



**PRIME MINISTER**

**STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP**

The Sydney Morning Herald will tomorrow publish a story which is a complete fabrication around a matter which arose nearly ten years ago.

Herald staff have leaked details of the story to financial markets, obviously providing a picture which is damaging to me, through allegations which I can assert have no basis whatsoever in fact.

That The Sydney Morning Herald should behave in this way is outrageous.

I am reliably informed that the journalists concerned were fed this fallacious material by the Liberal Party.

The attached correspondence this week between my office and The SMH makes it clear that any suggestion of improper dealing is utterly without foundation.

**CANBERRA**  
**27 October 1995**



OFFICE OF THE PRIME MINISTER  
CANBERRA

25 October, 1995

Ms Colleen Ryan and Mr David Humphries  
The Sydney Morning Herald

By fax: 02 282 3005

Dear Ms Ryan and Mr Humphries

You have written to the Prime Minister about the global borrowing limits of the Northern Territory in respect of a matter nearly ten years ago.

You insinuate in your questions that the Prime Minister had a conflict of interest in proposing to the then Cabinet that the Northern Territory Government be granted a right to borrow a global limit of monies to be employed at its discretion for public works.

The Prime Minister had no conflict of interest whatsoever. He responded to an express proposal from a Coalition Government in the Northern Territory - a proposal which was itself only agreed over time, and with offsets. The fact that he was acquainted with Mr Anderson of Tipperary Developments, the ultimate successful tenderer on the projects in question, was immaterial.

No Commonwealth tender was involved. It was not the Commonwealth doing the borrowing or awarding the work - it was a Territory setting its own priorities and awarding work under its own processes. The Commonwealth merely agreed an upper limit on what it might borrow in any particular year. And even this figure was not binding on a State or Territory.

All State and Territory global borrowing limits include proposals for civic works undertaken by many Australian construction firms and developers, many of whom are and would be known personally to the Prime Minister or to the Treasurer of the day.

You asked why the Prime Minister, when Treasurer, did not declare on his Parliamentary Pecuniary Interest register travel to Tipperary Station in 1986 and 1987 on Mr Anderson's plane.

Mr Anderson invited the then Treasurer, a personal friend, to his property only for the purpose of seeing and visiting that property. It had no connection whatsoever with his duties as Treasurer. It was purely a private visit. Private

domestic travel and accommodation by personal friends is outside the scope of the pecuniary interests register of Members or Ministers, as a cursory perusal will reveal.

The Prime Minister visited the station Tipperary in 1986 and 1987 during its development phase, and has not visited it since.

I have attached a copy of the relevant sections of the guidelines on Ministerial interests. Were your interpretation of the rules for declarations to be accepted, Members would have to declare all accommodation and travel provided by any friend or relative.

At any rate Mr Keating's visits to Tipperary were well reported at the time, especially when Mr Keating told a Canberra press conference that he had recently been in the Territory "shooting pigs".

Let me conclude on the following points:

The Prime Minister regards these questions as not investigative journalism, but simply harassment. Your editor-in-chief has confirmed that you were soiled onto this non-story by the Liberal Party.

This issue has been raked over by Mr Keating's opponents years ago and everything that needs to be known of it is known. He regards you both as doing the Liberal and National parties' bidding. This issue is being hawked about by them - it does neither of you credit to take it up.

I know you must think yourselves hard-hitting investigative journalists - but this little effort locates you at the bottom of the journalistic food chain.

The Prime Minister has an unblemished record for probity over 26 years of public life. Your sordid insinuations of a conflict of interest or corruption are as fanciful as they are offensive. They are also defamatory. You would do well to weigh your conspiracy theories carefully against the facts.

Yours sincerely

Greg Turnbull  
Senior Media Adviser

Gifts received by Ministers and their families from family members or personal friends in a purely personal capacity need not be disclosed unless the Minister judges that an appearance of a conflict of interest might otherwise arise.

## 12. Travel and Hospitality

*For Ministers, sponsored travel generally relates to overseas travel because of the automatic travel entitlements they have within Australia. The rules regarding sponsored overseas travel are as follows.*

*Overseas travel is to be regarded as sponsored where any part of the costs, including fares, accommodation and living expenses, is not borne by the Minister or the Australian Government.*

*Ministers should be aware of the possibility that conflicts of interests may arise or be seen to arise through acceptance of sponsored overseas travel by members of their families.*

*Ministers should not accept for themselves or for their families offers of sponsored overseas travel from any source, whether connected directly with their responsibilities or not, subject to the following:*

- (a) *The Prime Minister may authorise acceptance of such travel in a particular case.*
  - *His authorisation should be sought in advance.*
- (b) *A Minister need not seek authorisation to accept guest of government arrangements granted to the Minister during an official visit to a particular country. (In cases where there may be foreign policy implications in accepting guest of government status, Ministers should consult the Minister for Foreign Affairs.)*
- (c) *Acceptance of incidental meals, entertainment and other hospitality in the course of an overseas visit, including, for example, home accommodation offered on a personal basis, is a matter for the judgment of the Minister having regard to any conflict or appearance of conflict between interest and duty that may arise.*

*If sponsored travel is accepted under points (a) or (c) above, it must be disclosed. The purpose of the sponsored travel should be shown. It is not necessary to disclose acceptance of guest of government arrangements - see (b) above - granted during official overseas visits.*

*The rules regarding sponsored travel by Ministers within Australia are necessarily less fixed. Hospitality (which may or may not be associated with travel) is a related issue.*

*In deciding whether to ACCEPT sponsored travel or hospitality in Australia, a Minister should exercise his or her judgment having regard to any conflict or appearance of conflict of interests that may arise.*

*In deciding whether any sponsored travel or hospitality which has been accepted in Australia should be REGISTERED, the Minister should again exercise judgment. If travel or hospitality has been accepted which may give rise to an appearance of a conflict of interests, it should be disclosed.*

*In relation to hospitality, the Minister may find it helpful to consider the following guidance provided to Members of the House of Representatives by the Registrar, to assist Members in deciding what they need to disclose:*

*"Hospitality" refers to free or concessional accommodation provided to the Member, the Member's spouse or dependent children wholly or partly by any person, organisation, business or interest group or foreign Government or its representative. It includes the provision of free or concessional meals provided as part of an accommodation arrangement but does not include hospitality provided in a purely social way by friends or colleagues. Entertainment received from concerned constituents and interest groups legitimately exercising their powers of political persuasion, explanation, or argument on the merits of an issue to further a particular cause or concern need not be included. There is also no need to include entertainment received in common with significant numbers of other Members or persons such as a reception or dinner hosted by a High Commissioner or Ambassador.'*

### **13. Membership of Organisations**

*Membership of all associations, professional and recreational, which have aims and objectives which could be affected by Government action (particularly in matters for which they have portfolio responsibility), should be included (e.g. unions or professional associations).*

### **14. Other Interests**

*List any other interest which, in the opinion of the Minister, holds the potential for a real or apparent conflict of interest with the Minister's duties to arise.*

# The Sydney Morning Herald

The Rt Hon P. J. Keating,  
Prime Minister,  
Parliament House,  
Canberra 2601

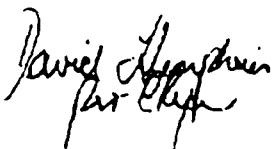
Dear Mr Keating,

We are preparing an article which canvasses the 1988 Loan Council decision to approve an increase in the Northern Territory's global borrowing limits which facilitated the funding of the State Square complex. We would appreciate it if you could answer the attached questions on your role in the approval, your declarations to the then Prime Minister, Mr Hawke, Cabinet and the Expenditure Review Committee, and your declarations on the Parliamentary pecuniary interest register.

We look forward to your reply. We can be contacted by facsimile on 02-2823005 or by phone on 02-2822325 or 02 2821794.

Yours sincerely,

  
Colleen Ryan  
and David Humphries

  
for the paper

October 19, 1995

- Why did you not declare a conflict of interest to the Prime Minister, Mr Hawke, the Cabinet or the Expenditure Review Committee in your 1988 decision to approve an increase in the Northern Territory's borrowing limit, enabling it to build the State Square project, given that you knew Mr Warren Anderson stood to benefit from the project through his company Tipperary Developments?
  
- Do you think that you were required to declare a conflict of interest under the rules for Ministerial conduct established by Prime Minister Hawke in 1983 and the Code of Conduct for Ministers adopted by the Hawke government in 1987, given that a friend of yours, Mr Warren Anderson, stood to benefit from a decision to approve an increase in NT borrowing limits which allowed the State Square project to proceed?
  
- Why didn't you declare on the Parliamentary pecuniary interest register travel to Tipperary Station in 1986 and 1987 on Mr Anderson's plane?
  
- Why didn't you declare on the pecuniary interest register accommodation provided at Tipperary Station in July 1987?