



PRIME MINISTER

10 April 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
PRESS CONFERENCE, PARLIAMENT HOUSE, CANBERRA**

E&OE.....

Ladies and gentlemen I apologise for the delayed start of this news conference. I'll try and be more punctual in the future. I would like to start by saying a couple of things about the statement I made a short while ago about increasing accountability in matters concerning Aboriginal and Torres Strait Islander affairs. Yesterday Cabinet took a number of decisions. They included endorsing a recommendation of the Minister, Senator Herron, that we would amend the, seek parliamentary approval, to amend the ATSIC legislation regarding the appointment of a Chairman and one other Commissioner and also a reduction in the number of representatives of regional councils. I think those amendments have been fairly fully canvassed already.

In addition, against the background of mounting public concern regarding accountability in matters affecting Aboriginal affairs the Government has also decided on two very important further steps. One of those is that the Minister has today issued a general financial directive to ATSIC, The practical effect of which is that any money disbursed by ATSIC to another organisation cannot be disbursed unless a special auditor appointed by the Minister is properly satisfied in terms of the general directive, a copy of which has been made available to you about what is going to happen to that money and what has happened to similar monies in the past made available to those organisations by ATSIC.

In addition the Government has decided to ask at Parliament to amend the ATSIC legislation to enable the appointment of an administrator who will, during the term of his or her administration, exercise the functions and the powers of the Commissioners of ATSIC if there is evidence in the opinion of the Minister of fraud, of gross mismanagement or of a failure by ATSIC to respond to any general directives of the

Minister. I would point out that that power is akin to the power now available in many Acts of Parliament around Australia, enabling the appointment of an administrator to discharge the functions of commissioners or other elected people during the term of that person's appointment.

We have taken these decisions and we will be seeking parliamentary approval because we are concerned against the background of public concern about accountability in this area. I want to say that I reject completely any suggestion that this represents a paternalistic or an undemocratic act. We are dealing here with two overall goals and overall responsibilities. One of them of course is the goal of enhancing the living standards, the status and the opportunities of life of Australia's Aboriginal and Torres Strait Islander people. And that remains a strong goal of the new Coalition Government and a goal that we will continue to work towards in a very practical, sympathetic and caring fashion.

It also involves considerations of accountability and the role of the people of the community in question in electing their representatives to ATSIC does not of itself cancel out the responsibility of the elected representatives of all of the Australian people to ensure that there are equivalent and proper standards of accountability when it comes to the expenditure of public money.

Can I point out that these decisions I have announced today apart from returning to general Budget funds the small savings involved in reducing the number of representatives of regional councils on ATSIC, apart from that they do not involve in any way a reduction in the money being made available for the benefit of Aboriginal and Torres Strait Islander people. The goal of these changes is to better ensure that the money made available by Australian taxpayers to this community reaches the members of this community and that they are not sidetracked along the way. They are decisions that have been taken after very careful consideration by the Cabinet and I think they represent a strong, effective and properly justified and understandable response to evidence which has been in the public domain, particularly over the last couple of weeks but indeed has been around for a very long period of time. And I think as time goes by increasingly the Australian community will see the performance of the former Government and the former Minister in that Government in the area of Aboriginal and Torres Strait Islander Affairs as one of the high water marks of the appalling administrative standards - complete insensitivity to the legitimate concerns of Australian taxpayers - the end product of which was in a very real sense a failure to match the proper aspirations of the Aboriginal and Torres Strait Islander people.

I'd be very happy, along with John Herron, to answer any questions on this particular issue and I personally would be very happy to answer any other questions you have on any other matter that you might want to speak to me on. I note that this is the first opportunity I've had to have a full-scale press conference in the national capital, close to the seat of Government, just across the corridor indeed from what continues to be the seat of Government here in the Commonwealth of Australia, although I did have the company of many of you at the inaugural press conference I had as Prime Minister designate in that distant city, so ladies and gentlemen any questions?

JOURNALIST:

How did those audit changes affect the tax flow of organisations funded by ATSIC? For example when will you appoint a special auditor? Will there be any time delay in various organisations getting funding?

PRIME MINISTER:

Well we act as promptly as possible and it's a question of the facts of each individual organisation and condition, what you have questioned me about. Clearly there is evidence in the Aboriginal legal service area which has justified the action that John Herron has already taken and we don't want to use this as a device to interrupt the flow of funds. This is not some kind of stalking, this is not some kind of Trojan horse for changes in funding levels. This has got to do with accountability. Now the question of funding is something that will be dealt with in the Budget context and I'm not going to make any promises about it, I'm not going to make any forward commitment. I'm simply going to say that this concerns accountability and nothing more and nothing less.

JOURNALIST:

In cases where there have been administrators' breaches of the conditions of the grant, for example the New South Wales Aboriginal Legal Service, is the Government's intention to cut those grants until there's been an administrator appointed for example?

PRIME MINISTER:

No we're talking here about the appointment of a, I mean we're seeking, we're doing two things: we're giving a general financial directive which says from now on ATSIC can't make money available to organisations unless those organisations have satisfied the special auditor that we're appointing about the way in which they have managed and will manage funds. And the answer to your question in relation to particular organisations will depend upon precisely what has happened in those organisations. And the judgement that is made by the special auditor about what has been done by those organisations including internal investigations and other investigations to repair any failings in the past, I can't give a comprehensive prediction that covers every situation. All I can say is that we have put in place a mechanism that as quickly as possible deals with a problem which if we were to tackle in another way could result in another two, three, four or five months going by before something were done. And I don't think that would be the responsible thing to do but I repeat this is not a device to affect the funding levels. That is something that is dealt with in a completely separate context.

JOURNALIST:

Are the Coalition opposed to the setting up of ATSIC in your position. Do you think that there is merit in the ATSIC model, in the whole model of an elected representatives making policy decisions or do you think that the model is flawed?

PRIME MINISTER:

Well I don't want to make, Lenore, nor should you see today's decisions or yesterday's decisions announced today as representing a final judgement by me or by the Government on the ATSC model. Obviously we had concern some years ago although it's fair to say that our position over time did alter. I should take the opportunity of correcting the impression that has been put around, I think by Daryl Melham this morning, about how we voted on the question of appointing the Chairman. I've checked the record and I am told that when it came before the Senate we voted against the Government's amendment to allow for an elected Chairman and it was only when it returned to the House as part of an omnibus bill that we didn't vote against it because we would have also voted then against other things that we agreed with and I'm further told that we recorded in the House of Representatives our regret that the Government had not picked up our amendment, so I don't think what the Member for Banks was saying this morning was completely accurate.

Lenore, this does not represent a considered response or a considered judgement on the ATSC model. It represents a proper response to an accountability issue. The broader question that you raise is something that will be dealt with in a broader context and in a different way.

JOURNALIST:

When will the special auditor be appointed?

PRIME MINISTER:

Promptly.

JOURNALIST:

How long will the special auditor .. ?

PRIME MINISTER:

How long?

JOURNALIST:

How soon?

PRIME MINISTER:

Very promptly and Senator Herron will be turning his attention to that immediately.

JOURNALIST:

Mr Howard do you believe that the previous Government, or the previous Minister were aware of the breaches and the irregularities and did nothing about it?

PRIME MINISTER:

Oh yes. I think that the previous Government was completely negligent in this area. I was, recently as an hour ago, I was informed by the South Australian Premier, Mr Brown, that he communicated to Mr Tickner what he believed were examples of gross irregularity in this area and that the former Minister did absolutely nothing about it.

JOURNALIST:

...(inaudible) ...

PRIME MINISTER:

My recollection of the conversation with Brown was it occurred only a few months ago.

JOURNALIST:

Minister, I understand that you have spoken with ATSIC this morning. What is the response to these changes?

HERRON:

Yes I spoke to Miss Lois O'Donoghue this morning and informed her of the actions that has been taken and her response was that she supported the general thrust but I haven't given her considered time to get back to me.

JOURNALIST:

And she had no problem with the idea that the changes, the amendment to the Act would allow you to put in an administrator?

HERRON:

That's correct. She didn't say, excuse me if I can just ... she is coming back to me after considering the document.

JOURNALIST:

Mr Howard why didn't the Government decide to go down the route supported by Lois O'Donoghue and Mick Dodson of splitting the delivery of individual grants from ATSIC and giving that to bureaucrats and having ATSIC as maybe a policy body?

PRIME MINISTER:

Well, we believe that the approach that we have adopted will more directly, more quickly and more effectively do with the issue of accountability. And you should also bear in mind that there's a timing problem involved. I mean, the sort of thing that you

just mentioned would involve amendments to the legislation and when you've got, you know, an apparent haemorrhaging of public funds you do have a responsibility to do something as quickly as possible, and that's what we've endeavoured to do.

JOURNALIST:

Prime Minister, do you actually believe there is a need at the moment to appoint an administrator to ATSIIC?

PRIME MINISTER:

Well, that's a matter that we will be taking more advice on and I don't, as a believer in the sovereignty of Parliament, I don't anticipate what Parliament might do in its wisdom and we can't do anything about appointing an administrator if it were thought necessary until such time as Parliament has approved those changes. But that is something that we would take advice on. What we are doing is seeking parliamentary approval to give the Minister the power in the event that he does reasonably form the conclusions contemplated in the amendments. Now that is a proper, prudent, sensible, defensible thing for any government that's dealing with a billion dollars of taxpayers' funds to do.

JOURNALIST:

Mr Howard...

PRIME MINISTER:

Yes, Michelle.

JOURNALIST:

Assuming that that got through Parliament, do you see that as a last resort measure or do you see it as a likely thing that would happen in the appointment of an administrator? Secondly, you say the administrator could report to the Minister on possible structural changes which presumably go to Lois O'Donoghue's suggestions and so on, if an administrator is not appointed, where are you going to get some advice on those structural changes when you consider those structural changes?

PRIME MINISTER:

I think a Government has always got to consider changes and I don't want to suggest by what I said there in the statement that we would only take advice from an administrator about how you might change. I mean, governments should constantly take advice on changes and improvements to legislation. I see what we are doing here, in answer to your first question, as being a proposal to give to the Government an appropriate additional power under the relevant legislation. I don't want to clothe it with either of the two words that you used. I think it is appropriate additional power.

JOURNALIST:

Mr Howard, you met with Mr Brown this morning and he told us afterwards that he was urging cuts to the federal bureaucracy of at least 10%. Do you think that's a reasonable sort of figure?

PRIME MINISTER:

I don't want to get into any speculation about levels of reduction to this or that bureaucracy. Let me simply say this so there will be no misunderstanding about it. We have inherited the \$8 billion Beazley black hole and what he has delivered to us will stand here, as time goes by, as one of the least responsible finance ministers that this country has ever had and it has given us a huge problem. We are going to tackle it in an orderly, sensible fashion. I am not going to give a daily commentary in response to daily doses of speculation about levels of staffing in the federal public service or otherwise. We are going about it in an orderly manner. There are agreements on foot between the Federal Government and the relevant public sector unions and we intend to observe those agreements and they've already been the subject of discussion between Mr Reith and representatives of the public sector unions.

Now, as you would have observed yesterday, the Government has appointed as the new Head of my Department, Mr Max Moore-Wilton, who has a very strong background in the area of micro-economic reform. I think he will bring to that job and to that responsibility a unique blend of bureaucratic experience at a federal and state level as well as considerable expertise in the private sector. Now, as to the level of impact of particular decisions, I can't talk intelligently and nobody can talk intelligently about those until decisions have been taken and I am not going to get into a running commentary. I am simply going to repeat that we will do it in an orderly, intelligent, sensitive fashion, having regard to the overall aim of reducing the gap by \$4 billion this year and another \$4 billion next year, but also having a very keen eye, as I repeat and I say again, to the obligations we have to the Australian people to meet our commitments.

JOURNALIST:

.... you did give certain commitments about the public service in the election campaign?

PRIME MINISTER:

Yes but those commitments Michelle were made against the background of the running costs. I mean, the two and a half thousand figure that keeps being quoted as the for-all-time commitment, that two and a half thousand was the effect of the two percent running cost reduction which was contained in meeting our commitments.

JOURNALIST:

Is the Government intent on not to involuntarily retrench people in the public service?

PRIME MINISTER:

Well, I repeat, the two and a half thousand was in the context of the two percent running cost, and meeting our commitments was in the context of the best information that we had available before the election. Now, I refer you back to the question, the comment I made earlier about adhering to the arrangements and the understandings that the Government has had with the public sector unions.

JOURNALIST:

Is the Government considering legislative changes to the public service legislation that would allow you to more easily make redundant public servants?

PRIME MINISTER:

We don't have any such proposals under consideration at present, no.

JOURNALIST:

You're talking about,...

PRIME MINISTER:

Sorry, start again, your first bit was blotted out.

JOURNALIST:

Earlier in the press conference you said that the measures you've announced today were not a considered response to the ATSIC model, I think what you were saying...

PRIME MINISTER:

No, they did not, no, no. I did not represent a considered or final judgement on the ATSIC model. They dealt with issues of accountability, that's right.

JOURNALIST:

Can I ask you, do you have any plans or intentions to review the operations of ATSIC and whether it continues in its present form?

PRIME MINISTER:

Randall, what I've announced today and what was considered yesterday focused on the, what I might call the short to medium term situation. Inevitably, you have to give some thought to the longer term but that hasn't occurred in detail yet. I can't rule it out. It would be misrepresenting the situation to say so, but can I make the point that we want an arrangement that involves the Aboriginal and Torres Strait Islander people as much as humanly possible. We want an arrangement that respects their legitimate aspirations to manage their own affairs, but we also have obligations to the generality

of the Australian people because we are dealing with large amounts of taxpayers' money. I mean, I think it's fair of me to draw on some remarks that Mick Dodson made this morning, and I acknowledge that not everything he said this morning was in anticipatory praise of what the Government has announced, but he did say, and I quote, there also needs to be a change in the way in which the elected representatives deal with the ATSIC funds. So I think there's an acknowledgment amongst significant senior spokesmen for the Aboriginal and Torres Strait Islander people of issues of accountability.

Now what I announced deals with accountability. The longer term arrangements obviously have to come under consideration but I don't want you to infer from that that we have any particular changes in mind and it would be wrong of people to infer that. We're dealing with a current problem in a sensible, measured way and it would be wrong to jump to any other conclusions at this stage.

JOURNALIST:

In your press release, you've cited the Ombudsman's Report on New Burnt Bridge and concerns about several Aboriginal legal services last week as evidence of concern about accountability. In reaching this decision, did Cabinet yesterday have any briefings about accountability problems that have not come into the public domain at this point? Are you in possession of any other evidence that heightened your concern to bring about this action?

HERRON:

I am aware of others that are not in the public domain and as you know the Office of Evaluation and Audit is doing an audit of those legal services and it has been announced today that there will be one into the Tasmanian legal service as well, so there are other things that are not in the public domain as yet.

JOURNALIST:

Mr Howard in your remarks earlier about the appointment of an administrator, you were saying that in total, that you didn't want this to be seen as paternalistic. Isn't there a real danger though that large sections of the Aboriginal community are going to see action like that as paternalistic, and what does that do to the process of reconciliation?

PRIME MINISTER:

Well, it would be an unreasonable view of any section of the community to form that opinion, quite unreasonable. It can never be paternalistic of a government to take legitimate steps to ensure that money designated for particular people actually helps those particular people and that's what we're doing. I mean, this money was made available to improve the condition and the welfare of Aboriginal people. There is evidence that that is not happening. For us to sit by and do nothing about it just because we might be accused of being paternalistic would be quite wrong, quite wrong.

JOURNALIST:

In the event that an administrator was appointed in ATSIC, would you intend that that were an Aboriginal or a Torres Strait Islander?

PRIME MINISTER:

Look, I am not making any commitments either about whether one is going to be appointed or the identity of that person beyond saying that it would be an appropriate man or woman.

JOURNALIST:

So...

PRIME MINISTER:

Look, I am simply not going to make any promises. I am not even going to anticipate whether it's going to happen. All we're doing is giving ourselves the power, and can I, look, we don't have anybody in mind. We don't have any sleeve options. We simply intend to ask the Parliament to give the Minister the power to do it and I am simply not going to anticipate what might happen in the future.

JOURNALIST:

Would you put into that legislation though that that person should be an Aboriginal?

PRIME MINISTER:

No, I'm not. We won't put... we will say that the person will be somebody appointed by the Minister. That means it could be an Australian who is an Aboriginal or Torres Strait Islander or it could be an Australian who is not an Aboriginal or a Torres Strait Islander but I am not going to put into the legislation that it should be a person of a particular race. I think that would be quite wrong.

JOURNALIST:

Mr Howard, what will Max Moore-Wilton's role be in PM & C, given that you have your own personal Cabinet office? Will he have a specific brief to look at economic matters or look at...

PRIME MINISTER:

No, he will be the Secretary of the Department and he will run the...

JOURNALIST:

... change departments...

PRIME MINISTER:

Oh yes, not quite as changed Malcolm, as some think. Michael L'Estrange is running the Cabinet office, or Cabinet policy unit. Contrary to some reports, the Secretary of the Department of Prime Minister and Cabinet still attends Cabinet meetings and I think the whole thing will operate very efficiently and very effectively and I think Mr Max Moore-Wilton will have a very strong and important role and it won't be compromised by the presence of Michael L'Estrange who is a very, very capable person who has of course himself had previous experience in the Department of Foreign Affairs and Trade and the Department of Prime Minister and Cabinet.

JOURNALIST:

Mr Howard, can I just clarify what you said earlier about the Budget? The black hole that you inherited, does that mean that the Government will now have to look at bigger running cost reductions than the two percent that you promised in the election campaign?

PRIME MINISTER:

No what it means is that we have to find the savings identified by the Treasurer when he made his statement. I am not going to give the task any further specification than that.

JOURNALIST:

The Premier (inaudible) that you deal with it entirely through Commonwealth public service cuts. Can you give him a guarantee that you won't reduce State revenue grants both general and specific?

PRIME MINISTER:

I didn't give the Premier any guarantees about funding levels. Quite properly, the Premier put the case for his own State and he did it very well and did it very effectively but it was not a meeting at which he sought specific undertakings, nor was it a meeting at which they were volunteered, and it's simply not realistic of me to do that.

JOURNALIST:

Did you discuss particular areas of responsibility where the Commonwealth might hand back to the States, and vice versa? Mr Brown mentioned for instance that he thought the Commonwealth should get right out of housing.

PRIME MINISTER:

Well, we discussed the generality, Peter, of duplication of functions between the Commonwealth and the States and we also by way of example touched on a couple of areas, including housing. The former Government had gone some way down the path

to rationalising the roles between the Commonwealth and the States in this area but for ideological reasons, they couldn't go further because they objected to giving the States, and South Australia is an atypical situation because it has a larger stock of public housing than the other States, and the problem for South Australia is not so much the shortage of housing stock but a debt servicing challenge, and if it had more flexibility about managing the existing stock, which the former Government had an ideological difficulty in giving it, then its situation would be better. We dealt with housing by way of example. I mean, it wasn't a meeting at which any specific commitments were made or decisions taken. Both of us agreed that there was almost an unrivalled opportunity for the Commonwealth and the States to sit down together and work out a more rational, intelligent way of dividing responsibilities within the federation.

It's a two way process. There are obviously areas of duplication where a different role for the Commonwealth is needed. There is somewhere a different role for the States is needed and I think it's a question of approaching it in an intelligent fashion, remembering that the taxpaying public is frankly fed up with duplication, not only between the Commonwealth and the States but within Commonwealth departments. Can I quote as an example of that, about two weeks ago I met the leaders of the five largest welfare organisations in Australia and one of them, the representative of the Wesley mission in Sydney, said to me, "if you didn't give us another dollar but you simply eliminated the territorial disputes, the faction fighting, the duplication, the overlap and the different policy agendas of not only the federal and State governments but also of agencies within each government, then the welfare recipients of Australia would be a lot better off". I thought coming from somebody who represents the coal face of delivering welfare in this country and who frankly represents an organisation whose commitment to helping the underprivileged is unquestioned, I thought it was a pretty interesting observation on what part of the problem is.

JOURNALIST:

Mr Howard could you tell us how you came to choose Mr Moore-Wilton for the job? Did you have a field of candidates from within and outside the public service and how did he come to your attention?

PRIME MINISTER:

Well, I've known him for quite a while. It goes back to the late 1970s when I was Minister for special trade negotiations and I had a little bit of contact with him. He was not in my battle group at that particular time but I did have some contact with him. I have been giving quite a bit of thought over the past few months to the shape of the Government in the event that the Australian people were to have elected us. I didn't talk to many people about it and I thought that was a bit silly and I didn't believe in elaborately publicised transition plans. I've seen them look rather ridiculous in the past and I just kept my council, but I wanted somebody who did have an understanding of the bureaucracy. He did end up as a deputy secretary of the Department of Primary Industry before he took over the management of the wheat board. I have no doubt that if he had continued in the federal bureaucracy, he would by now at least have been a senior departmental secretary so his public service credentials are undoubted. I'd

heard of his strong credentials and strong performance in ANL. It is indeed a mark of the incompetence of Laurie Brereton that a man of this quality parted company with the Government over the management of ANL. Perhaps if the former Government had listened to him in relation to ANL and not listened and been bullied by the unions they might have had more credit. I consulted a number of people who'd worked with him, including a former State minister and a former federal Minister some years ago, a former National Party federal Minister who'd worked closely with him and a few other people who knew him in the business community and he had a good reputation, and I've no doubt, and can I say that the public service commissioner had absolutely in accordance with the proper processes that I put in train yesterday morning, the public service commissioner had no difficulty in recommending him as a suitable person for appointment for the job.

JOURNALIST:

Was he your only candidate for the job?

PRIME MINISTER:

Well, you have the capacity to choose the person you want and you know, you don't go through a preselection procedure. I mean, when you've been in politics for 22 years, you've been a senior Minister, you know something of the functioning of Government and you have a clear view of what you want to do, which I have, and I have a clear commitment to micro-economic reform. I wanted somebody as head of my department who is strongly committed to the Government's agenda, who understood the way the system worked, who understood the interface between the federal Government and the State Government, who was regarded as a strong performer in the private sector, had street credibility with the private sector. Now, they were the criteria for the person I wanted to appoint and I think he met them admirably and I think it will be a very successful appointment.

JOURNALIST:

So in view of the budget task you are facing, the fact that he was known as 'Max the Axe' had some appeal to you?

PRIME MINISTER:

I hadn't heard that appellation until after Cabinet had appointed him.

JOURNALIST:

In view of the - going back to the Budget black hole - in view of the task ... (inaudible)...about-face, will the Government have to modify or back off some of its election commitments such as not making any involuntary redundancy to the public service?

PRIME MINISTER:

Geoff, I really am not going to get into what I might call specific speculation other than to in a general way remind you of my repeated comments both before and after the election about the importance of political parties and political leaders keeping their commitments.

JOURNALIST:

Mr Howard what are you expecting from the meeting on Friday with the ACTU leadership?

PRIME MINISTER:

The opening of what I hope will be a long frank and productive dialogue. Look, I am very happy to talk to the leaders of the union movement. I have no permanent quarrel with the mainstream of the trade union movement in this country. They have a legitimate role. I will be happy to deal with them openly and directly. Our relationship will be different because they won't run as, and won't be defacto Cabinet Ministers in the way their leadership was under the last Government. That doesn't mean that we won't agree on certain things. We were elected with the authority of the people to make certain changes in the industrial relations area and I'm not going to walk away from those changes, but as to the way in which they might impact and their views on the detail of it, I'll be very very ready to hear from them. But it has to be on the basis that we put a programme down and we have the authority of the people to implement it, but I hope that talking about the industrial relations legislation won't be the only item on the agenda but I'm ready to listen to them on other matters where we might be closer together.

JOURNALIST:

Will you be seeking to demonstrate to them that no workers will be worse off or suffer pay cuts by the proposal to move from paid rate awards to minimum rate awards?

PRIME MINISTER:

Yes.

JOURNALIST:

ERC, Mr Howard. Will Ministers be preparing their initial round of savings submissions for the Expenditure Review Committee in consultation with departments or just out of their own offices?

PRIME MINISTER:

Well, I would have thought that the individual arrangements are matters for particular Ministers to decide upon in accordance with my view about how, you know, having appointed somebody, you let the Minister run the department in the way that he or she

thinks fit. But I think there is a leveling effect in this. I mean, it all has to come to the ERC and everything is on the table and I think the process which is most likely to deliver the best outcome will be the process that is inevitably followed.

JOURNALIST:

Mr Howard, what's your view on Mr Borbidge's decision to reject the Cape York land use agreement which you supported during the campaign?

PRIME MINISTER:

I haven't been informed of that. Did it happen this morning did it?

JOURNALIST:

Yes.

PRIME MINISTER:

I'm sorry I haven't been informed of that.

JOURNALIST:

Mr Howard, on a Queensland matter. Queensland has indicated they want to pull out of the national competition arrangements on power and sugar....

PRIME MINISTER:

Well, they would dispute that. They would dispute that they want to pull out of the national competition arrangement per se in relation to power. The Queensland Premier has told me although they made certain election commitments about Eastlink, they are quite happy to look at other ways of connecting to the national grid.

JOURNALIST:

Are you committed as ever to the Hilmer Competition reforms?

PRIME MINISTER:

Yes.

JOURNALIST:

As originally proposed?

PRIME MINISTER:

What, the commitment or...? Well, you've got to bear in mind that the national competition reforms contemplated the capacity of States and in other circumstances where a public interest test was satisfied, contemplated that be the full gamut of the

JOURNALIST:

... newsagencies?

PRIME MINISTER:

I'm sorry can I just finish... the full gamut of the policy would not apply.

JOURNALIST:

Just on ATSIC for a moment again. There's been some criticism that these changes weren't outlined in the Aboriginal affairs policy before the election. What's your response to that?

PRIME MINISTER:

I think that's a completely ridiculous criticism. I mean, we are dealing with, you know, a set of management challenges that have specifically arisen since the election took place and no way can what we are doing today and what I've announced today be regarded as in any way breaching things that we said during the during the campaign.

JOURNALIST:

I'm a bit confused about how much these measures are about ensuring full accountability in the future, particularly the auditor. How much are you going to go into what exactly has happened in the past and whether certain people should face any legal action or other action.

PRIME MINISTER:

Well, so far as any kind of criminal or other liability is concerned, everybody is accountable before the law - the criminal law of the country according to that law at the time people behaved or didn't behave in a particular way, and we are not seeking in any way to retrospectively apply the criminal law to any kind of behaviour. As far as the management of funds by organisations is concerned, if you look at the financial directive that Senator Herron has issued you will find the answer to your question.

JOURNALIST:

Could I just clarify then Mr Howard, there is an existing office of audit which is conducting the Aboriginal Legal Service review. How is that office going to fit in with this special auditor. I mean, are they going to be one and the same or ...?

PRIME MINISTER:

Well, they won't be one and the same. Well, that's something that Senator Herron will be saying something about over the next couple of days.

JOURNALIST:

Senator Herron, you said earlier that you were aware of other allegations that weren't already in the public arena. Can you just elaborate on what investigations...

HERRON:

There have been many allegations as you know and it has been going on for a number of years. But no I don't intend responding to a specific or instances specifically. There are many allegations. There have been allegations for years.

JOURNALIST:

Prime Minister, the administrator, as you set out in your press statement, if that is I'm assuming a transitional arrangement until things are sorted out, is that a fair assumption and is it also fair to assume that if it came to that and if there was evidence of gross mismanagement, some changes to the structure of ATSIC would ensue in order to prevent a ...(inaudible)... administrator was no longer needed.

PRIME MINISTER:

I'm not going to speculate about that. That's a matter for others.

JOURNALIST:

So the administrator is a transitional

PRIME MINISTER:

No, the proposal to give the Government power to appoint an administrator is not meant to be a transitional thing. I mean, what we are proposing to do, if Parliament agrees, is to amend the Act so that the Government of the day will have the power to appoint an administrator to exercise the powers of the commissioners in certain circumstances. Now, that is said and done without prejudice to any other changes that may or may not happen in the future and it doesn't assume automatically that an administrator is going to be appointed.

JOURNALIST:

But if the administrator were to be appointed, it wouldn't be for all time, it would be for a period of time until...

PRIME MINISTER:

Well, that is a hypothetical question and I don't intend to add to what I have said except that... I think I understand what you, what you're saying is that the appointment of the administrator going to be used as some kind of device to permanently sideline ATSIIC? Is that what you're asking?

JOURNALIST:

I was starting from the assumption that that would not be the case and asking...

PRIME MINISTER:

Good, well your assumption is right.

JOURNALIST:

You said early on in the press conference that this idea of having the power put in a special administrator does exist already, it already is used in other cases. Can you give me some examples of that and is it a transitional ...

PRIME MINISTER:

Well, local councils, companies.

JOURNALIST:

So they are put in for a short time, trouble shoot and...

PRIME MINISTER:

Some council administrators have stayed a while. I can remember some celebrated ones in inner Sydney in the 1950s and 60s, but I mean, that's all changed now hasn't it?

JOURNALIST:

Mr Howard, how much will be saved by cutting the size of the regional councils from 20 to 8 - how much money?

PRIME MINISTER:

I'm told about \$2 million and that's being returned to the budget. I exempted that from my comment earlier about the money. That's the two extra questions and I think we might end. Thank you.

ends