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# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP  
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## **E&OE PROOF COPY**

PM: Let me just say a couple of things about it - on December 22nd last year I made a statement about forest policy, and I said at the time that the Government would implement a program calculated to preserve the forests of high conservation significance and environmental significance, and that the Government would undertake a rescheduling study to establish which of those areas - or coupes as they are called - actually fall in that category. Now that study was undertaken through the Christmas period, with the Department of the Environment conducted by the Minister for the Environment, Sports and Territories, and he - along with the Minister for Resources - have met and discussed these various coupes and judged it. As a consequence, I can announce today that the Commonwealth has identified 509 such areas - or coupes - and will do everything in its power to ensure their protection pending more detailed assessment of their values. In other words, we are setting aside 509 coupes for study. Of these, about roughly half - 222 in fact - are in the register of the National Estate, and the others are part of wilderness regrowth and part of the conservation area forests. Our policy is to protect these areas until their values are properly assessed as part of a national reserve system through a regional forest agreement. You will recall in the National Forest Policy Statement, the aim is to get away from coupe-by-coupe assessments, and to go to Regional Forest Agreements whereby we have got a comprehensive and adequate reserve system, so we don't have to say well is this category of wilderness trees adequately represented in the reserve? That would be the case if an RFA between the Commonwealth, the States and the industry were in fact constructed. But what we will be doing is putting aside these coupes

until their values are assessed in the context of Regional Forest Policy Agreements.

You may know that since I made that announcement, the Federal Court made a decision about licences, and the validity of their issue which has created some uncertainty as to their validity. So the Commonwealth is saying to these companies that they can consider their position, and I know that they are - many of them - unhappy about the uncertainty which that decision has brought, and the offer that the Commonwealth makes to them is that we will re-issue their licences in the event that they give up the licence that was issued before Christmas. And in the event that they do, we will very quickly re-issue licences which comply with that Federal Court decision. Now can I just say in that context, that the Minister for Resources - though agreeing to licences before Christmas - didn't write to companies about areas reserved for his decision in respect of areas of old growth conservation values. He will be writing to companies in terms of the 509 coupes and the companies can make a decision as to whether in fact overall they are advantaged by actually giving up their licence, and then seeking a new one from the Commonwealth.

I think the key point in all of this is that the Government's goal is to put into place - over the next 5 years - a program to adequately protect old growth wilderness and other high conservation value forests in a national reserve system, in a system of Regional Forest Agreements. And to ensure that a high value-added wood products industry can operate sustainably. In other words, we have an industry primarily based on plantations and regrowth forests - that is the aim. And the Government is prepared - in that context - to look at the impact of these decisions, how we can best advance the regional forests in the National Forest Policy Statement of Regional Forest Agreements, to move towards that kind of forest products industry and that kind of conservation policy. And we will be meeting with the industry, with the trade unions, with the conservation movement to see how best that can be done, and what sort of package should be put into place to encourage those things to happen.

Now I said before Christmas that we will be reducing the overall volumes, and I'm not sure the significance of that was picked up in the brouhaha at the time. But it would mean that areas which were part of Regional Forest Agreements would get first chop at the tonnage, and those that were not part of the Regional Forest Agreements - those that in fact that basically decided not either add value or to put into place a comprehensive reserve system - would be at the back end of any priority on that tonnage. For many years, we have been speaking of phasing out the raw woodchipping and moving towards higher value-adding. The Government - in getting the National Forest Policy Statement together - has the framework in place to do that with the concept of the Regional Forest Agreement. But it needed the screws

turned on it to make it work, and that screw was turned when I announced the volumes were coming down.

So by and large, I think that this decision - when I say the decision, it is the judgements that both Ministers have brought here, the Minister for the Environment and the Minister for Resources - are good and balanced judgements and in the best interests of the country and in terms of the conservation of important stands of trees, and the long-run interests of the industry for certainty and for the future in terms of sustainability are best served by measures of this kind. I am happy to take questions.

J: Prime Minister, what portion of the licences do you expect to automatically re-issue, and for those that don't get those licences automatically re-issued, will there be any form of compensation?

PM: There is no question of compensation. Understand this - the point I made earlier - the Minister for resources never wrote to the companies - not to this point - saying which coupes would be reserved or set aside for study, which is a right he enjoys. That is in terms of the existing licenses. But the companies would themselves probably believe that the certainty is a key matter for them. I can't tell you how many of them will actually give back if you like, or give up, their licences, but I should imagine the need will be for certainty.

J: Prime Minister, given what you have said in the past...inaudible....what is the process by which you protect these areas?

PM: The Commonwealth will not be agreeing to the exporting of woodchips from those coupes. But this gets back to the central point that I made in December - I mean you have all been around for the Christmas break, you have probably all driven through - if not all of you, then some of you - will have driven through parts of NSW and Victoria - you never see a Commonwealth forest. They are State forests. This is a State-run industry - the Commonwealth gets in there only on strings and mirrors through the export powers, and the saw-log industry we have essentially no control over, other than to try and urge the States to be party to Regional Forest Agreements, so they have got to make judgements themselves about where they might and try and make volumes for companies in the event that product can't be exported from these coupes. Now sensibly, they should do that. If they say "Oh well, we can't find the volumes", it means the whole notion of sustainability was a ruse in the first place, so I think they will - they will get to it and try to make this work.

J: If they can't find the volumes, then you will accept compensation requests?

PM: No. There is no requirement for compensation here. The Commonwealth has a right to decide - in the national interest - what

product can be exported, and in what terms. It in no way is agreeing to these decisions before Christmas, made clear its preferences - that is why I said that Mr Beddall didn't write to companies at that time, reserving the right to write to them after the re-scheduling study.

J: Do you still have confidence in Minister Beddall?

PM: Look, this is a difficult issue - a very difficult issue. As always, we have got the environment there riding the Commonwealth, but not riding the States. And the pressure point comes, as I say, round the incidental power the Commonwealth government has over exports. And the Ministers will take positions in terms of their portfolio interests, and at the same time we did last year, make a key decision on the Minister Ros Kelly to have the Minister for the Environment to have a right and a power in here. Now, at the time the environment movement dismissed that as pap. This year, of course, it is all-important, though of course she received no credit for it. Now, we were trying to develop a process where we can sensibly consider export licences reasonably, and the conservation values of particular coupes. But it will always be difficult, and I hope we can get that process better. But it is much better if we have Regional Forest Agreements where we are not going coupe-by-coupe, where we have in fact areas where we look at adequate reserve systems so this coupe issue doesn't come up.

J: Prime Minister, given that the Environment Minister was ignored, doesn't that prove that the process was pap?

PM: The Environment Minister I don't think was ignored, it was just a matter of whether in the advice which the Minister for Resources received, he was able to adequately discern what the priorities were in that advice, and at any rate, both public opinion and opinion within the Government - within the Caucus and the Cabinet - has made very clear the areas of high conservation value are important in national terms, and I think he has certainly accepted that message.

J: So you won't be taking Gough Whitlam's advice?

PM: I didn't hear...I mean Gough has advice for many people - that is not a bit I heard, actually.

J: Isn't it arguable that Minister Beddall has completely botched this process?

PM: I like to think that if a good thing happens here - and I think this is a good thing happening here - I like the notion of Ministers sorting out the way they make decisions and coming to the right conclusions. I mean, I think it is healthy.

J: Regardless of processes and how ... the processes might have been?

- PM: It is like you lot doing *mea culpas* for any stories you got wrong - I mean, you wouldn't consider it.
- J: Do you think that this statement will satisfy the Democrats in terms of the.....inaudible....
- PM: I think so. Let's call a spade a spade in this - if there had been 200 or 230 coupes reserved here before Christmas, the environment movement would have thought they kicked a tremendous goal. As it is, there are 509, and they are all important areas....
- J: inaudible
- PM: ...and this is a very significant decision.
- J: Already this morning I am getting calls from....
- PM: Who are you and where are you from?
- J: James Woodforde from the Sydney Morning Herald. Already this morning we are getting calls from environmentalists and industry saying that this compromise will solve nothing - that.....
- PM: You don't say? You shock me - you have really slayed me.
- J: They are arguing that this is just a compromise...there is no basis for it?
- PM: Well, see what the serious people say.
- J: Prime Minister, in Caucus on Monday...(inaudible).....
- PM: Well, the Caucus is master of its own destiny always, and part of the democracy of the Labor Party is that people have got a right to put a view, but I think that most people in the Caucus will think that this is a very fair and balanced outcome.
- J: Prime Minister you have mentioned that you will invite the companies to give back their licences and you will re-issue the bulk of them - have you got any idea on how swiftly that can be done?
- PM: I think reasonably quickly. Now that this work has taken place, and that we are in a position to know which coupes have these values, so I think the answer to that is very quickly.
- J: Prime Minister, do you .....inaudible.....do you think perhaps you should be more involved in the processes of these decisions?
- PM: There are matters of law here, and so - as that Federal Court decision very adequately shows - Ministers who make judgements and issue

licences must do so conscientiously - to have conducted the work themselves and come to the judgements. And that I have implicitly understood, and that is why in the context of this process - because we are dealing overall with about 3,500 coupes - it is very difficult for either the Prime Minister or the Cabinet to be sitting there looking at little purple or green dots, or red dots various others and saying we will have half a dozen of those and, and 6 of those and 12 of those - I mean, in the end it requires Departmental effort here to go through a system of evaluation and after all, for a whole lot of values about forests which are not in the Commonwealth charter - there is no Commonwealth Department of Forestry - we do not run forests.

J: How exactly do you propose to protect these 509 coupes, given that there are already licences issued allowing them to log?

PM: I made it clear to you - Mr Beddall has not yet written in terms of those reservations he is able to enter into those licences, and he is obviously being guided by the study and is concurring in its outcome.

J: Isn't this a slap in the face for Senator Faulkner - I mean there is still less than half of the areas that he put forward as being those requiring protection?

PM: I know that Senator Faulkner is very happy with this outcome. And he is for the reason that I said earlier - that if in the first instance it had been 200 - 250 reservations - coupes - this would have been general regarded as a good decision. I think that at this number - and at these values, I think he is well pleased with the study.

J: Would it be better to be a decision made by the entire Cabinet and will that be the case in 1996?

PM: Probably not, and for the reasons I just said. I think it is very difficult to get into it - although we have in the past - but it is very...it is not to say that the Cabinet can't do it, but it is very tedious and onerous because Ministers then have to...the whole Cabinet has to be up to speed on the values of particular areas across the Commonwealth, particularly down the East Coast, and trying to inject themselves into some judgements about values in forests which we, of course, have no responsibility for.

J: It is a fair guess, I'd suggest, that NSW, Victoria and Tasmania Governments will not be enamoured?

PM: I don't know that would be true.

J: Do you believe Mr Beddall is conscientious about this decision, Prime Minister?

- PM: I am announcing on behalf of him and Senator Faulkner - this is their joint decision. Of course he is conscientious about it.
- J: Did he follow all the proper steps - do everything that he was supposed to have done?
- PM: Well, the Federal Court took a view that environmental values should have counted more heavily in the decision, but the Commonwealth is still yet to take a view about that decision.
- J: Prime Minister, can I ask some crude political stuff now?
- PM: If you want to be crude Laurie, sure.
- J: I was wondering how you feel about having your new opponent?
- PM: It's 3 in 10 months for me. And for the Liberal Party of course, John Howard will be their third preference - John Hewson, they passed over Howard for Hewson, they passed over Howard for Downer, and they are taking him because they have got nobody else.
- J: It has been suggested this morning that you are relishing the prospect of the contest?
- PM: The thing to do is forget all the hyperbole about triple-bypasses and relishing the contest - go and ask him about this decision. Start tough with him, and ask him about some policy - ask him what he thinks about these 509 coupes, and whether he supports them. Because what you might find is that you will get a repeat of what he had to say in the 1987 election - for what it's worth, he said he would leave decisions to State governments, the Queensland rainforest nominated for World Heritage listing would only be listed if the Bjelke-Peterson government approved it, he would hand over Kakadu and Uluru to the Northern Territory Government, and he would abolish the Department of the Environment. So go along and ask him - let's leave the political theory out because none of us are too strong on that, are we? So, just ask him what he thinks of this - it's not a bad starting point I would have thought.
- J: inaudible
- PM: Well, I think that Mr Howard was a failure as Treasurer, and a failure as an Opposition Leader. He left an inward looking, moribund, low-profit, low-employment, high inflation economy behind, and as Opposition Leader, he had no clear policy of change for the country, and the one he did fell apart at Box Hill in Victoria.
- J: Prime Minister, Senator Bolkus has raised the Asian immigration ...(inaudible)...are you going to put you shoulder to the wheel on that

kind of attack on Mr Howard, or do you think those sort of devices are.....

PM: You mean reminding Mr Howard of what he said is an attack on him - is that what you are saying?

J: Well, I think it is.

PM: I know you are close to him Glenn, but you shouldn't be that close.

J: Well, he has made an attempt to move away from those remarks - he has apologised for them....

PM: And for years he said he wouldn't change his position - on this John Howard hasn't changed his position. When he tells you that he didn't mean it, all I say is don't believe him. Of course he meant it.

J: So that is going to be an issue?

PM: It will rank with the great constellation of issues out there.

ends.