



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP AND THE DEPUTY PRIME MINISTER THE HON BRIAN HOWE MP, PRESS CONFERENCE, PARLIAMENT HOUSE, 20 JUNE 1995

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PM: ... and he said that he will not be contesting his seat at the next Federal election, but wishes to continue in his portfolio and the Cabinet. I addressed the Caucus about his life and career in politics and the warmth and acclamation and recognition with which his contribution was greeted by the Caucus, I think, said all that needed to be said about the standing that Brian has had in the Party and in the Government. Before I invite Brian to speak let me just record a couple of things.

I said of him and about him that he had been a major contributor to the Government over the period from 1983, he joined the Expenditure Review Committee which was basically the sorting house of priorities within the Government and held major social portfolios at a time when Government spending was being severely contracted. You might remember that the Government inherited a level of outlays over 30 per cent of GDP in 1983 and by 1990 that had declined to about 23.5 per cent. That is a tough time to be a Social Security and Health Minister. But, during that period, I think, we were able to say that through Brian's leadership and commitment, that not only was social policy raised to a much higher and more sophisticated level than had ever been contemplated in Australia before, but we had actually been able to support the people who we believe needed the support through a focused policy, a targeted policy with across the board measures, but, such things as the Family Allowance Supplement now called Additional Family Support and the path breaking body of the Child Support Agency where maintenance is collected through the tax system which is, I think, a world first and is now being looked at and emulated by other countries.

Brian went on from there to the Health portfolio and then to Housing and Regional Development and, of course, the programs which he has become synonymous with 'Better Cities'. But, his commitment to the Government and his leadership in the ERC when as the most senior person in the Left in the Caucus and therefore Australia in the

Government, playing a role at that level meant that the Labor Party has had a unity about it that previous Labor governments never had. Not only unity, but a sense of common purpose and that sense of common purpose tracked its way down through the years to find, you know, the putting into place of not simply great economic reforms, but great social reforms to match them, to graft with them to make this both an efficient and equitable place.

Brian's commitment to equity and to social justice has been profound, but also his commitment to economic efficiency and economic change is what has marked him out as a leader in the Left and why, I think, many people in the Left today take the view that you look at the Government as a totality and you look at its responsibilities as a totality. I have said to you before and it is worth repeating: I think one of the great changes in Australia in the years of the Labor Government has been to the Labor Party itself. Not many countries are able to see the complete reformation of one of its major parties to become the party of government, the party of economic change, the party of social reform, the party of nationalism, these are all the things that have happened to the Labor Party in the period 1983 to 1995 and that has come from a unity between the moderate Right centre sections of the Party and the Left coming together in a commitment of common cause, the likes of which the Australian Labor Party has never seen and it has been the foundations of our success.

The fact that we can, in a way, contemplate now Brian's departure and his replacement, within the business of the Caucus an in-the-groove change, itself says a lot about the maturity of the Labor Party in Government and the way in which the Caucus acts and the strength that the Government has had through the foundation stone of the Caucus in having sensible, committed Caucus members right from that period - from 1983 down to 1995.

Brain's leadership in that, I said today in the Caucus, that Brian has held more effective power than any person in the Left in Australia probably ever. Certainly in the post war years, no leader of the Left has enjoyed more power in these major portfolios of Social Security, Community Services and Health, Housing and Community Services and, of course, crowning that as Deputy Prime Minister. For my part, I couldn't have asked for a more loyal or committed Deputy than Brian. We went through the last election with complete unity of purpose and we have ever since, but there comes a time in everybody's life where they decide that they don't want to contest another poll and to make that decision and make it forthrightly with their constituency and he felt that having made that decision that now was the best time to surrender the Deputy leadership to another person who was going to contest their seat at the next election. We both salute him and thank him for that.

So, could I perhaps just wind up my remarks by saying that there was a tremendous amount of good will towards Brian and the Caucus today,

across factions because, I think, part of the commitment is Brian's commitment to social justice and the fact that he stands for something good and solid and fair and equitable and decent in this country and this community really counts well with that Caucus right across the board. There was, as there always is in any of these transitions, a little touch of melancholy about it, but again, for the change that it tells for the change to another Deputy leader, Deputy Prime Minister of this Labor Government, it is just another keystone in the continuity of the Labor Party and the Government which we have seen from that period. So, I would close my remarks now and just finally say that we will be holding a Caucus meeting this evening to fill the vacancy vacated by Brian and we will be, I might just also say, having another Caucus meeting tomorrow to receive a report from Gareth Evans. On those two notes of business, I hand over to Brian.

BH: Thank you very much Paul, I made a decision that I would retire at the next election, hang up the Hansards as it were, and I thought the time had come to do that. I think, this nonsense about mergers in Victoria really has to be fought on a full time basis and the Hawthorn Football Club is certainly not going to be merged as long as I am associated with it - the real issue. Apart from that I felt that once I had made that decision that the second decision flowed from that and that I should resign as Deputy and give the Party the opportunity to have a Deputy to to in together with the Prime Minister to fight an election that I think we can and will win and that, I think, really requires that degree of commitment that obviously someone who is about to retire, you can't really expect that. You can't be expected to do that, as much as I am very interested in the result and will be very much a part of the campaign. I continue in my portfolio and I hope that I will be able to bring together the work that we have been doing in housing and some associated urban areas of urban infrastructure in a month or so as a fairly major statement and I want to complete that work.

I think, as Paul has said, my contribution to government has been very much in the area of social policy and I would hope that social policy now has a status and a standing that it didn't ever have before. When ever you did any social policy work it was described as a hand out, as a bit of trivia whereas, I think, now we recognise that Australia has one of the most sophisticated social security systems in the world. That in terms of our understanding of the links between social security and for example, the labour market, so-called active social security policy, we were one of the first countries in the world to comprehensively develop that policy. That in terms of a whole range of areas of social policy we have been able to not only bring about reform, but in the context of fiscal restraint that produced Thatcherism in Britain which was described as inhumane as vindictive, as having an enormous impact on lower income people, on poorer regions in Britain, we never had any of that in Australia, I think, because we had decent and respectable and reformist social policy and I think over time we have been able to develop social policy in a whole range of areas that have been quite, I think, path breaking and Australia

has an enormous reputation in the OECD as a country of very, very significant reform in the area of social policy. The fact that we produce an annual Social Justice Statement as part of the Budget, may seem some small thing, but effectively it means that the Government allows itself to be judged in each Budget in terms of its record and, I think, that increasingly we are showing that social policy is the partner of economic policy.

I think, working with the Prime Minister and before that the Treasurer, has been for me a great experience. I think, as I said to Caucus because the Prime Minister has always taken when he was Treasurer and now as Prime Minister the long view, his interest is not in opportunist politics, it is in fundamental reform and fundamental economic reform. But, of course, fundamental economic reform presents great social challenges and, I think, the task of time has been to match economic with social and, I think, this Government has now established a unity of purpose in terms of economic and social policy, which means it is identified significantly with fairness and with the best Australian values that I think are the best that Australia has. And so I think that this is the time in which to make that decision to move on and I suppose as someone who is identified with the Left, I would say that I leave with the show in very much better shape than when I started and that to me, as someone who is very committed to Left wing politics, is a matter of great pleasure. I think we have got a lot to contribute to the Caucus and to Governments in the future and I suppose that is my final point, which is simply to say that one of the strengths of this Government is that it is refurbishing and rebuilding and strengthening and when you look around the Caucus this morning, you think my God there is a lot Ministers out there that still aren't part of a Labor Government and I am going to be working very hard to see that they become Ministers in future Labor Governments.

PM: Well I think both of us will be happy to take questions.

J: Mr Howe when did you decide not to contest the next election, what contributed to that decision and whose views did you take into account?

BH: Well, essentially, the Prime Minister's views I suppose. I mean the Prime Minister and I have been talking about it over recent weeks. I hadn't made a decision until last night and I made a decision then, I think, because we felt this was the right time to resolve the matter and to resolve it in the way we have just done in the Caucus.

J: Mr Howe there has been a degree of speculation about your departure for some time. Have you felt under any pressure, whatsoever?

BH: Oh well I think you are not insensitive to what comments occur. I suppose I, of all people, tend to be very sensitive. But, at the same time, I think you know that there is a job to do and I came into the Federal Parliament to pursue reform and I have had the opportunity to

do that over a long period of time and I have got the opportunity to complete the reforms in this current Parliament and I intend to do that. And I have always tried to put what people say behind me and concentrate on what I think is the main game and that is reform. I think it is what you leave behind you, that really is important.

J: Mr Howe back to your first answer, are you saying that the Prime Minister influenced you into your resignation?

BH: No I wasn't saying that.

PM: Michelle [Grattan] will always look for the most difficult question.

J: Well could you elaborate on what you were saying when you said the Prime Minister was the main influence?

BH: Well I had contemplated the possibility of retiring at the next election. I thought I couldn't make that decision independently of the Government, even though that is a decision for the Victorian Branch, so I took it up with the Prime Minister and we have had several conversations over a couple of weeks. We finally made the decision last night.

J: Mr Keating will you take the opportunity now to reshuffle your Ministry?

PM: Probably not. I think people are doing quite well and the Government's performing, as I said, we have had more changes in the last month, than we saw out of two decades of Coalition Government. The Budget in surplus, they never got a surplus once, a Justice Statement, a framework for the Republic. We are having another meeting on the Accord tomorrow, with the prospect of another Accord Mark VIII which will mean that this is the only Party in Australia able to deliver a low inflation rate and keep it there. I think, by any measure, the Government is working as well as it has worked at any time since 1983.

J: Who do you support as Mr Howe's successor?

PM: Well that is a matter for the Caucus, not for me.

J: Do you accept that anyone who succeeds Mr Howe could rightly see themselves as your ultimate successor when you decide to retire?

PM: No I don't think so. I think there has been no pattern whatsoever to the Labor leadership. But, of course, it has always been mostly about leadership in Opposition, not leadership in Government and I think this is what has marked this period out to be different. But there has never been a pattern to it and I don't think you can ever induce one.

J: Mr Keating why shouldn't this move be seen as clearing the decks for an election?

PM: Because I mean you, Glen [Milne], amongst others, have been reporting an early election now since 15 months ago, haven't you? And there still isn't one.

J: Will you now rule one out Mr Keating?

PM: Well I have said before only if ... a Prime Minister who has these options would be foolish to rule for, in this case, myself, himself, out of a discretion which the Prime Minister in this system always enjoys. But there ...

J: It is not what we are reporting.

PM: ... Yes, I know. No you have been reporting early elections and John Hewson said there were early elections and there was going to be an election. Alexander Downer said there was an early election and I think we have seen in recent weeks and months speculation about an early election. When many of you thought the Government wouldn't jump the Budget hurdle. When we did jump it, you didn't say good jump, you said "early election". You were wrong and if you write it tomorrow, you'll be wrong again.

J: Mr Keating when Mr Howe approached you at first and said he was thinking of stepping down, did you encourage him to do so then?

PM: No, I take the view this: Brian and I have lived as Ministers in this Government now for 12-odd years, that is a very long time. It is longer than any other group of Labor Ministers have lived with one another in work and in respect and given the pace of the Government, two Budgets a year virtually for every year it has been in office, major policy changes, for 12 years of our partnership has been like 20 or 30 years in the days of the Coalition, in terms of work, activities, probably more. Let me not put a discount through that, probably half a century. And, therefore, you know because of the engagement and the work and the frenetic pace of it, you know May Statements every year up to 1991, bar one, Budgets, big contextual social policy changes, then the big statements we have had since budgets - One Nation, Working Nation, Investing in the Nation - all these other changes and now Brian's stewardship of some of these areas which formerly the Commonwealth hasn't been involved with, with Better Cities etc, housing, choice. We have had a lot to do with one another over the years and you get to that point where we went to the 1993 election together and we succeeded at a poll, it has been my view, it's entirely a matter then for Brian to decide what he wanted to do and a matter of his discretion, without any prompting from any one of us - including and, perhaps, especially me. So I never, at any stage, raised the Deputy Leadership with Brian, he raised it with me, and I wouldn't have.

J: Mr Keating when Caucus selects Mr Howe's successor, what should they give the most weight to, seniority or electoral appeal?

PM: Well you had better get on the telephone and ring around and ask them what they think?

J: Mr Howe it is probably likely the Left won't retain the Deputy Prime Ministership. Do you accept that and do you think the Left should seek any other compensation for losing the Deputy Prime Ministership, if that happens?

BH: I think that we should choose in Caucus tonight who we think is the best person to do this job at this particular point in time. In terms of the positioning of the Left faction I think that occurs not around one particular position, or one element of policy, but it occurs in a broader context and you know I think the approach is not going to hang on the particular decision the Caucus makes today. It will take account, no doubt, of where that falls tonight. But then look to the next round of decisions, maybe the policy stance on some issue. So I just don't think that you can look at each position and each change in quite that way.

J: Are you happy with the level of representation of the Left in the Cabinet and in the Ministry?

BH: Well I think we would always like to do better. I think we started off in 1983 with one Left Minister out of, whatever it was, 17. And today we have four Ministers in Cabinet. But, more importantly, I think not just in the Left, I think there is this enormous youth and enthusiasm and vigour and intelligence that is there in the Caucus. So that I think, certainly, following the next election there will be an opportunity for us to put together an even more talented Government than we currently have.

J: Prime Minister could you comment on the Paris talks?

PM: Well just to say I was quite disappointed by the fact that the French seem immobile about their decision. Gareth Evans will be coming back giving a report to the Cabinet. We will be holding a Cabinet meeting to receive that report and also report to the Caucus. I think we will probably say more about it then.

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