



# PRIME MINISTER

**TRANSCRIPT OF THE ACTING PRIME MINISTER, THE HON KIM BEAZLEY  
MP, DOORSTOP, DEPARTMENT OF FINANCE, PERTH, 19 JULY 1995**

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**KB:** Well last night Mr Howard kept his promise to make no publication of his views on just about any serious policy matter confronting the nation, except one area. He did elaborate his position on industrial relations and what he effectively undertook, or promised, was to remove an essential underpinning to the wages and conditions of a very large number of Australians. There is no reason why this should be so, we have just had a set of figures come out on industrial disputation which shows it at just about its lowest level ever historically. We have a very high profit share. We have real productivity gains, some 25 per cent, over the last decade. A 40 per cent improvement in our international competitiveness. Ordinary working Australians do not deserve this uncertainty, this attack, effectively, on their lifestyle. Any questions?

**J:** Do you think ordinary Australians should be paying Carmen Lawrence's legal bills?

**KB:** I think ordinary working Australians should not be having to pay for this Royal Commission at all - not one cent. But this was started by Richard Court as a political log-rolling exercise to the detriment of the taxpayers of Western Australia and a cynical use, on his part, of the Royal Commission powers and it has proved nothing and there is, of course, now a proceeding in the Supreme Court which puts us in a situation where it is extraordinarily difficult to sensibly comment on these things except, of course, to go to the motives of the Government in establishing this Royal Commission.

**J:** What about her motives? Dr Lawrence has gone to extraordinary lengths to stop this Royal Commission. Surely that must raise serious questions about what she did.

- KB: This is the equivalent, on Richard Court's part, of when we came into office we decided that it would be a matter of great public interest if we inquired into the proceedings of the Cabinet, which had met and repeatedly refused to address the 'bottom of the harbour' tax evasion schemes. If a Commonwealth Government had decided to put a Royal Commission on that in place, you would have accused us of introducing dictatorial star chamber powers in Australia and you would have been right.
- J: How long can you support Dr Lawrence, given what has been said about her in the Commission?
- KB: Well you know very well that you shouldn't be discussing matters which are obviously now going to be the substance of argument in the Supreme Court. But Dr Lawrence has got over the years a very substantial level of confidence amongst ordinary Western Australians and she has got that by the dignity with which she held her office and the effectiveness with which she ran a Government and I don't think that the proceedings of a Royal Commission - given the motives, the obvious political motives, that went to its creation - are going to alter that.
- J: Does the Federal Government have a bottomless pit of money that it can use to kick the [inaudible]?
- KB: Does Richard Court have a bottomless pit of money to keep putting one fanaticism, or one obsession, of his after another up for public expenditure, along with his taxation. I mean, the question is who started it? Who started rolling in? You know very well when you set up a Royal Commission that people are going to defend themselves before the Royal Commission, they are going to take a legal position there, in fact, as I understand it, Richard Court has offered those who are participants before it, some form of legal assistance. So he has obviously anticipated that the many millions of taxpayers money that is going to be spent on this particular political exercise of his, is taxpayers money worth spending. But there are consequences. Once you start that process rolling, once you start a process that goes to the heart of the difference between the Parliamentary operations and the judicial system, once you go down the road of a Royal Commission that is based not on an investigation of impropriety, illegality, maladministration or whatever, which are the normal reasons why you call a Royal Commission, these situations will occur.
- J: Is it not an advantage to Carmen Lawrence, particularly as the evidence already heard will go unchallenged for at least a week?
- KB: Well I think that at the end of the day you are going to see, if there is any discussion on these matters, there will be of course counters put into any particular proposition which is raised. But I think you have got to take a step back from the Royal Commission and its proceedings and go to the issues that caused its creation, or the motives that underlay its creation. And when you do that you are going to see ... I think the public have a

very considerable discount on any particular outcome that comes from the Royal Commission.

J: The Commission is not about Richard Court, the Commission is about Carmen Lawrence. If she has shown to have behaved improperly or abused her power, will she continue to enjoy the Federal Cabinet's support?

KB: No this Commission is about Richard Court. This Commission is a Commission that was established for political reasons, by Richard Court and for that reason there will be a high level of political discounting on any outcome.

J: [inaudible] ... for political reasons as well?

KB: Carmen is challenging to defend herself, which she is entitled to do. If somebody sets up a political Royal Commission, or political basis in his motive in setting up a Royal Commission, and sends it after you, do you just stand mute?

J: [inaudible]

KB: Look, don't ask me for analyses of public opinion. You go out there and read it yourself. In so far as I can see public opinion around Carmen Lawrence, two things stand out. The first is that she has a very high level of public regard in this State, for good reason. Secondly, I think that there is an understanding by the public of the political motivation that underlay the creation of this Royal Commission and there will consequently be, whatever the outcome, a discount attached to it and whatever is said in evidence, a discount attached to it because of the underlying motives that went into setting it up and I don't think anything that is going to be said at the Royal Commission, if indeed it proceeds, is going to make any difference to that at all.

J: Can I just ask you about the funding again? Is there a limit? Has the Federal Government set a limit on how much it will spend on these legal challenges?

KB: Has Richard Court set a limit on how much it will cost for the Royal Commission?

J: He has said 1.25, somewhere around there?

KB: Oh, yes, and the rest.

J: But I am talking about the Federal Government funding Carmen Lawrence's challenge. Has there been any talk of a limit on how much money people will spend?

KB: Obviously, nobody is going to go through an unlimitless exercise. But the fact of the matter is, and this is not an exception in the case of this Royal

Commission, it has been found in most of the Royal Commission's established, that is why you need to have a very good reason to set up a Royal Commission. That is why you need to have it as a Royal Commission operating with serious intent. But when you set up a Royal Commission it is going to be extremely difficult to put a price tag on it. It is very important, therefore, to remember who started this.

J: ... merchandise imports .... What is your comment on that?

KB: Well the import figures are, of course, in line with the figures the Government put out when it revised its views about the current account deficit earlier in the year and that was announced by Ralph Willis. There are some encouraging signs in the import figures that have come in. Consumption imports are down. The capital imports are up to a degree. But, overall, imports have fallen in the course of the last month and that is encouraging.

J: Is it a sign that the economy is slowing down?

KB: Well, it is a sign that we was predicted by the Government in the Budget that the current account deficit would peak during the course of this financial year and start to decline in terms of a percentage of GDP is probably going to come true. That, in part, does reflect some slowing in the economy to the extent that it was predicted by the Government in its Budget.

J: Mr Beazley do you still have every faith in Carmen Lawrence's version of events leading up to the Commission?

KB: I have absolute faith in Carmen Lawrence. I mean she is a very good person. She has been a very good Premier of this State and she deserves better treatment by her successor.

J: So her press secretary is lying?

KB: Oh don't be silly.

J: [inaudible]

KB: The question of the legal support for Carmen Lawrence was a matter that was determined by Cabinet, yes. Now the extent to what those legal costs involve is, of course, going to be a matter kept constantly under review. But there are important issues at stake here and those issues, of course, go in fact - although I don't expect people to be terribly interested in this - to the very heart of the relationship between Parliament, the Cabinet and the judicial system. These are issues which cannot be likely glossed over by the initiative of one particular person involved in the process. They are hard issues which, when they get raised, have to be teased out and they will be teased out to their conclusion. Now, as I said before, we didn't start this. It was started by Mr Court and we warned at

the point of time when it started, all these sorts of ramifications were likely to flow, now they are flying.

J: But has Dr Lawrence got Cabinet's unanimous support as far as the funding goes?

KB: Oh well with her exception, of course, she wasn't there. But as far as the question that she would be allowed to be supported in her legal activities, yes that was the unanimous decision of Cabinet.

J: [inaudible]

KB: It is not for me to characterise the Royal Commission. I mean the Royal Commissioners are of course, have their own views about their own integrity and I don't think it is appropriate if these issues are canvassed. But what we can canvass is what went into their creation and that is what I have been canvassing very solidly here for the last five minutes.

J: [inaudible] ..... budget blow out in superannuation costs?

KB: What was assumed in that particular paper was a much high level of growth in jobs than the Government was predicting and what it did its figuring on. Of course if that was to occur, that would be terrific news and were it to occur, it wouldn't just mean an increase in the amounts that the Commonwealth would have to set aside for superannuation. Vastly beyond that would have been a substantial increase in revenue receipts, so there would be no blowout if those figures were in fact to be achieved.

J: So the article is too optimistic as far as job growth goes?

KB: Well it is not the Commonwealth's figures on job growth anticipation, no. Well somebody was asked, some Treasury official was asked, well what if the job growth is better than the Commonwealth thinks, what will happen? Well, obviously, on one side of the ledger, the Commonwealth will have to pay out more money for its superannuation undertaking. But, on the other side of the ledger and vastly greater amounts, would come in revenue from the taxation receipts with more people in the workforce.

J: Hasn't the Treasurer admitted that the Government has underestimated the costs of superannuation?

KB: I think the Treasurer has said that the particular paper that was produced was based on a set of estimates that was well beyond what the Government's estimates were. But I mean that would be unmitigatedly good news were it to occur. The increase in the cost of the superannuation payout would be neither here nor there, alongside the increase in the receipts, but would pay for it, they would pay for it many times over if that was the sort of job growth that we were going to see. It would be great if it happened. But we are not anticipating it happening.

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