

6 October 1997

3

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
RADIO INTERVIEW WITH MATT PEACOCK
AM PROGRAMME, ABC RADIO**

E&OE.....

PEACOCK:

Mr Howard I'd like to discuss the new Ministry, in a minute, but you, like everybody else, I guess, would still be a little shell shocked by the events of the last fortnight, are you?

PRIME MINISTER:

Prime Ministers never remain shell shocked. They deal with situations when they arise and then they get on with the job and that's what I've done last week, with the announcement of the small business package, the reforms to the child support agency. I'll be making a major address to the Australian Chamber of Manufacturers in Melbourne tonight and I'll be addressing the challenges to Australia with the greenhouse gas debate around the world and saying something about the relations between my Government and the business community. I'm not shell shocked, there was some personal trauma associated with the events of the past couple of weeks. They are now behind us and its very much on with the job of governing and focussing on reducing unemployment, taxation reform, cleaning up the native title mess and all the other challenges that the public wants the government to deal with.

PEACOCK:

You've lost a good and very close friend, Grahame Morris, have you spoken to him since, any advice on the Cabinet reshuffle?

PRIME MINISTER:

Well I've maintained contact with Grahame, he's of course no longer my senior adviser but I wish him well, as I do Fiona McKenna, who was the other very valued staff member. Both of whom have served me with great loyalty and great distinction and great skill over a long period of time. Now I'm not going to re-hash the circumstances of their departure. It's happened. It's behind me. I'm personally sorry. I wish them well, I don't think either of them will have difficulty finding alternative employment. They're both very talented people.

PEACOCK:

Back in the government one day do you think?

PRIME MINISTER:

Well that's ultimately for them but life can move on and can change and certainly there are no understandings regarding that.

PEACOCK:

In the wake of the unfortunate incident with Nick Sherry is it time do you think as many of the leaders have said, for all the parties to get together on this travel business after the Remuneration Tribunal Report? Would you be considering a system where people only get paid for what they spend, for example?

PRIME MINISTER:

I can guarantee the Australian public that we will have a new system, a better system and one that is as abuse proof as possible. But I stress again, as I have repeatedly over the past few weeks of that the great majority of Members of Parliament are meticulously honest and they value their good names and they work very hard to preserve them. But there will be a new system. I will have the report from the Remuneration Tribunal very soon and I'll be making whatever changes are necessary to insulate it as much as possible, as much as feasible, against abuse. But really the public does want us to focus on things that are important to their lives and their families and their future.

PEACOCK:

And what's your personal preference in terms of new travelling arrangements?

PRIME MINISTER:

Well I've got some personal preferences but I'll wait till I get the Remuneration Tribunal's observations on it before I publicly express them but I have a very...

PEACOCK:

...You can't give us a little hint.

PRIME MINISTER:

Well I can tell you this that it's going to be better than the present one, although the one we now have is much better than the one that Labor had for 13 years. But can I say, yet again, no matter what system you have there may always be some people who will try to abuse it, but the great majority of men and women in Parliament are scrupulously honest and very hard working, no matter what side they come from.

PEACOCK:

Barring any more unfortunate accidents or incidents, is this Cabinet and is this the Ministry that you plan to hit the next election with?

PRIME MINISTER:

Well I would expect so. I certainly would expect so and the point I have got to make is that is very much a stronger and more effective communications team than we have had before. Not that the other one was any way inadequate, quite the reverse. But I think I have taken the opportunity to promote some people who have clearly preformed very well and you must always reward performance and recognise merit and that is what I have done.

PEACOCK:

So what were you looking for in particular?

PRIME MINISTER:

Well I have obviously, in David Kemp, he's somebody who has done particularly well over the last 18 months. I want to thank Amanda Vanstone for the tremendous job she did in ploughing through some very difficult reforms. I know she will be disappointed not being in the Cabinet but she will still be in the Ministry.

PEACOCK:

What did she do wrong?

PRIME MINISTER:

Matt, I am not going to go into the detail of everything behind the decisions I took.

I had a long one-on-one discussion with Amanda on Friday afternoon in Canberra and I explained the basis of my decision. I want her to know, I want the Australian public to know, that I have a very warm regard for her and for her abilities.

I think the arrangement that I have decided upon better suits the overall interest of the Government and I want to knock on the head this proposition around in some papers this morning that in some way the new Ministry represents a rebuff to the interests of women. I still have four women in my Ministry, a record number.

I now have for the first time in years, a woman, in Judi Moylan, who full time has the responsibility for the status of women. Previously it was an adjunct to the Minister for Social Security who, although she did it very well, was obviously devoting an enormous amount of time to Social Security. Now, this idea that women's interests have been downgraded is ridiculous.

PEACOCK:

Well I'd like to come to that in a minute, but just to return to Amanda Vanstone, you say you spoke to her. She must have been disappointed. She did do the tough job and now she has been demoted. What was her error exactly?

PRIME MINISTER:

Matt, I am not going to go over what I discussed with her. I thank her for the job she did. I recognise the changes and reforms that were achieved. For reasons that were discussed during our meeting on Friday, I outlined the view that I'd come to, and that is that I thought the interests of the Government would be better served by the new arrangement.

PEACOCK:

Was she upset?

PRIME MINISTER:

Well I am not going to talk about her reaction. Obviously there would have been a measure of disappointment. I understand that. I am sensitive to people's feelings but none-the-less, I have taken the view that in the overall interest of the Government, the new arrangement is better.

In the Justice portfolio, she has a great opportunity to display the many talents and many interests that she has and I know that she will tackle that with vigour and see in it an opportunity to explore some areas she hasn't been able to do over the last 18 months and contribute very significantly to the future of the Government.

PEACOCK:

The Attorney General has actually been promoted [inaudible].

[TAPE BREAK]

PRIME MINISTER:

I think on balance that was the best way to go, but I mean there was no particular significance before.

PEACOCK:

Is it because of his performance? I think many of his colleagues, the Chief Justice, the Law Association, Bar Association, have all been very critical of his....

PRIME MINISTER:

...Well I have a very high regard for Daryl Williams. I think he has done a very good job. He over the last 18 months, for most of the time, had the responsibilities to himself, of a portfolio area that under the Labor Government, was handled by two Ministers and a Parliamentary Secretary.

He has a very good legal mind and he will make a good contribution to the Cabinet and coincidentally, his promotion to Cabinet, means that Western Australia has a seat at the Cabinet table. And whilst he is not there, in any sense, as a representative of Western Australia, he is there as a member of a national government.

PEACOCK:

[inaudible]

PRIME MINISTER:

Well, I didn't do it for any particular reason other than the belief that having him in the Cabinet would be a plus for the Government.

PEACOCK:

Now, you mentioned the role of women, but women have been dropped from the Cabinet haven't they? One of the actual portfolios has been dropped, other than the three [inaudible]?

PRIME MINISTER:

Matt, there is one less female Cabinet Minister, but against that, and that person is still in the Ministry, but against that, you still have four in the total Ministry and you now, for the first time in my Government, have a woman, full time on the job of the status of women. The net outcome of that will be an enhanced focus on women's issues, for example, there is the upcoming National Summit on Domestic Violence, which I personally will be attending and to which the Federal Government is going to devote large additional resources and Judi Moylan and I will be very directly involved in relation to that.

Anybody who sees a situation where you have got a woman full time on the job, looking after the status of women as part of my Ministry, is in some way downgrading women's affairs, well that is just ridiculous.

PEACOCK:

But she won't be in Cabinet will she? Jocelyn Newman, as the Minister previously, was in Cabinet?

PRIME MINISTER:

Yes, but I'll be still in Cabinet...

PEACOCK:

So you are [inaudible] for women?

PRIME MINISTER:

When women's issues are being canvassed in detail, Judi will be there.

PEACOCK:

And in general, you will be the representative?

PRIME MINISTER:

The belief that other members of the Cabinet aren't interested in women's affairs, is of course wrong.

PEACOCK:

Jeffrey Kennett warned about the appointment of Dr Kemp. He said that Amanda Vanstone at least use to listen but you seem to take Dr Kemp's line on this battle with the States, do you?

PRIME MINISTER:

Well, Dr Kemp is right. Dr Kemp is concerned about literacy standards in Australian schools. It is not a question of Federal versus State. It is a question of what is right. It is in the interest of Australian school children, where ever they live and what ever type of school they go to, that literacy standards be much higher and that is what David Kemp has been focusing on. And can I say he has my 100 per cent support and he also has the 100 per cent support of Australian parents.

After all literacy is not the after dinner mint of schools education, it's the main course. If you can't turn out literate students then the fundamental responsibility is not being addressed. Now obviously the schools are doing a first-class job in relation to most of their students, but in relation to a much too larger proportion than ought to be the case, there is obviously a problem with literacy.

Now that's what David has been focusing on and he has been trying to work with the States to get a better outcome and I support him because we are talking here about the passport of Australian school children to a productive future. If you don't have proper standards of literacy then your prospects of getting a job and holding down a job are much diminished and he's doing a public service in drawing attention to that.

PEACOCK:

Mr Howard, on just one other matter, business on the weekend, half of them say that your poor economic managers, is this just bleating business again?

PRIME MINISTER:

Well, I thought the survey itself, when you read it, bore little relationship to the headlines in the newspaper in which it was published. There is an element of never being able to satisfy people in the business community.

Let me remind the business community that the fundamental things that they wanted done we have done. They wanted us to cut the deficit. We inherited a \$10.5 billion deficit and we are \$1.6 billion surplus at the end of my first term.

PEACOCK:

But they still lack confidence don't they?

PRIME MINISTER:

Well, the survey does not say that. The survey is pretty evenly divided to that. If you say they lack confidence, why are they investing at record levels? Why is business investment running at 13 per cent of GDP? The ultimate test of confidence in the Government is whether you invest under that Government and that is a far more reliable guide than a newspaper. If you look at the investment figures, if you look at the cut in the rate of inflation the 2.5 per cent fall in interest rates, the record privatisation program, the reform of a workplace relations system, all of the other economic reforms, some very tough but necessary decisions in the Social Security area, I mean what more in 18 months can a Government be expected to have done.

PEACOCK:

Mr Howard thank you for joining us.

PRIME MINISTER:

It's a pleasure.

[Ends]