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PRIME MINISTER

14 October 1996

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
INTERVIEW WITH DERRYN HINCH - RADIO 2GB**

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HINCH:

Mr Howard, Mr Prime Minister, good morning.

PRIME MINISTER:

Good morning Derryn.

HINCH:

Do you regret now not following your base instinct and sacking Senator Short in the first place?

PRIME MINISTER:

Before I answer that could I just correct something you said and I'm sure it was inadvertent, but you said the row over share trading. Senator Short was not trading in shares, Mrs Costello has not been trading in shares.

HINCH:

All right, share ownership...

PRIME MINISTER:

Share ownership.

HINCH:

I'll accept that.

PRIME MINISTER:

But there's a very big difference...

HINCH:

Yeah, makes it sound like there's some sort of...

PRIME MINISTER:

Something sinister and they've money and all that kind of thing...haven't done anything of the kind.

No, I don't. I thought what I did last week was right. I believe though, with the additional information, and that is that he took a decision that clearly involved a potential conflict of interest...I mean, what Senator Short should have done owning those ANZ shares, whether you got that very routine application for approval back by the Reserve Bank and the Treasury, what he should have done was to have asked the Treasurer to do it or alternatively it should have tweaked with him that if he was holding the ANZ Bank shares he did have a conflict of interest. So either way, once it was clear to me and to him that he'd taken a decision directly and only effecting the ANZ Bank, he was in a conflict of interest. He didn't gain anything, he didn't make anything, he didn't cheat, he didn't lie...

HINCH:

But that's not the point...

PRIME MINISTER:

No, I accept that and that's why he's resigned.

HINCH:

Your list of high-minded scruples and ethics for your ministers which you made much of about cleaning up the standards of government, they spelled out pretty clearly, and not only was he in breach and I think had to resign, but how come Mr Costello's family, his wife, can now own shares with a bank?

PRIME MINISTER:

Because that's not forbidden by the guidelines.

HINCH:

So wives can own shares?

PRIME MINISTER:

Wives can own shares and in this day and age where women are not regarded as the financial vassals of their husbands, so they should. And I don't think anybody...I mean, I noticed incidentally this morning on radio Mr Beazley was backing off at a hundred miles an hour at the idea of pursuing Tanya Costello. Can I just tell you she bought those shares in 1994 out of her own money because

she has a job of her own. She has not dealt with them or traded with them since her husband became the Treasurer. When the rest of the Commonwealth Bank was being sold a couple of months ago, Mr Costello specifically asked his wife not to participate in that new share issue because that is what the guidelines required him to address his mind too. He has complied exactly with the guidelines. There is nothing in the guidelines which say that the wife of a member of Parliament or a Minister can't own shares. The only thing that's in the guidelines is that the Minister is required to have regard to the interests of his family and the holdings of his family in shares...

HINCH:

What does that mean because...?

PRIME MINISTER:

What it means is exactly what Peter Costello did in relation to the Commonwealth Bank. He said to his wife, look, you bought those shares before I became Treasurer, you bought them out of your own money, you're not required to sell them, but because the guidelines require me to have regard to your shareholding I'm doing that by asking you not to participate in the new issue - and she didn't. So she was absolutely correct in every particular.

HINCH:

All right, if Senator Short had just transferred his shares to his wife, would he'd have been safe?

PRIME MINISTER:

No, no, because the guidelines say you can't do that.

HINCH:

See, one of the problems here...and I agree with you, but I mean we're going to say that women are equal and they are independent and they have their own careers etc etc, but when you're a member of a political family, whether you're the wife or the husband of a federal minister or Prime Minister, there are prices you pay and there are perks you get and so therefore you are treated differently and you should be treated differently, don't you agree?

PRIME MINISTER:

Well, it depends where you end. I mean, why do you just single out wives. I mean, what if somebody has a close association with somebody they're not married to - are they going to be advantaged and the person who's married is disadvantaged? You have to draw the line somewhere and the guidelines that I laid down made it perfectly clear that the wife of a minister was not forbidden from owning shares...

HINCH:

Well what if I put shares into a family trust that I have no say in, just my wife and my children have access to?

PRIME MINISTER:

Well, the guidelines don't allow you to do that if you have owned the shares at the time the guidelines operate. I mean, in the case of Mrs Costello, she bought these shares in 1994, she bought them out of her own earnings, she put them on the public...her husband put them on the register. He wasn't sort of flushed out, it wasn't suddenly discovered, he revealed this himself in 1994 and he revealed it again...

HINCH:

He wasn't Treasurer then.

PRIME MINISTER:

No, but he revealed it again when he became Treasurer. He put in a new statement of interests when he became Treasurer. I mean, there's been no cover up. And the guidelines - this is what we're talking about - the guidelines do not forbid the wives or husbands or children of cabinet ministers from owning shares. What they do is to say to somebody who owns shares, when he becomes a minister, you can't avoid the application of those guidelines by transferring those shares to your wife. Now that didn't happen in Costello's case because they were always hers. In fact, he told me this morning that she actually bought them in the first instance without telling him and he only knew afterwards that she bought the shares. Now fair enough, she's got a job of her own. And we keep hearing from the Labor Party and from many other sections of the community, and quite rightly, that women are not the financial vassals of their husbands, that is an old fashioned view. And I find it very strange that Gareth Evans, for example, whose wife has a career of her own...I mean, when Ros Kelly was a cabinet minister we never attacked her participation in decisions because her husband was a senior executive in Westpac Bank. We never once said that, we never once said that. We criticised her behaviour over the whiteboard incident in the sports rorts, but that was her behaviour. We never said that she was in some way disenfranchised from participating in some of the most sensitive financial decisions taken by the former government because her husband was one of the most senior executives in the Westpac Bank.

HINCH:

I know you've only got a couple of minutes because you have to go in a few minutes time, so two other quick areas. One - I picked up the *Tele* this morning and there is a headline that says, 'Howard Rejects Civil War Warning,' and I thought how crazy is this getting.

PRIME MINISTER:

Well exactly, I couldn't agree with you more. I mean, this has been my line all along. I think too much attention is being paid to the Member for Oxley. And who was the person who said right at the beginning that we shouldn't be reacting to maiden speeches of Independent members of Parliament? It was me. And from then until now I have been criticised by some of your colleagues in the media...

HINCH:

Wrongly.

PRIME MINISTER:

...wrongly, and criticised by the Labor Party for simply saying, if I've got a view I'll state it. Now, I believe in a non-discriminatory immigration policy, I believe in racial tolerance, I believe that all Australians are equal irrespective of their ethnic background. But I also believe that people have got a right to advocate lower immigration, which we have done. We have cut the migrant intake quite significantly and I don't make any apology for that.

HINCH:

By about 30,000.

PRIME MINISTER:

Well, we've certainly cut it very significantly and we've shifted away from the emphasis on family reunion and I make no apology for that at all. Any government has got the right to change the level from year to year according to circumstances, but we have maintained the non-discriminatory nature of the policy. We're not singling out Asians or anybody else. All Australians are equal. Now that has always been our policy. But I am not going to start jumping around every time an Independent member of Parliament makes a statement. She's got a right to her views and I think this whole thing has been blown out of all proportion. I'm sorry to say it because I don't like blanket criticism to sections of the media. I think some sections of the media have just really gone berserk over this issue. It's almost as if they want there to be some kind of (inaudible) over this issue and I don't think that helps the country at all.

HINCH:

No, I don't either. But the interesting thing is that nobody jumped up and down and insisted that Prime Minister Hawke or Prime Minister Keating should respond every time Graeme Campbell, who was in the Party, or say Ted Mack, an Independent, said something.

PRIME MINISTER:

Well, Graeme Campbell had 13 years in the Labor Party in which he regularly disagreed with the Labor Party on multiculturalism and immigration. Now, some of the things that he said at that time were very critical of his government's policy. But in the end they expelled him, but every time he made a comment the standard response of Hawke and Keating was to say, 'oh, he's a maverick, forget him'. And yet he was a member their own Party. This lady is not a member of my Party.

HINCH:

No, you sacked her from pre-selection.

PRIME MINISTER:

Exactly, she's an Independent. Now, I'm not going to, every time she makes a speech and she'll make a lot more, I'm not under an obligation and yet I've been told in this solemn, pompous fashion by quite a number of editorial and other writers that I've got a national responsibility to respond to every detail of what she said. I think that's ridiculous.

HINCH:

Do you feel a disappointment that you hear in talk back radio shows, read the newspapers, that there are a lot of Australians - some Australians out there - who do support her and they say "well, actually I support everything she says", which I find is ominous?

PRIME MINISTER:

Well, I haven't found anybody in public life whose every utterance I support - never, I've never found that. Some of the remarks that were attributed to her over the weekend I am told that she claims to have been misreported. Well, if that is the case she hasn't said them, but if she's been accurately reported as talking about things like civil war and bloodshed, well that really is quite silly. When I was asked about that I said it was quite silly and I repeat it again today. Look, there are some people in the Australian community who are intolerant, but by and large I think Australia is a more tolerant society than the politically correct brigade give us credit for being. I guess one of the things that I have reacted against in this whole debate is this automatic typecasting of Australians as racist. I don't think Australians are any more racist than any other country. I think we do have some people who are racist and intolerant, but I think a great number of Australians are prepared to accept people of different backgrounds and they want to see them become part of the community, they want all of us united together with common Australian values. And this idea that we have been an intolerant community is very unfair and I think we're putting ourselves down, we demean ourselves when we say that.

HINCH:

You were campaigning in Lindsay yesterday in support of Jackie Kelly. Obviously you hope you can win that, but it's going to be tough now with some of the deals being made.

PRIME MINISTER:

Well, it's going to be very tough. It's traditional Labor territory and the Labor Party has done a preference deal with Australians against further immigration - that's the mob that wants no immigration at all - that sits very idly with the Labor Party's criticism of me and criticism of Graeme Campbell and criticism of Pauline Hanson, but they're the vagaries of politics. They've also made a deal with the Shooters Party who don't like me very much for reasons I guess everybody understands because of my stance on weapons. Jackie Kelly won fair and square. A lot of people think she's been punched out on a technicality. It's very strange to tell people that somebody who's been in the Royal Australian Air Force is in some way potentially under allegiance to a foreign power because of a technicality in the Constitution. Many people feel that Ross Free's being a bad sport and I think...

HINCH:

Well he is.

PRIME MINISTER:

I mean, he was beaten, he was part of the problem, he'd had 13 years, he was part of the sort of tired image of the...out of touch image of the Labor Party in traditional Labor areas. Jackie Kelly by contrast is really a breath of fresh air. She's energetic, young, keen, different. I think the people of Lindsay would be better represented by her. I think it's going to be very hard. I think because of

these deals Free could sneak in through the back door, and if any people out there in Lindsay are wavering can I just say to them if you want to stop Ross Free sneaking back you've got to vote directly for Jackie Kelly and not muck around with minor parties.

HINCH:

Speaking of voting, are you watching across the Tasman? Presumably you'd work with either Helen Clark or Winston Peters or Jim Bolger.

PRIME MINISTER:

Oh yes. I've not met Peters. I know Jim Bolger well. I did meet Helen Clarke a couple of months ago when she came to Australia. Yes, I'd work with either of them. It's an extraordinary system of voting. I don't know why on earth they imposed it on themselves. I said that to Jim Bolger, "why on earth did you propose this system on yourself?" I think everybody thought it was a good idea at the time.

HINCH:

All right, one final thing, I know you have to go. You wouldn't have heard yet, but Senator Jim Short and I have one thing in common.

PRIME MINISTER:

What's that?

HINCH:

I resigned this morning.

PRIME MINISTER:

Oh, I'm sorry to here that. I am sorry Derryn, and I wish you well. I'm sorry, I didn't realise that, I didn't know that.

HINCH:

Only about half an hour ago. That's life as somebody once said.

PRIME MINISTER:

Yes it is. Well look, I wish you well, personally I do and I wish you well professionally.

HINCH:

Thank you sir.

PRIME MINISTER:

And it's always been... although we haven't always agreed and that's proper too, I've always enjoyed having a civil discussion with you and whatever you do in the future in the media you've got my personal good wishes.

HINCH:

Thank you. But we've had some good go rounds over the past 15 years haven't we?

PRIME MINISTER:

Yes, and can I tell you what goes down in my experience ultimately comes up if you hang on long enough.

HINCH:

Good point. Thanks for your time.

PRIME MINISTER:

Okay, cheerio.