



PRIME MINISTER

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TRANSCRIPT OF THE PRIME MINISTER THE HON JOHN HOWARD MP PRESS CONFERENCE - WREST POINT HOTEL CASINO

E&OE.....

PRIME MINISTER:

Well ladies and gentlemen I'm delighted in the presence of the Tasmanian Premier, Mr Tony Rundle and the Minister for Industry, Science and Tourism, John Moore, to announce that Peter Nixon, the former Minister in the Fraser Government and senior member of the National Party has agreed to undertake, what I think can fairly be described as the 1996 version of the trailblazing inquiry into the Tasmanian economy by Sir Bede Callaghan back in 1977.

In 1977 the Fraser Government recognising some of the particular competitive disadvantages of Tasmania established an inquiry into ways in which particular measures could be taken to respond to that competitive disadvantage. And out of that inquiry came a number of measures that over the years have helped to remove the disadvantage suffered by Tasmanians through no fault of their own but because of the geographic isolation of Tasmania from the mainland and some of the other characteristics of the Tasmanian economy.

Peter Nixon has agreed to chair this inquiry and with the news release I'm putting out now the terms of reference are attached. The inquiry will report to the Governments, the two Governments by June of next year. The Secretariat for the inquiry will be located here in Hobart within the Premier's Department. In securing the services of Peter Nixon for this inquiry we have a person who not only has a wealth of experience in politics but he also has a wealth of experience in business. And he'll bring to that inquiry a very deep understanding I think of what's possible to be done but equally the limits on Government intervention in areas of this nature and the purpose of the inquiry will be to review the economic and competitive position of the State.

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The decision to conduct the inquiry follows representation by Tasmanian Coalition members during the election campaign and funding of it was announced by the Treasurer in the recent Budget. And the study will provide advice to both Tasmanian and the Federal Government on how Tasmania can best use its resources. And the study is particularly enjoined to inquire into and report on industry development and employment in Tasmania. It will be asked to draw on and update the previous study amongst other things it will identify areas or sectors in which the Tasmanian economy has or can develop a sustainable, competitive advantage and the resultant opportunities for an impetus to sustainable employment growth. There's little doubt that for some time Tasmanian has faced a particular challenge in the area of employment especially amongst its young and the desire of the present Government of Tasmania to address some of those problems is another reason why the Federal Government has decided to announce this inquiry. I believe that Peter Nixon will do an excellent job and I and I know the Premier will look forward very warmly to the results of that inquiry.

JOURNALIST:

What will it cost Prime Minister?

PRIME MINISTER:

Well there's been a sum of \$150 000 allocated out of the reviews being funded from the Budget allocation of \$150 000. Obviously if it ends up costing more than that then we'll make additional funds available.

JOURNALIST:

Could it lead to the reduction of any existing subsidies or equalisation schemes?

PRIME MINISTER:

Well we're not into the business of taking them away. But look I don't want to pre-empt - I mean the purpose of the inquiry - I mean it's not a Trojan horse to take something away I mean let me make that very clear - certainly not. We're in the business of trying to help but help within reasonable and proper constraints. Beyond saying that I don't really want to pre-empt what Nixon is going to have to say. I understand that he's coming down here next week and there will be an opportunity for some of you who are here today, based here in Hobart, to have another talk to him about some of the details of the inquiry.

JOURNALIST:

Prime Minister the AGB McNair Poll has Jackie Kelly well in the lead in Lindsay. You can't really keep claiming to be the underdogs now can you?

PRIME MINISTER:

Well Russell I draw your attention to the history of by-elections. They normally comprise swings on average of four to five per cent against the incumbent Government. Lindsay traditionally has been a Labor seat. It was the third most spectacular victory on the 2nd of March; the swing there was exceeded only by the swing in the neighbouring seat of Macarthur and in the seat of Bowman in Queensland.

I am concerned that the Labor candidate will sneak back through courtesy of the preferences of minor parties such as the AAFI and the Shooters Party. And I'd say to the people of Lindsay if you don't want to bring back the bloke you rejected seven months ago, the most effective way of doing that is to vote directly for Jackie Kelly and don't waste your votes through an independent otherwise your goal in denying the return of Mr Free will not be achieved.

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I've seen the polls but I also know the history of by-elections and I always back my own instincts a little bit in these things. I'm concerned that the desire of a lot of people to give Jackie Kelly a fair go and that's what I think ought to happen. I mean she's only had seven months and she was knocked out on a technicality. A lot of people find it rather strange that that exists, but it exists, it's the law, and I think it has affronted the fair go sensitivities of a lot of people and I just ask the people of Lindsay to give the lady a fair go and put her back, she's worked hard and I hope they do. But I'm concerned about those minor party preferences.

JOURNALIST:

You're not suggesting Mr Howard that your private polling is showing something different from what's in the published polls.

PRIME MINISTER:

Well I think it's...I mean, my understanding...I haven't refreshed myself in the last couple of days but I think our private polling shows a tighter result than what's in McNair. Look, I'm not saying that our private polling shows the Labor Party is a mile in front, but my recollection is that the private polling shows a tighter situation, yes. I mean, I am saying that, yes - a tighter situation.

JOURNALIST:

Not a winning situation?

PRIME MINISTER:

No, very, very close. Very close when you have a proper distribution of preferences...see, you can't allocate preferences fifty-fifty when you've got the anti-immigration group saying give your preference to Labor ahead of Liberal.

JOURNALIST:

What impact, if any, do you expect after the week you've had in Parliament this week over the ministerial shares to have on Lindsay?

PRIME MINISTER:

Well I suppose I could answer that in a more educated fashion on Sunday morning. I don't know. I do know that a lot of people have been ringing up my office in Sydney and saying: "what's it all about, they haven't done anything wrong, they haven't stolen any money, they haven't been dishonest, they haven't been improper - why can't you own a few shares?" I mean, that is a bit of a reaction that's developing in the community. And can I say on that subject that I find it quite amazing that this morning the Leader of the Opposition has made this remarkable statement on radio. He said:- "you are not obliged to get out of your businesses or get out of your shareholdings or whatever..." - I repeat that - "you are not obliged to get out of your businesses or get out of your shareholdings or whatever, what you're obliged to do is be careful when there is an apparent likelihood of a conflict of interest." I mean, if you're not obliged to get out of your shareholdings, you're not obliged to get out of your business, all you're obliged to do is to worry about potential conflicts of interest, and if two days earlier he acknowledges there's no evidence of impropriety, I mean what's the fellow been going on about for the past few days. I mean, why did he attack Tim Fischer, why did he attack John Moore if he believes you're not obliged to get out of shares or get out of businesses if it looked to conflict of interest situations? Because every time there was a possibility of a conflict of interest - I can tell you because I was there - I mean, Tim Fischer just kept saying 'BHP shares, I've got some.' I mean, it's a ridiculous situation. I mean, this really is quite an amazing. We've had four days of this and now you've got the Leader of the Opposition - the chief

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prosecutor - saying in successive days, firstly, no impropriety is being alleged and secondly, you are not obliged to get out of your businesses or get out of your shareholdings or whatever. What you're obliged to do is be careful when there is an apparent likelihood of a conflict. Well, in those circumstances I say to Mr Beazley, why did you attack the Deputy Prime Minister? Why did you attack the Minister for Industry? Why have you wasted so much time on this issue? I mean, this man can't be taken seriously and I think increasingly that may well filter through to the rest of the Australian community. But David, the answer to your question will - well we may or may not have it on Sunday - but it's always very hard to make a judgment. I still think out there people are ... they're looking for the substance and they don't see any evidence of chicanery or impropriety, they don't see anybody having been dishonest, and they even have the Leader of the Opposition saying that they haven't been dishonest and now that they shouldn't have got rid of their businesses or their shares.

JOURNALIST:

Andrew Robb says that it's been a bad week, and there seems to be a concession there at least that it could make things more difficult for the Coalition in Lindsay. Would you concede that, that this week does make...?

PRIME MINISTER:

I say what I've said.

JOURNALIST:

Prime Minister, do you in any sense though accept the by-election is a litmus test of how your Government's going?

PRIME MINISTER:

Ask me that on Sunday morning.

JOURNALIST:

Mr Howard would you be surprised if the reasons the voters of Lindsay tossed Labor out have dissipated so quickly over six months and they're prepared to put Labor back into the seat?

PRIME MINISTER:

Nothing ever surprises me completely in politics. I will be very disappointed if Jackie doesn't win because she deserves a fair go.

JOURNALIST:

Prime Minister, in the context of the debate over race, if the Labor Party wins on Saturday on AAFI preferences, what would be your view about the quality of that win?

PRIME MINISTER:

Well, I have said what I've said about their deal with the AAFI and however they try and walk away from it, there was a deal. I think it is a touch hypocritical to allege that we're not robust enough in condemning those Australians who might have racist tendencies, which incidentally I don't think there are a large number but there are some, and then in the next breath do a deal with the AAFI. I think I would, rather than get into possible responses to hypothetical outcomes. I'll wait and see what the result is and then I'll make a comment on the result. I can only again express the hope that people who don't want to put back a

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failed candidate of only seven months ago, that they don't waste their vote on an Independent and they vote directly for the Liberal candidate.

JOURNALIST:

Would you describe the Australians Against Further Immigration Party as a racist group?

PRIME MINISTER:

Well, I've seen some of the material that the organisation's put out. I think it appeared in an article written by one of my interrogators here and if that is a fair representation of its material, it's a pretty distasteful organisation.

JOURNALIST:

But Prime Minister, Graeme Campbell says it was he who brokered the deal on preferences and not the Labor Party, what do you say to that?

PRIME MINISTER:

Well you can't have a deal unless two people are in agreement.

JOURNALIST:

Well he says it was he and the AAFI that organised...

PRIME MINISTER:

Yes, but hang on, they're not the two parties to the agreement.

JOURNALIST:

No, but he says he...

PRIME MINISTER:

Well who was he acting for? He knows a few people in the Labor Party doesn't he?

JOURNALIST:

Yes, he used to be a member of the Labor Party...

PRIME MINISTER:

That's right and he has close associations with another member of the Labor Party from his own State doesn't he?

JOURNALIST:

And Pauline Hanson used to be a member of the Liberal Party.

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PRIME MINISTER:

Well exactly - I'm not denying that, we're open about that, but we sacked her in three hours, he lasted 13 years.

JOURNALIST:

On the shares issue, have your previous actions and the actions of this week made it practically impossible for Ministers to hold shares?

PRIME MINISTER:

Well I would trust not and I don't believe so. And now that I have the endorsement of the Leader of the Opposition that it is not wrong to own shares and you don't have to get rid of them or your business. I mean, what he said here is you can hang on to your business and you can hang on to your shares, all you have to worry about is a potential conflict of interest. I would have thought we've got the basis of a bipartisan understanding.

JOURNALIST:

Prime Minister, the words you just read out from Mr Beazley, didn't you say all you have to do is be careful and isn't that your charge that you made the other day is that you were apologising to the Australian people because some of your Ministers had been careless, is that the issue?

PRIME MINISTER:

Look, obviously I would have rather one or two people read the guidelines more closely - but those people have paid fairly dearly. But that hasn't altered the fact that you now have, at the end of the week in which he spent time talking about nothing else, you've got the Leader of the Opposition saying two things: firstly, 'no impropriety by my ministers or former ministers,' and that of course is the case; and secondly, he's not saying you've got to get rid of your business or get out of your shareholdings or whatever, what you're obliged to do is be careful when there is an apparent likelihood of a conflict. Now, I don't disagree with that, I agree with that and that's the whole thing, you've got to be. But I mean, I can say in relation to people like Tim Fischer, even in the remotest situation Tim would say, 'look, you should understand I've got some BHP shares, I may have a conflict of interest,' and that is precisely what I'm talking about.

JOURNALIST:

How does his declaring that to Cabinet negate any potential conflict of interest?

PRIME MINISTER:

Well it's not wrong to have a conflict of interest, you've just got to make certain that people know about it and that your behaviour in the light of that declaration is judged against the background of that conflict of interest. In some circumstances you would excuse yourself from making the decision, or if you are in a Cabinet meeting people would take a decision in the full knowledge of your interest. I mean, I can remember circumstances where I've heard Ministers in very remote situations say: 'look, I own such and such and that may involve a conflict of interest.' I mean, none of us can avoid some potential conflict of interests, the important thing is to declare them and in appropriate circumstances not to involve yourself in the decision-making process. And in every case that I can recall, in the case certainly in relation to Mr Fischer, he, if anything, he erred on the side of caution, as you should, in declaring the interest - and I'm absolutely certain that, in doing so, he complied in every particular with the requirements.

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JOURNALIST:

Has he ever followed that declaration with excusing himself from a vote?

PRIME MINISTER:

In some cases he may have. Look, I'd have to go back and look at the record. I don't carry...you know, I haven't got a photographic memory, but I do know he makes a regular habit whenever something comes up, no matter how remote the connection. So I mean, the law isn't - the practice isn't that you mustn't ever have a potential conflict of interest. You must be mindful of it, you must declare it and you must take steps to ensure that your conduct can't be criticised as having put private interests ahead of public duty. Now Kim Beazley has endorsed that principle. I thank him for it warmly and we now have the bipartisan basis for an intelligent approach to this matter. Thank you very much.

JOURNALIST:

Prime Minister before you go.

PRIME MINISTER:

Yes Peter.

JOURNALIST:

Labor Prime Ministers started coming to this very building some years ago and they never got struck by lightning on the way. What does that say about your visit?

PRIME MINISTER:

Well, I suppose you could say I was destined to finally get here. If my memory of Australian politics serves me well, a not incredibly fortunate Labor Opposition Leader once came to Hobart and attended a National Conference of the Australian Labor Party that led to the great split. I think, in fact, it was in 1955 the Labor Party had its conference here which led, a few months later, to the formation of the Anti-Communist Labor Party that ultimately became the Democratic Labor Party. If you're asking me about last night, it was what you might say a jolting end to the week.

JOURNALIST:

Prime Minister, can I just ask you about the damage to Parliament House? Jennie George said today that she believes the Federal Government has put the ACT up to this damages bill of \$89,000 that's gone to the unions. Is there anything in that and what should happen?

PRIME MINISTER:

Well I pay my bills and so should the ACTU.

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