



PETER COSTELLO

Treasurer
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of
THE HON PETER COSTELLO MP
Treasurer

Doorstop Interview
Senate Alcove Courtyard
Friday, 4 May 2001
3.15pm

E&OE

SUBJECTS: Shane Stone

TREASURER:

Well I've called this doorstep to comment on the International Trade in Goods and Services, which is a good figure today if any of you guys are looking for footage. But I think I'll talk about something else.

When I was in Washington I became aware that the Bulletin had published a memorandum which I had not known existed and I wasn't aware of the content of it. And when I was asked about that I said, I'd look forward to an explanation when I got back to Australia. Shane Stone came to Melbourne, you know, yesterday and he gave me an explanation. He wanted to think about a few more things overnight and he issued a statement today which acknowledges the damage that the, this has caused to the Government and seeks to put it behind us.

JOURNALIST:

(Inaudible)

TREASURER:

Sorry. Can I say, everybody is entitled to their criticisms of the Government. And I'm certainly willing to hear them. I hear them on a regular basis. I don't think it's a good idea to put things in writing because it can be dug out long after the event, it can cause trouble. I think Shane's acknowledged that. And as far as I'm concerned, that's the end of the matter.

JOURNALIST:

But that acknowledgement goes far enough, you accept his explanation?

TREASURER:

Well, he said today that he regretted the damage that had been caused and in hindsight I don't think that this would have been written down. As far as I'm concerned that's right. But I want to stress this, anybody's entitled to be critical of Government policy. And if you're a Treasurer, I've said this before, you hear criticisms on a very, very regular basis.

JOURNALIST:

Why (inaudible)

TREASURER:

My, my point is, it's not a good idea to put them in writing and I think Shane acknowledges that.

JOURNALIST:

Should you have been shown this memo before it leaked out to the media?

TREASURER:

Well, I didn't know it existed. It was a...

JOURNALIST:

But John Howard and Shane Stone did.

TREASURER:

It was a memo which was written from Shane Stone to the Prime Minister. I didn't know a thing about it.

JOURNALIST:

But surely (inaudible)

TREASURER:

It was up to the Prime Minister what he did with it. I think he said that when you actually looked at it, there wasn't anything in it that hadn't been heard before. And I'd certainly agree with that. I don't think there was anything in that that hadn't been said before in one way and another.

JOURNALIST:

But had you discussed those sorts of concerns about meanness and being out of touch before with the Prime Minister?

TREASURER:

Look as I said earlier, there was a meeting in Brisbane the day after the Queensland state election, there were contradictory reports as to what occurred at that meeting. Do I think there would have been some criticism of the Government? Well they just lost the state election in a very big way, I'd be very surprised if the meeting was called to sort of congratulate everybody on the outcome. I think most probably there would have been a lot of criticisms. Is it wrong to air criticisms? No it's not wrong to air criticisms. That's part of politics. My only point is this. I don't think it's a good idea to sort of write memos and create a paper trail. And I think Shane has said in his statement that he, you know in retrospect, wouldn't have done it that way. And I think this has been an example of when you commit things to writing you do run the risk of them getting out into the public.

JOURNALIST:

Can you...

TREASURER:

Sorry hang on, I'm going to point to you. Sorry, yes.

JOURNALIST:

Has this episode made it difficult for Shane Stone to go on as Liberal Party President?

TREASURER:

Look, I think he's made a, he's made a statement today. He says look, put one down to experience, if I had my time again I wouldn't do it. I think that's a very generous thing of him to say...

JOURNALIST:

But does that make it difficult for him...

TREASURER:

And I think we all ought to accept that. And I certainly do. I, he's had...

JOURNALIST:

(inaudible)

TREASURER:

This is not particularly related to any person. This is a memo that had stuff in it that concerned Government policy, Prime Minister, Deputy Prime Minister, me, Queensland backbenchers, other Ministers,

and you're entitled to criticise Government policy. I accept that. Gee, people have said far worse than that about the Government.

JOURNALIST:

(inaudible)

TREASURER:

That's not my point. You can be critical and you know there were, you know the only thing I'd say is it's not always wise in politics to create a paper trail about all of this and I'm sure that that's one of the big lessons. Sorry, Fran.

JOURNALIST:

Mr Costello, do you wish though you had been told of this memo beforehand, at the time?

TREASURER:

Well, look you can't go back over it. Would I have done anything different if I had been told about it? Probably not. You know you've got to bear in mind that the things that were being said at that time, you know, had, I've been fully aware of the things that had been said. You know people were saying things like you've got to simplify the BAS. Well I agree. I was actually working on simplifying the BAS. In fact, before the Queensland election we called a meeting of all the accountancy groups in Sydney and I put the proposals to simplify the BAS to them. So, if I had been told would I have done anything different? Probably not.

JOURNALIST:

Your supporters believe that you have been set up as a fall guy for the Government's current problems. Do you accept any of that? Do you think this is an attempt by any of the Howard camp to undermine your position?

TREASURER:

Look, we'll accept, I accept criticism and where there is a problem I believe you fix it and I think there was a complexity on the BAS which was a problem. I accept that that had to be simplified and I simplified it. And there is no skin off anybody's nose in criticism and no skin off anybody's nose in responding to it. The only point I'd make is where you create a paper trail long after the event, long after the event, this can be brought out in a damaging way. That is what happened here. I don't say this for myself but it damaged the Government. That is what concerned me, that is what I think will concern Liberal supporters when the Government, I think, had a very good week last week and when the Government I think was re-building support something came that damaged the Government.

JOURNALIST:

(inaudible)...

TREASURER:

That is a matter, that is a matter of great regret. He has acknowledged that he regrets it, he has acknowledged that it was a mistake, what else has he (inaudible)...

JOURNALIST:

(inaudible) ...can you re-affirm your previous statements of very strong loyalty to the Prime Minister?

TREASURER:

Yes.

JOURNALIST:

Mr Costello do you think ... events at that meeting, only one of them seemed to single you out for criticism. Can you explain that to us please?

TREASURER:

Well, I wasn't actually at this meeting so I am...

JOURNALIST:

But you have seen both accounts.

TREASURER:

I have seen both accounts, I have, that is true. I wasn't there, I can't say which of them was right but I did say earlier if you ask me the day after the Queensland election when Liberal MPs got together, I think it was pretty unlikely that they would have been congratulating themselves on their success. I think the probabilities are that they would have got together to voice criticisms. You know how you feel after you lose an election, you don't feel on top of the world. I think the probabilities are that they got together to voice criticisms. Now, I wasn't there, I can't tell you which account was right and which account was wrong. But, what I think I can tell you is there is nothing wrong in voicing a criticism and I am perfectly prepared to hear criticisms and the ones that are justified to respond to them, but I just don't think anything is created by writing all these things down where they can be leaked after the event. And the thing that we will all, we are, I believe, all entitled to be concerned about is that somebody did get hold of this and leaked it maliciously to damage the Government. That is the unfortunate thing here but as to who it was don't (inaudible)...

JOURNALIST:

Were you under any pressure not to demand Mr Stone's resignation?

TREASURER:

I have never demanded Mr Stone's resignation. I first heard about this memo, let's go back over a chain of events, when it was published in The Bulletin, you recall I was in Washington at the time. It was the first time I ever knew it had existed, let alone what was in it. I was doorstopped on my way out of the International Monetary Fund.

I actually thought that someone was going to ask me about the world economy but it turned that that wasn't the case. I was on the other side of the world and I was asked my attitude and I said you will have to ask Mr Stone and I presume he will explain it to me when I got back. Let's go through this, I flew 28 hours or something from Washington, I got into Australia yesterday morning and Mr Stone came to see me to give me his explanation. He then said he wanted to think about things overnight.

JOURNALIST:

What was he thinking about?

TREASURER:

Well, presumably what he was going to say. He issued a statement today where, a statement of regret and he acknowledges that it wasn't a good idea to do a written report...

JOURNALIST:

Yeh, but he wouldn't apologise....(inaudible)...

TREASURER:

...and, hang on, I think that was a pretty big statement from him and a generous statement by him and I think it demands a generous response from everybody involved. And I want to make this point, it's not just me, there are a lot of people that are mentioned in this report. There is a Prime Minister, A Deputy Prime Minister, Treasurer, Queensland MPs, there was some joke about manual labour you will recall. Which one's manual and which one's labour? And there were some other Ministers too, and, you know, I just think it illustrates the fact that criticism is fine. It is best to do it in person and it is not such a good idea to write these things down where they can be maliciously leaked. Thanks very much, thanks.