probably, the answer is yes to that too.

KOB: Where?

PM: It is a very large budget and I am not here to dissect the ABC and I wouldn't want to try, but ...

KOB: You talk about the importance of pay for example, generally in this country. This was a lot of angst inside the Government at the time about whether the ABC should or shouldn't be involved in pay and it was well known at the time that you were opposed to the involvement that the ABC itself was ...

PM: No, no, I was not opposed. I was happy to give the ABC a couple of channels. Say, you don't have to bid for them, you have got them. Happy to do that. But, what I wasn't happy to do was to see the ABC

launch itself with a consortium, say like Australis. The ABC on the original plan would have been part of Australis.

KOB: But, are you happy with the course that the ABC is now plotting on pay television?

PM: Let me just finish this point, I don't think it could have basically got in there and bid \$80-100M and then bought product from around the world. I mean, the ABC never had the capacity to do that and I don't think it should have.

KOB: OK.

PM: Whereas, I think, the solution we have now is an acceptable one.

KOB: OK. When you go back on your stewardship as Prime Minister, when you do look back on you stewardship as Prime Minister, where do you think you'll place this document in terms of your achievements?

PM: Well, these are strands of our national life that one looks at - whether it is fidelity to the unemployed, whether it is a focus on our creativity and our culture, whether it is on the truth of Mabo, whether it is on the shift to Asia with APEC, it's plaiting the strands into a whole. So, I see this as an important strand in the rope of Australia.

KOB: But, what is important to you is that the Australia Council, for example, understands those imperatives and pursues them too isn't it?

PM: I think it understands them perfectly, I honestly do. I think, the arts community have always understand this better than most other communities.

KOB: Of course, there are those who say that you are using this as another tool to assist your republican push. The foundation for Australian cultural development, you say of this in the statement, that this particular body '... the foundation for Australian cultural development should aim to extend Australian's understanding of their own country and its future and it will play a particularly important creative role in preparations for the 2001 celebrations ...' Now, why wouldn't that be seen, why shouldn't that be seen as a foundation to help you promote your republican push?

PM: I think, there is a very obvious distinguishing point there. The 2001 celebrations are the celebrations of the centenary of the country's federation, of our sense of nation, of our nationhood. What the Constitutional overlay is on that is another matter altogether. Now, I mean I think, we are heading for the big identity and cultural round-up. Let me not mix words about that. I mean, you have got the Olympics in the Year 2000, three months from the centenary, we've now got a great

cultural shift into Asia. We are now starting to understand, I think, better these questions of identity. We are rejoicing in our own culture. I mean, the country feels good, that a right has been wronged with the Aboriginal community. These things are important feelings. A nation is about its feeling about itself, to itself, of itself and that is why, I think, I haven't got to worry about the people with a maudlin interest in the past who are like the Liberals - celebrating 50 years ago. I mean, that is all going to happen for us. We don't need any little foundations to change that Kerry.

KOB: Last question, to what extent is this perhaps personal foible is a bit insulting, but to what extent is this a personal indulgence of the Prime Minister's - the emphasis that you are putting on the arts in terms of the philosophy that is driving it because this would seem in many instances to be a very interventionist policy. It is almost an industry statement about the arts and I would suggest is far more interventionist than many other areas of business.

PM: But, if you said it about sports, you would say it would be completely normal. The fact that the arts now have such an enormous following in Australia and the fact that people are enriched by them, uplifted by it, means that its structure should be such that it can accommodate these national aspirations and feelings. So, I don't see it as an industry statement. I do see it as a cultural thing and if the culture, important as it is to us, can be important to others around the world, if we can project ourselves as a society of worth, of a deep democracy of values, well, why shouldn't we?

KOB: Paul Keating, thank you.

PM: Thank you, Kerry.

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