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OH 955

Full transcript of an interview with

Nick Minchin

on 19 October 2010

By Susan Marsden

for the

EMINENT AUSTRALIANS ORAL HISTORY PROJECT

Recording available on CD

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J.D. SOMERVILLE ORAL HISTORY COLLECTION, STATE LIBRARY OF SOUTH AUSTRALIA: INTERVIEW NO. OH 955

Interview with Senator Nick Minchin conducted by Susan Marsden on the 19th October 2010 for the National Library of Australia and the State Library of South Australia.

DISK 1 of 5

This is an interview with Senator Nick Minchin, who will be speaking with me, Susan Marsden, for the oral history collection conducted by the National Library of Australia as well as the State Library of South Australia. On behalf of both of the Directors of those Libraries, I would like to thank you for agreeing – I'm reading; I'm changing as I go –

Yes, sure.

– I would like to thank you for agreeing to participate in this program. Do you understand that the Libraries own copyright in the interview material and that disclosure will only be subject to any restrictions you impose in completing the rights agreement?

I do.

Thank you. This being so, may we have your permission to make a transcript of this recording should the Libraries decide to make one?

You may.

We hope you will speak as frankly as possible, knowing that neither the recordings nor any transcripts produced from them will be released without your authority.

Okay.

This interview is taking place today, on the 19th October 2010, at Senator Minchin's electorate office, which is a characteristic Adelaide bluestone villa –

(laughs) Indeed.

– at 36 Grenfell Street, Kent Town, just outside Adelaide. Actually, I recognise this – it's nice to know this is your electorate office; I didn't know that it was, and I've often noticed this rather nice, handsome house on the corner here.

Yes. It's a fantastic office, yes.

Beautiful, yes.

It's the best office I've had. It's great.

Now, I would like to start at the obvious place, which is your birth date and the names of your parents.

Right. Well, born on the 15th April 1953 to Devon George Minchin and Betty Irene Rushbrooke.

Rushbrooke.

Was her maiden name, yes – with an 'E' on the end.

And they were – leaping straight ahead to your maiden speech –

Yes.

– you say your father was a pig farmer when you were born. What were those circumstances?

Well, he was, you know, had been a salesman, basically, prior to the [Second World] War. He'd been involved in advertising and he'd spent time in the United States on the road selling Vicks VapoRub and other products, and answered the call in 1939 and went to war, and after the War was involved in advertising in Hong Kong, and then came back to Australia and was looking to get into business of one kind or another with his older brother and, for some reason, (laughs) they bought a pig farm in Dural – which, of course, then was rural countryside outside Sydney.

Dural?

Dural – D-U-R-A-L. It's now suburban, of course. But they had a 50-acre pig farm and, you know, interests in other little businesses. So when I was born he was, you know, a full-time pig farmer and my mother (laughs) lived in the farmhouse, and I had an older half-sister, and we were raising pigs.

And what was your sister's name?

Susan.

Susan.

Yes.

So your father or mother had been – – –?

Because both my parents had previously been married and both widowed, which I guess is the reason they married – main reason they married. (laughter) Yes, both in fairly tragic circumstances, but, yes, lost their spouses at an early age. So it was the second marriage for each of them.

But only had the one child from the prior marriage?

Yes. It was just my mother had my older sister. My father hadn't had any children, so I was *his* firstborn. And my mother and father had two children: me and my younger sister.

What was your younger sister's name?

Melody.

Melody – that's a pretty name – with an 'I-E'?

No; 'Y' on the end.

With a 'Y', yes.

My father's quite musical, so he took to naming my sister 'Melody'.

Just as well you weren't called 'Concerto'.

But I don't remember the pig farm because we moved to Newport Beach in Sydney when I was about two or three, when my father – according to *him* – got out the pig farm because the price of feed skyrocketed, which I think was a function of the Korean War –

Yeah, quite likely, yeah, yeah.

– and he then started a security business – being the budding entrepreneur that he was – (laughs) and we moved, as I say, to Newport Beach; so that's where I was brought up.

And that's your earliest memory, is it?

Yes, are of Newport Beach, you know, which was a fantastic place to be a child: the northern beaches of Sydney, if you know them?

Wonderful, yes.

It was just terrific.

Where did you go to school then?

So I went to Newport Public School in Newport Beach for all of the primary years, six to 12, during the course of which my parents divorced. I was about – – –.

Oh, you were still in primary school, were you?

Yes. I was only about eight, I guess, when they divorced – and had a terrible battle in the courts, under the old *Matrimonial Causes Act* over, you know who would get custody.

Complicated in your family.

It was dreadful. I sort of had this image burnt into my memory as being eight or nine and meeting some Supreme Court judge – this was the practice back then – you know, in all his robes, while he had to decide who was going to get custody and

asking you questions that really were very difficult. So my mother ended up getting custody and so I stayed at Newport Beach – – –.

Of all the children, of all of you, obviously, yes.

Well, yes. My father actually adopted my oldest sister, half-sister, as his daughter, legally, because she had no father; her father had died. So it was the three of us, yes, and Mum had custody with, you know, access provisions and all that sort of thing.

It just wasn't that common for children in those years, really, was it? I mean now it's – – –.

Access, or – – –?

Well, I was thinking the whole experience, really.

Well, no. I remember feeling something of a stigma because divorce was uncommon and having to explain to your peers, you know, your family circumstances, and having my mother struggling on what alimony she could get and then having to go back out to work, and my father succeeding in his business – and, of course, he married the wife of one of my mother's oldest friends, a fellow called Paul Brickhill, who you may know –

Yes.

– who Mum worked with as a journalist on the *Newcastle Sun* prior to the War, and when Paul then married Margot and they moved to the northern beaches and (laughs) my mother, of course, introduced Devon and – my father and my stepmother. (laughs) They took an instant liking to each other. So that made the circumstances of the divorce and everything that ensued rather bitter and difficult, and so I then acquired Paul Brickhill's two children as my stepbrother and stepsister, of course. (laughs)

Then I went to – there was a huge fight about which school I would go to. My father was insisting I go to Knox Grammar School, but because I lived at Newport I would have had to have boarded and my mother effectively would be, you know, denied custody. So I started going to Pittwater High School, which was the local high school, but after two terms there in 1965 my father maintained that I was not receiving the sort of education that he wanted me to receive and my mother eventually gave in, and so in third term I had to, at the age of 12, leave Pittwater High and go as a boarder to Knox Grammar School, where he had been at school for three years prior to the War, which I also recall being one of the worst days of my life. (laughs)

Oh, dear!

Leaving the beaches, which I loved, and being carted off to boarding school up in the North Shore of Sydney, up on the – – –.

Were you there right through, till – – –?

Well, I was there, yes, through till 1970 as a boarder into what is now 12th grade – although I left halfway through 12th grade to go to the US on an American Field Service Scholarship, so I had –

American – – –?

– AFS, American Field Service Scholarship – so I had, effectively, five years at Knox, which I ended up loving. When you're in those sort of circumstances, I just decided to throw myself into everything at the school, and schools like that offer a lot so I was just involved in everything and ended up loving the experience; and, indeed, just a couple of months ago, went to the 40th reunion of our class. (laughs)

Did you?

Yes. All these 40th reunions are coming round. Very scary.

Yes, I've just been to one – or not long ago.

I was going to say .... 40, surely. No, Knox was a great experience and I was a cadet under-officer in the cadets and vice-captain of the school and very actively involved in sport and did reasonably well academically.

There's a 'what-if' here, isn't there. Do you think – I'm going to touch on your political philosophies now – do you think there would have been a difference to your political life or philosophies had you stayed on at the high school?

I suspect I'd have still been on the conservative side of politics, I suppose because my upbringing was in the milieu of my father struggling to start a business; he was an entrepreneur wanting to work for himself; my mother was naturally conservative; family were all Liberal voters. Dad had to fight the trade union movement, in particular, to get his business up and running; he was constantly being thwarted by the unions. So, even if I'd, let's say, stayed at Pittwater High School and all that sort of thing, I still suspect I'd have been a – – –. And, of course, Newport Beach is a reasonably safe Liberal seat, you know, it's actually Bronwyn Bishop's seat. So the whole circumstances of my life still would have been, I think, one that – I might not have gone into Parliament or anything like that; probably would have ended up

practising law on the northern beaches and been much happier. (laughter) But I suspect I still would have been quite conservative in my predilections, yes.

And yet it seems to me you wouldn't have spent a lot of time with your father, for example, given the fact that you were a boarder and I presume you went home to your mother in holidays and so on, did you?

Well, yes. I mean Dad had – you know, the access was shared and I still saw a fair bit of him. He'd come to all my sporting events and things like that. He always had access for holidays and that sort of thing. So, yes, it wasn't as though I was going home every night to two happy parents, no.

Well, no – I suppose, yes, just what influences the parents had on you, I suppose.

Yes. That's always hard to objectively assess. And, of course, trying to pick between the behavioural influences and the innate character influences that you inherit anyway is always difficult. But, you know, I was in regular contact with my father. It wasn't as though I was denied – you know, Mum wasn't seeking to deny me proper – or him – proper access, so I saw a fair bit and had a fair bit to do with my father and always looked up to him, you know, and admired what he was doing in business and everything else. He was a tough father, but – he's still alive. He's 91, still going. (laughs)

I mean it's interesting, isn't it, that you do have a reputation for being a disciplinarian, would that be right?

I don't know about 'disciplinarian', but – – –.

I'm just sort of wondering whether there's a connection.

Well, the media, you know, like to suggest I'm sort of hard-line Liberal. I suppose I have fairly clear convictions and try to hold to them in political life, and they tend to be on the conservative side of the spectrum, yes. But (laughs) how you develop those is – – –. But, as I say, I'm certain that part of that is the nature of my family background, although I never – you know, my father was never involved in politics *per se*, and I don't have – – –. Oh, my great-great-grandfather –

I was going to ask about ancestors.

– was the first Premier of New South Wales –

That's right.

– a fellow called [Sir Stewart]Donaldson, that is on my paternal grandmother's side. But no, there's no other – – –. My mother, subsequently, her third marriage was to a

National Party Member of the State Parliament of New South Wales, but there's not a history of involvement in politics in my family.

Which is more common, anyway, on the conservative side.

Yes.

Often on the non-conservative side you've got a labour unionist parent or something of that nature, or some sort of direct – – –.

Yes, there is. Although Adelaide's different.

Yes, that's true.

You know, it's kind of weird in South Australia, all these generations of bloody conservative Liberal politicians.

Ooh, yeah. I mean I've interviewed Ian Wilson, for example.

Yes. Oh, the Downers and – – –.

I think we spent the first hour talking about the ancestors, really.

Yes. Sure, you know.

Yes, it's very much a family tradition.

It was a surprise when I came here, you know, family tradition of going into politics.

Well, I suspect partly it's almost negative thing that people are a bit – South Australians look a bit askance at that kind of putting yourself out there, so in a way you'd almost –

Yes.

– makes it almost self-selection that some do, you've got sacrificial goats, you know.

Yes, that's true – yes, they – – –.

That's .... my own – it's my own theory. Well, I do want to ask about coming to South Australia, but it's a bit further down the track.

Yes, sure.

And I wanted to ask, yes, about the ancestors because, again, you did refer to them briefly in your maiden speech –

Right.

– but then you also – yes, Sir John Carrick, you mentioned as well. Oh, no, sorry; Sir John Carrick's a Liberal Party director.

Yes.

No, of course, the Adelaide Zoo, that would be – – –.

Well, yes – I didn't know about that till I sort of –

No, that's interesting.

– pursued all that when I came to Adelaide, but yes. But, in terms of political influence, going to the US in 1970 was quite influential, and I found that – it was quite competitive to get one of these AFS Scholarships at the time, and I suppose I was – I was surprised that there was only two people in my class at Knox who even applied for scholarships, which surprised me, and I guess partly my motivation for even applying was that I had a broken family and all that and at boarding school, and therefore was more inclined to go and do something like go and live in America for a year, whereas so many of the boys at school were all comfortable in their circumstance and couldn't understand why on earth you'd want to go and live in America for a year, particularly at that time.

Well, I was struck by that. I hadn't realised it was that. I thought maybe one of your parents, having divorced, had gone to America and you'd gone with them.

No.

It is young to go, in those days.

Yes. Well, you know, it's a great scholarship program and it is deliberately for the purpose of doing final-year high school and living with a family as part of that family in the United States, and you don't know where you're going to go till you get the scholarship, till they accept you, and then they match you up with a family that most meets your nature and circumstance. And so I went to live with a family in Cleveland, Ohio, and just had the most wonderful year. It was a fantastic year.

How was it influential?

Well, the AFS student is sort of an identity in the community – in the school community and in the neighbourhood – and I found I actually ended up going to a private boys' day school, which was academically selective and actually harder academically than Knox.

What was it called?

Hawken School, H-A-W-K-E-N, on the eastern side of Cleveland, and, you know, you're there – they had an AFS student every year and they provided their own scholarship to enable the fees to be met, and I found myself sort of instantly 'on the circuit', so to speak, and because I was the first Australian most people in Cleveland

had met – and they were the days before, you know mass travel – and so I was giving speeches about Australia, in particular, on at least a weekly basis and found myself getting – and the Vietnam War was on, of course. Lots were surprised to learn that Australia was actually involved in Vietnam: 'Why are you in Vietnam?', all that sort of stuff. The White Australia Policy had actually only ended a few years before that. Many of them knew about it or thought it was still in place. So, you know, there were lots of those sorts of issues they just wanted to know about Australia. They'd all heard about Australia. So I found myself doing a lot of public speaking, getting involved in the AFS organisation – you know, the AFS students from all over the world would meet regularly in Cleveland – so it was a very eye-opening experience and I found myself enjoying the challenge of, you know, all this public speaking and talking about Australia and having to think through lots of public policy arguments. And I spent a week in an all-Black high school in downtown Cleveland, and things of that nature were great experiences.

So the family I was with was – I got on really well with, but they were very, very deeply-committed Republicans and my American 'father' had run for local government as a Republican and all that sort of stuff, so we used to have lots of political discussions all the time. And, of course, I just loved living at home with a normal family, you know, and going to school each day and coming home at night was wonderful. So that was politicising in that sense, and it was a year in which I was able to further develop my views on the world and my pro-conservative views and free-enterprise views and things.

But also it seems to me, looking outwards – Australia's global place –

Yes.

– it wasn't just conservatism or anything; it was – – –.

No; exactly, yes.

It was actually representing Australia.

Getting a real understanding of America and its role and Australia's relationship with America. Yes, it was terrific from that point of view. And then learning – I did American History as one of my subjects at school, which was fantastic. So, you know, I found that – and it was the political side of America that really interested me, and so – yes – not at that stage thinking I would ever go into politics, particularly.

No. That's interesting.

My academic interest was economics. Economics had been my best subject at school and I got the Economics prize at Knox, so that was the thing that really interested me, and I was committed to wanting to do economics when I went back to Australia. Hadn't thought about the law at all. So that was a wonderful year, and got back in the middle of '71 – because the American school year, as you know, is July to July, so to speak – and then wanted to go to university and went, got acceptance at the ANU[1] and took that, because the ANU had a scheme that meant you could get acceptance without doing the Higher School Certificate, because I had left prior to doing the Higher School Certificate; came back thinking, 'God, am I going to have to go back to Knox and do the HSC?', which was a horrendous thought. And, fortunately, the ANU said, 'No; we'll accept you on the basis of your academic track record to this point.' I'd done the Scholastic Aptitude Test in America, the SATs, and done okay. So ANU confirmed my acceptance shortly after I got back, which was fantastic, so I just spent a few months working in odd jobs over the summer before going to the ANU in 1972 to do Economics, and, of course, then had five years at the ANU.

I switched, after first year Economics – I did a couple of law units because I was interested in them, as part of my economics degree; but then I discovered you could do this Economics/Law. You could do two degrees in five years. So I applied at the end of first year to switch to Economics/Law and get credit without having to do extra time, which I was accepted for, and so I did Economics and Law in the five years. But it was an amazing five years to be in Canberra, of course –

Oh, fascinating.

– with the end of Billy McMahon, you know, the end of 23 years of the Coalition, and then three years of Labor and the first year of [Malcolm]Fraser, all – they were the five years that I was at ANU, you know, which is across the road from Parliament. And I used to work at Old Parliament House as a waiter and all that sort of thing – – –.

Did you? Ah.

Yes.

I must ask you about that, because – kind of slightly under another hat – I've been interviewing Members of Parliament for the National Library and Old Parliament House –

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[1] ANU – Australian National University.

Okay.

– about their recollections of Old Parliament House, or New Parliament House, but mainly just before and during and then just after [the move from one to the other].

Ah, right.

So I was thinking, 'Oh, well, I won't be asking you about Old Parliament House,' but now I can.

Yes. No; I do remember it.

What are your recollections of it?

Well, I did work there on occasion as a waiter and then, you know, after, when I went to work for the Federal Secretariat of the Liberal Party, from '77 to '83, of course the Parliament was still sitting in the old Parliament. (laughs) When did it move? It didn't move till '88, did it? The Bicentennial; wasn't that the – – –?

Yes.

Yes. So, for the six years I was at the Federal Secretariat, I would be up at Old Parliament House almost daily as a Liberal Party official.

Where were the rooms there? Where were its rooms in Old Parliament House?

No, no, no; the Liberal Party's got a headquarters building in Barton, but I would be –

Oh, of course. But you were just up there talking to people.

– yes – going and sitting in on committee meetings, visiting ministers, you know, all that sort of stuff. So I was in and out of Old Parliament House a lot.

In fact, you would have developed quite a familiarity with it for that reason.

Yes. Well, I mean, I loved it; I thought it was a fantastic Parliament. I loved the chambers; I loved the atmosphere – you know, the cliché about Kings Hall is all true; you know, the non-Members' dining room and the bar. I mean, yes, the accommodation for MPs was atrocious, and that was the main problem. You know, I spent a lot of time in the Prime Minister's Office there and the Cabinet Room. And then Kerry, my now wife, who I then knew just as a friend from Burgmann College, where we'd both been at ANU, was in the Press Gallery in Old Parliament House, so I used to visit her in the Press Gallery there, which was also (laughs) a ghastly little rabbit warren.

What was her surname?

Wakefield. She was a journalist with *The Age*. But I have very fond memories of Old Parliament. Indeed, I recall when the Fraser Government was commissioning the study into the building of a new Parliament, I remember sort of cheekily proposing (laughs) that it would be a tragedy to lose the chambers of the old Parliament, and that, if the issue was accommodation, what they should do is build some sort of building directly behind old Parliament as accommodation and committee rooms and everything else with a tunnel or whatever – as they have in Washington – for MPs to attend the chambers in the old Parliament – – –.

Which is basically what they've done here [in SA], actually, interestingly enough, by taking over Old Parliament House, isn't it?

Yes.

Mind you, I worked in Old Parliament House when I was the State Historian.

Okay.

.... But, basically, that's what they did, didn't they, really?

Yes.

They [MPs] just took over the old building again.

That's right. And you could have done it for about a tenth the price, too, instead of a billion. (laughs) They could have probably built something quite decent. Because the complaint and the main driver for a new Parliament was simply the MPs and their accommodation, you know, they had to share offices and all that sort of stuff. It was a rabbit warren. But you could have solved that problem and kept all the history, because to me, as an MP, it's wonderful to go into the State parliaments with all their history, and parliaments around the world that have been there for centuries, and we don't have any of that and it's such a – – –. I've never liked working in the new Parliament; I don't think it's a good building at all.

Why is that?

Well, it's – I know they're sort of clichéd but they're true: it is so bland, impersonal and vast and lacking in character and feel and warmth, and it's so detached: it really is like a spaceship sitting up on a hill. You know, in all these other State parliaments, what I love is you step outside into the real world, you know? Step onto North Terrace or bloody Bourke Street or whatever it is, or Macquarie Street, you know, and there's bustle and hustle and life going on; and you step outside Canberra and all you hear is the magpies, you know? It's just – there's no life. I just think it's

dreadful. And we're so detached. And MPs are detached, *in* the building. They're detached from each other; there's no – – –. I think it's – I've never enjoyed the experience of working there, as pleasant as our – you know, functionally it's all right, but – – –.

Interesting. How did Old Parliament House expedite your work when you were working – well, firstly, some of your observations as a waiter would be interesting.

(laughs) Well, the volume of drinking staggered me. And it is: the tales of MPs, you know, getting drunk as skunks and passing out in the chambers and drunken tirades – – –. And I was, as a young man, serving these people, I was staggered by (laughs) the drinking that went on. And there seemed to be, now that I've been there, a lot more leisure time, I think. I think MPs now are just flat chat when the Parliament's sitting. I remember, there, there were pool rooms, you know, where they'd go and play snooker and billiards and this sort of stuff. It was much more like a club. So lots of drinking (laughs) and pool and snooker and billiards and things like that, whereas nobody seems to have any time for that any more. It just doesn't exist.

Why do you think that's so?

Oh, I think – well, no doubt the media has had a huge impact on MPs and their behaviour. (laughs) It's much more exposed now, and the sort of 'old rules' about, you know, the media used to know all that but they would never report any of that – now, everybody's fair game. I mean I think that's a good thing; people are much better-behaved, and that's probably – no doubt a good thing; but the media are much, much more intrusive and much more present.

Do they have more access, do you think?

And I think the demands of political life are greater. Speaking as a 'small-government' person, you know, government has become so large and so intrusive and involved in so many things, which means the whole lobbying business has just exploded – you're constantly being sought out by everybody; there's so much more committee work and all that sort of thing; and much higher expectations on personal behaviour.

And the technology, the impact?

And obviously, yes, the fact that you're always contactable, so to speak – you know, people just – – –.

You're not a Twitterer, though, presumably?

I am not a Twitterer and never will be. But, you know, the mobile phone had never been invented back then, let alone computers. We had word processors, I think, were about as sophisticated as it was.

Yes, that's right. Well, you didn't have to do word processing, did you? There was more division of labour, wasn't there.

No, exactly – oh, we'd dictate correspondence and all that sort of thing. We used the computer in the Liberal Party to play Star Wars – you know, that game? – and that was about it. (laughs) But I think, yes, political life has become much more, in a sense, rigid and demanding and disciplined than it was.

Do you think the design of the two parliament buildings reflect those changes?

I'm not sure they do intentionally.

No.

The driver for the new Parliament was 'a grand building that we could all be proud of', quote-unquote, but also a huge effort was put into the accommodation for individual MPs, so the rooms are quite generously-proportioned.

With their little antechambers.

Yes. And, indeed, one of the problems when they first built it was MPs almost living in their offices, and they had to go to great lengths to make sure – – –.

A lot of them move a lot of possessions in, I notice, the little collections of – – –.

Yes. Well, you could live – you know; there's kitchen, bathroom, shower; everything's there. And some MPs were spending the night there and they had to go to great lengths to stop that sort of behaviour and kick everybody out. But that meant the building was that much bigger and just there is so much sort of public area in the new building – you know, it's almost designed for tourists rather than MPs. To me, it was not really built with a focus on making this a good place to want to work in, you know, for the MPs themselves.

That's a very interesting point. I hadn't thought about the tourist access.

I don't think that was ever – 'We'll just give them nice rooms,' and that was it.

'And that'll do,' yes.

But, I mean, just getting to divisions in the Parliament – – –. I remember when I first became a minister I had the ministerial – that's the other; see, the ministerial wing is all set apart – like another spaceship – and it's terrible, you could go for a week and

hardly ever seen any of your other colleagues. But I had the office in the farthest corner away from the Senate chamber, which meant I had the longest distance to go for divisions. So, you know, you're half the time running. And I remember – you know, one of my Senate colleagues is a dwarf; then there is Amanda Vanstone, who's a very overweight woman who can only move very slowly – incredibly difficult for some of these people to actually be able to operate in that Parliament, it's just so vast. So, you know, for only 200 MPs. (laughs)

Yes, true. Because it's not a huge population – I was struck by it once – if you count all the – – –.

Well, you multiply that – yes.

Yes, all together, like a country town – – –.

Thousand – yes, I know. I know. Yes.

It's the size of a decent country town in South Australia.

Yes. It's an extraordinary number of people who actually do work in there; that's true. But, you know, the chambers lack any atmosphere; they're very bland; there's no history to them. I remember when I had responsibility for running the Constitutional Convention – and Howard appointed, do you remember, Ian Sinclair and Barry Jones as the co-chairs, but I was the minister responsible for making it happen – and I had a *huge* fight with Ian Sinclair because I was insistent on the Convention taking place in the old House of Reps, and he thought that was a dreadful idea and insisted on it being in the Great Hall of the new Parliament, which I thought would be shocking. (laughs) And we had a huge – it took weeks we were arguing about this, and eventually Howard had to moderate and make a decision; and, fortunately, Howard being conservative and a traditionalist like me – but I had to assure him that, physically, we could make it work in the old House of Reps.

It is lovely, that old House. They're both beautiful.

Oh, it's fantastic, and I think that made the Convention.

Yes.

But there was a huge weight then upon me to make sure that functionally this thing could operate, that we could have that Convention in the old Parliament – with all the ancillary demands that go with putting on a convention like that – but it was brilliant and everybody loved it. Yes, really worked.

I've been to a number in the old Senate.

Oh, right.

I went to the National Heritage Convention, [in the old Senate] and that worked very well, too, because it really does expedite interchange and all that sort of stuff, doesn't it?

Yes.

Apart from the lovely atmosphere.

Oh, yes. And I had another fight with Howard over Old Parliament, as Finance Minister, when – regrettably – (laughs) his wife, Janette, was on the Board of the National Portrait Gallery – and, you remember, the Portrait Gallery was in Old Parliament – and then this proposal to actually build a National Portrait Gallery came up and I was concerned about the money, as a good Finance Minister, but then concerned about, 'Well, what's going to happen to the Old Parliament?' You know, because I think it is a really important building and it should have a purpose. And I was quite concerned that, if you took away the purpose of it being the home to the National Portrait Gallery, it would end up just becoming a musty, dusty, closed-up building. So we had a big fight over that but, he being Prime Minister – – –.

With Ian Sinclair again?

No; this was John Howard.

Oh, really?

Yes. Having had John Howard on my side, you know, on the Constitutional Convention, then years later – – –.

And so Janette was on the – – –. Was she?

Janette Howard was – was she on it, or – – –?

She had some involvement.

She was very involved with the National Portrait Gallery.

Okay, yes.

I don't know whether she's actually on the Board, but anyway, she was quite involved in it and had friends of hers on the Board. But Howard was insistent that we find the money and spend the money to build the National Portrait Gallery – which I still have not visited, I must say.

It is lovely. It's very nice.

I'm sure it is – but it bloody want to be, for the money! (laughter) I seem to remember it getting very expensive. And, of course, my department had the responsibility for building it then, which was even worse. But I think now the old – I haven't been back to the old Parliament for ages – but we talked then, and I think this is the plan, that it be a sort of constitutional museum of some kind.

Yes – Museum of Democracy, I think they call it.

Yes, which is fine. But to me it's just critical that it have a real purpose.

Purpose, yes.

Yes; otherwise it'll just become – – –.

Yes. Well, certainly – I presume they'll go on doing this – I've been to several events which are quasi-political, like, you know –

Yes.

– the National Heritage Convention, and I think that's a good use of its spaces, to – – –.

There's a great restaurant there called 'Ginger's', isn't it, or something?

Oh, it's lovely – back then?

Yes.

Yes. Oh, was it called back 'Ginger's'?

Isn't it called Ginger's, or something –

No; Ginger Room, yes, Ginger Room, yes.

– 'The Ginger Room' or something?

Yes.

Yes.

I mean it's interesting, the use that Canberra people make of those buildings, too, which is always interesting.

Yes.

So all of those big – – –.

No; I'm delighted to see it used. I still think it would have been better to keep it and build the building, but – – –. (laughs) But the one thing I won't miss is the New Parliament House, in leaving Parliament, I can tell you. And I've been threatening to

smash a window ever since I got there because I just love fresh air and I hate the way you're sealed off in that building.

You can't open – – –?

Cannot open – and if you look at the windows they were clearly designed to be opened; there are keys and things like that.

Awful.

But then they decided that running the airconditioning system for the building required that all offices have permanently-closed windows, that opening a window would bugger up their bloody airconditioning system, so the windows were all permanently locked, which I just hate. (laughs)

Yes.

So you've got to make a big effort to get out of the office as much as you can and get out of the courtyards to get some fresh air.

Bit of a contrast to this place, isn't, it, really?

Well, yeah. That's one of the reasons I wanted to move in here, because I can open the window in my office. I have it wide open all day, yes, winter or summer.

Yes, all the old windows.

Yes.

And the flywire screens.

And then my staff say, 'Close it because the airconditioning's on.' (laughter).

Interesting. Were there any – it's interesting, though, the issue of security, I suppose, is another issue, isn't it, that's a big change, I would imagine, between the – – –.

Well, really, that's since 9/11 – yes, that changed everything for much the worse, unfortunately.

Yes, yes, that's right.

I mean you can look back and think, 'Gosh, it was slack then,' but, you know, so it should be; it is the people's house, you know.

That's right.

And there was always this view that the public should be able to come and go at will. I can't remember whether it was before or after 9/11: the worst episode, though, is – you remember the – might have been before 9/11.

The man driving his car through the front door?

Well, yes.

I think it was before.

And all those – was it Builders' Labourers –

That's right, yes.

– or some union that tried to storm the place? I remember being there and watching this go on. It was just unbelievable. It was like the storming of the Bastille or something. So, you know, those sorts of abuses have led to, now, a Parliament that's like Fort Knox. (laughs) And what they've done with the driveways and the bloody bollards that go up and down, all that sort of stuff, it's just, I think, way over the top. But anyway.

Still, it happens – I mean all the State department offices now – it's quite disturbing, really.

Yes. No, it's very sad. But, you know – – –.

What happens. I'm hauling you back; I'm going to keep you on the personal thing a little bit longer.

Yes, sure.

Firstly, I think – talking about developing your political values, and I moved you forward because you were a waiter at Old Parliament House, so it was interesting to have some of those fresh-eyed views, which is great.

Yes. Sure.

This school's influence, Knox Grammar's influence on you, or in terms, I suppose particularly politically, but probably more generally, I suppose, and your intellectual interests and so on.

Well, as I say, it was an atmosphere in which I was a reluctant starter (laughs) and was miserable for the first term. But, as I said to you, you know, decided, 'The only way to cope with this is to throw myself into everything,' so I suppose it sort of helped generate a desire to *be* involved in life. So I was active in all the school's things. I particularly enjoyed my involvement in cadets, and I suppose that developed some interest in the military and in organisation and discipline and things. Academically, as I said, my great interest was not the maths or science side but (laughs) the humanities side – economics and geography and English. I particularly enjoyed Latin, actually.

Did you?

Yes. I was involved in sport heavily; I was involved in drama and debating and things of that sort. So it's hard to decipher that. I mean the atmosphere, again, at that school was one where most people were from conservative families, Liberal-voting families. It's a safe Liberal area, that school. All my best friends were all kids from the country, you know, the other boarders were almost all from the country so they were good farming stock. I used to spend holidays in the country on properties, which was a wonderful thing for a kid from the beach; I was spending school holidays out, you know, North-West New South Wales and wheat and sheep farms and things.

And getting a further grasp of the country, too, which would stand you in good stead.

Yes. That was terrific. And spending the evenings over endless cups of tea talking to their parents as farmers and all the things that they dealt with every day. No, that was great.

I was actually thinking, as you were talking, also was that, in a way that that kind of education is quite a traditional one, but I was thinking almost straight out of British 19th century British public school system, which would have assumed that you would have some form of political part to play, because that was part of a gentleman's education, really, wasn't it? I was thinking, you know, there is almost an assumption – – –.

Well, there was a notion of service, certainly.

Yes. That's right. That's right, yes. Some form of.

The sort of milieu of the school was the professions, really. A lot of the kids were from – well, apart from farmers' sons, you know, doctors and lawyers and all that sort of stuff.

But even the farmers might well end up as the local district council chairman and so on.

Well, that's true, yes. And Knox had a bit of a – you know, Gough [Whitlam] had gone to Knox and Ian Sinclair went to Knox, and there was a known sort of political class there. But certainly this notion of serving the community – you know, you have an obligation to do well and to serve your community – was very much part of the ethos at that school, and because it was all male and all that – – –. But yes, the school very much felt it had an obligation to train young men to play their part in society and in the community and all that went with that, and it was a pretty disciplined place and demanding, and I think very much an atmosphere in which you

had instilled in you this sense of bringing out the best in you and giving of your best in life. But it wasn't – – –.

On the other hand, all boys.

All boys, of course, yes. It wasn't political, in any sense, but based on traditional values, yes. I mean it was a Presbyterian school at that stage, prior to becoming Uniting Church.

What was your – I haven't asked your religious background.

No; I was brought up as an Anglican. And indeed we Anglican boarders used to go to – (laughs) school would only allow you out, at that stage, as a boarder, after church on Sunday until chapel in the evening. And we used to have to march from the school up to the Anglican church at Pearces Corner at Hornsby, (laughs) go to church, then our mothers would pick us up, drive us to Newport, we'd have three or four hours on the beach, then they'd drive us back to the school for the chapel service that evening before we went back to the boarding house.

So that was your hour of freedom in a week, was it?

You'd have that – yes, it was about from sort of 11 in the morning to 7 at night was our freedom for the week. (laughs) You know, bookmarked by church in the morning and chapel in the evening. It actually put me off church for a – – –.

I was going to ask that.

Yes. Because it was terrible sitting there in church on a Sunday morning just desperate to get down to the beach, and you're listening to some –

Yes – and your family, for that matter.

– you know, fire and brimstone sermon from some old Anglican preacher, thinking, 'Oh, get me out of here!' So I have not really been much of a regular churchgoer ever since. But, you know, inevitably you absorb a lot of the values of that sort of environment.

I mean the thing about being the single sex – because I am actually going to ask you next about your mother's and your wife's careers being as journalists, and that kind of – which you do also refer to in your maiden speech.

Sure, yes.

But I guess taking a step back from that you'd not been deprived of female company, but to a fair extent that would be true to say as a boarder in a boys' school, I would imagine.

Yes. Well, you know, most people think that's a good thing for boys. (laughter)

Or for the girls; one of the two.

And, you know, there was – of course, there were girls' schools nearby and there were occasions on which we'd go and have dancing classes with these other schools and things of that sort; and I had two sisters and mother, so there were females in my circle.

But you do talk about women's choice. And of course when you talked about that ferment in Canberra politically at the time it was also the ferment of feminism, second-wave feminism, wasn't it?

Yes – not so much in – yes, I suppose in the '60s it was sort of starting, wasn't it?

Yes – well, late '60s – well, certainly when I was at uni, early '70s.

Yes.

And it seems to me that – and, interestingly, perhaps because your mother was divorced, you had a working mother, which was not that common, either.

Yes. No, that's certainly true, yes.

So can we talk a bit about that, in the 11 minutes we've got left on this tape?

Well, what sense?

Well, I suppose – yes, I'm trying to put – again, I'm trying to get at lifelong influences on you, I suppose –

Yes.

– and I'm working backwards and forwards, as you know, from your maiden speech –

Yes.

– and it is something that you do talk about directly: the impact of your parents' divorce is one thing that you talk about –

Yes.

– and also your mother's work and – your wife's and your mother's work; but then you moved on from there to your views of women's place in society.

Right. I mean, yes, I've always – I suppose particularly coming from the divorced circumstances, I've certainly developed a very strong view about the importance of strong families, just how incredibly important they are, and that public policy should be very much focused on maximising the opportunities for families to remain stable and strong, because I've seen the consequences (laughs) of the alternative. But, at

the same time, yes, having been brought up in an environment where I was always conscious of my mother having been a journalist and then – – –.

Was she still working when you were a child, or did she – – –?

Well, not while they were married; but as soon as my parents got divorced and she had to go back to work, yes.

Where did she work then?

Well, she was doing book reviews; she worked in a retail store – a ski shop, as it was, I think; and she was just getting whatever work she could to supplement the alimony. So, yes, I was always conscious of that. And my sister is eight years older than me and she didn't go to university; she left school and went straight into the workforce. And so certainly it was normal for me, in that sense, to be surrounded by women in the workforce. Although I've always, at the same time, had a conservative view about maximising the opportunity for women to spend the formative years of their children's years with them, you know, to the greatest extent possible, but certainly I've had strong women in my family and am proud of what they've done, and have always been very much of a view that women should be given every opportunity to pursue their careers, while at the same time – – –. I suppose, for me, it's choice. I think children do perform best when, ideally, they're able to bond with their mothers, particularly through those first few years, and I find it quite depressing to go into child care centres where there's little babies there eight hours a day, you know. But for lots of families it's not possible to do anything else, but again that's what I say: public policy should maximise at least the opportunity for middle and lower-income families to at least have the choice to be with their children, the mother to be with their children, in those very few early years.

Yes. And, as I say, you've certainly talked about that then. And I guess partly – I mean, also the whole point about women being involved in the political process, too: voting and so on and so forth.

Yes.

When you started work for the – and the ANU would have been an interesting time then –

Yes.

– because there would have been a lot of girls going to the ANU.

Oh, yes.

And so you would have mixed. Did you talk with other students about your politics at that point? Were you involved in politics at ANU?

I was never involved in student politics because I thought that was just ridiculous, you know. It just seemed to me a complete wank, (laughs) student politics. Yes, just seemed quite childish. And although I was always in on the conservative side of politics, I guess my politics were considerably more libertarian than strictly conservative at that time, particularly after being in the [United] States, and I was very much imbued with a small-government approach and hadn't really developed my thinking on what you might call the 'social' side of public agenda; it was one driven by, you know, my views on economics and role of government in the economy. So in 1972 it was somewhat embarrassing to even say you were a Liberal, because I thought Billy McMahon was a complete joke and the Coalition had obviously, by then, outlived its usefulness after 23 years, and it was inevitable that Whitlam was going to win. And I recall not being well-disposed to the conscription that was in place. I was a supporter of our engagement in Vietnam, but certainly not a supporter of conscription. And, you know, on a university campus like the ANU, the sort of mobilisation towards Labor in 1972 was huge. So I sort of stepped back. I didn't particularly want to be out there advocating a Labor vote *per se*, but I couldn't possibly defend the Coalition (laughs) as a sort of 18 or 19-year-old student, you know. It was just indefensible, that last year of the Coalition.

But in '73–4, you remember, John Singleton formed the ironically-named 'Workers' Party', which was essentially Australia's only libertarian party; it was an entirely libertarian platform, which was very much in accord with my thinking, so I actually joined that party and went to a few branch meetings and handed out how-to-vote cards for the '74 federal election. But it was, in a sense, swamped by the then anti-Labor tide in favour of the Coalition through '75, and I can't remember exactly when the Workers' Party folded but it didn't last very long. And certainly, you know, my study of economics and interest in economics and my analysis of what Whitlam and his Government were actually doing through that period to the economy was sufficient for me to be very pro-Coalition throughout '75. Because it was fascinating doing both Economics and Law through that period, with the economy – from my perspective – being trashed, and then what was for many this sort of constitutional crisis of the Opposition blocking supply in the Senate and the sacking of the Government, at a time when I was there at the ANU Law School. And so it was fascinating, yes.

Did you go straight to work for the Liberal Party when you graduated?

Not quite. I finished Law at the end of '76 and then went and did the – moved back to Sydney to live with my mother and went to the College of Law in Sydney, because they didn't have articles then; you did the six-month College of Law course to get your admission to practise. Then I was then admitted to practise. But, to be frank, after doing that College of Law and discovering that most lawyers spend most of their time doing conveyancing and wills and things, which didn't really interest me – and I suppose, through, because of '75, '76 and being at [ANU] I found myself increasingly interested in politics, and then I couldn't even – even though I'd never failed a subject and had quite good academic record, I couldn't get an interview with any of the major law firms in Sydney, and the only firm that would accept me was a firm up in Brisbane, and I didn't particularly want to go into a suburban practice; I was looking, if I'm going to do law, I should look for a major firm. And I thought the only thing that – and even now I think, 'Gee, I wonder' – there was a job going in the industrial law department of BHP which I sometimes look back now and think, 'Gee, wouldn't it have been smarter just to have done that?' (laughs) Because industrial law really interested me; I enjoyed studying Industrial Law a lot. But I really didn't quite know what to do.

I'm going to stop you there –

Oh, the tape's run out?

– because we've got two minutes left of this tape, so it's a good moment.

Okay, that's fine.

Thank you.

END OF DISK 1: DISK 2

This is Susan Marsden interviewing Senator Nick Minchin on the 19th October; this is tape two. And I would like now to ask you – you were just talking about being back in Sydney making decisions about where to go next.

Yes.

What happened?

Well, being in two minds about the law and not having any obvious opportunities in the law, (laughs) and I had a girlfriend back in Canberra so I was a bit inclined to think of Canberra, anyway, and then I saw a job advertised – literally advertised – for a research officer at the Federal Secretariat of the Liberal Party, so I thought, 'Oh, that sounds interesting,' you know, 'politics; Liberal Party.' This is August/September of 1977, so Fraser had only been in a couple of years. So I

applied – went down and applied for that job and got it, and I must say was very happy. I really enjoyed being there, and I ended up being there for six years.

Always in Canberra?

Tony Eggleton was my boss, and Tony was a tremendous boss, you know –

Why was that?

– because he was almost a political institution in his own right. I mean I knew him as a young kid from the Harold Holt disappearance when he was Holt's press secretary and doing the daily sort of report on the search for Harold. And he was very close to Fraser and the Secretariat was quite a reasonably large group of talented, bright people and well-integrated into the operation of the Fraser Government. And, you know, within three months of me going there, we're in the '77 federal election, so I was in Melbourne working on that election and I suppose got hooked on that side of politics, that which you might call the 'professional' side, working for the Party on campaigning and all the rest, and party administration, and sort of progressed through the ranks over those six years, which were, of course, the last six years of the Fraser Government, and ended up being Tony's deputy – Deputy Federal Director of the Party – until we lost in '83. So I did the '77, '80 and '83 elections in various capacities and working out of the Melbourne headquarters and involved in a lot of party stuff all through. I had a range of responsibilities through those six years.

Can you tell me – I mean, it's much more common now, but that route to politics wasn't that common then, was it?

Oh, not at all, and certainly not on our side of politics. And, indeed, at that stage I had no inclination at all to go into Parliament. I wasn't thinking about Parliament at all.

It was the pleasure of the job itself, or the interest of the job.

Yes. It was a great way to be involved in politics, but in the professional side. And I sort of had this odd view, you know, that it was important that people like me, with my academic background and training, did go and work full-time for the Party, and that the Labor Party had, you know, from our perspective, an extraordinary machine.

How many of you were there working for the [Party] then, when you started?

Well, in the Federal Secretariat I suppose there would have been 15-odd, I suppose, 15–20.

In Barton?

And then there was all the – yes, in Barton; and of course we worked closely with all the State headquarters of the Party. And at that stage, late '70s, the State branches of the Liberal Party were all much better staffed than they are now. So it was quite a big, professional group of people working full-time for the Liberal Party.

What were you actually researching? What were the major – – –?

Oh, that was just a title. (laughs)

I know. I know. I know.

It means, you know, 'Man Friday. Do anything and everything.'

Yes.

And I literally was doing anything and everything, you know? I was heavily involved in the Party's market research, working closely with Gary Morgan and Morgan Polling and suddenly – so I developed through that period something of an expertise in market research and opinion polling and the analysis and interpretation of opinion polling. I was secretary to several party committees, some of which were fascinating. There was an Industry Committee of the Liberal Party then that I was immediately, at the age of 24, made secretary of, and it used to meet in Melbourne in the offices of Charles McGrath, who was the head of Repco, and it was a classic protectionist club – you know, (laughs) all Australia's – it was basically a committee of the CEOs –

But that's very Victorian, isn't it?

– yes, exactly – it was a committee of the CEOs of all the major manufacturers, who supported the Liberal Party and basically they were a lobby group, under the auspices of being the Liberal Party's Industry Committee, to demand the continuation of tariff protection for their industries. (laughs) And so that sort of thing was fascinating. And then I used to work with – – –.

And did you agree with their views?

Oh, I've always been instinctively a free-trader.

You are New South Welsh, after all.

I am a New South Welshman, after all. And [Sir George] Reid was always much more my sort of Liberal than [alfred]Deakin and all the Victorians. So I found it quaint and odd and somewhat hilarious, you know, to be secretary to this group that

spent its time – – –. I mean, what I instinctively took from that – and I ended up being Industry Minister, of all things, too, you know – was that the great – it is a terrible dilemma – but the trouble is once you start protecting industries like that, and they build up under a protective umbrella, and ultimately it becomes unsustainable, it's how you make the transition from that environment to one that *is* sustainable –

Which we're still working through, really.

– and how you do that in a way that maximises the chance of the good ones surviving. And if governments have, by dint of a policy framework, encouraged and enabled those industries and all they employ to be there, you can't just (snaps fingers) turn off the tap like that, you know? So I used to have arguments with free traders saying, 'Listen. Like it or not we've got these Holden and Ford and everybody else and everybody works for them and everybody – – –.' And the point of public policy is 'How do we make the transition to much lower levels of protection while maximising the chances of those industries competing?' Which means you have to do things on the tax side, the industrial relations side and all that, and have a progressive step-down of protection. You can't just go cold turkey.

And that was one of the extraordinary things that Whitlam did, was just cut tariffs overnight by 25 per cent, with no consultation, no nothing – no warning; no complementary policies; nothing. You know, that was the sort of mad approach to government that he brought to bear and that certainly, from a very early stage, I developed a strong view about the responsibility in public policy to – you set your objectives but manage your achievement of those objectives in sustainable and sensible, responsible fashion; and industry policy in Australia is a classic area for that.

Who impressed you, then, amongst those CEOs? Were there key thinkers?

Gosh – that's 30 –

Because a previous generation – – –.

– 33 years ago.

I know. Well, I was thinking a previous generation – – –.

I mean, Charles McGrath was an extraordinarily charismatic and strong individual and he was the leading light of the industrialists and protectionists in Australia; and I could see why. But, you know, I can't really remember who else was involved, that stage.

No – that's all right. And what were some of the other really important things, you think, looking back – maybe important from your point of view of developing your own thinking, as you've just said, with the Industry Committee?

Well, see, my main motivation was – (laughs) I regret to admit – in a sense, a negative one. I was staggered at how much damage an incompetent and irresponsible Labor administration could do in such a short space of time. And, you know, if you go back and look through the statistics, it is extraordinary what happened to Australia in just three years, on any economic measure. And so, you know, I did very much develop a strong view that the conservative side of politics had a – and being from a small government point of view, anyway – its primary responsibility was to keep Labor as far away from the hands of government as possible (laughs) for as long as possible. And how it was then, and is increasingly the case, you know, Liberals are called upon to clean up the messes created by Labor, and you see that now at federal and state level. You know, it was a great experience as a young person – 24, 25 and that – to be exposed to and working with the senior conservative political leaders of that generation, you know, and that's when I first met John Howard, when he emerged from nowhere to become Treasurer, and people like Philip Lynch and Tony Street and all that.

Can you give your – – –.

Fraser was a very dominant – – –.

Sorry; can you give your first impressions of John Howard?

Oh, I was immediately attracted to him because of his clearly very strong commitment to strong conservative values, and I guess through this period I was developing my thinking on that sort of thing, but more particularly his small-government, pro-market views, particularly in industrial relations and in the economy. And his energy, his humanity; in that sense, he was a huge contrast to Fraser, who was so dreadfully aloof and could be so rude and didn't have – – –. I mean, Fraser was someone we all looked up to, because he was this –

Literally, as well as metaphorically.

– very domineering sort of influence – yes, and such a big man – and because he had what was seen at that point to have been strong enough to have held the line, to have forced an election at which the people overwhelmingly said, 'Go, Gough, go.' He was – obviously, Fraser had this sort of hero, cult status on our side of politics. But I'll never forget being at a Federal Executive meeting as a junior lackey and him being extraordinarily rude to David Barnett, who was his press secretary, treating

him like some naughty child. I was just appalled at the way Fraser treated his staff and people around him. He was an incredibly rude man, and very aloof, very difficult to talk to. So you see that side of them when you work in that sort of environment.

It's interesting, isn't it – I was thinking about resontes, in a way, with Rudd [Labor Prime Minister, Kevin]–

Yes.

– you know, in the sense of, in fact, how important it actually is, in the end, that they have good and quite warm bonds with their own party and their own – – –.

Oh, yes, and the people around them and their – – –.

Would you agree, that there's similarities in that respect?

(pauses) Yes, well, certainly there are some similarities there. And Fraser's treatment, personally, of those around him did not endear him to people at all. (laughs) And Rudd – – –.

And you would have seen that, too, because you were sort of lower down in the pecking order.

Yes, exactly: I was just a lackey, so – yes. I mean, there was fierce loyalty to Fraser, but certainly there was no warmth towards him and he certainly didn't generate that, and I think Rudd had similar problems, yes, I do.

Well, I was also thinking not so much, necessarily, the personalities as the consequences of that, which is –

Oh, sure.

– yes, and –

Yes. Well, except the Party did remain –

Yes; Fraser held in there.

– loyal to Fraser right through. You know, there was never any suggestion of – oh, actually, [Andrew] Peacock did have a run at him, didn't he, in '81.

He did, yes.

That's right, yes. I don't know what – was pre-positioning or something. But certainly the Government was in a fair bit of trouble through – after the 1980 election; and then, once [Bob] Hawke – you know, there was all that speculation about Hawke taking over, and there was a general view that, 'Well, we might be able to beat [Bill]Hayden, but we certainly wouldn't be able to beat Hawke.' And, yes,

the circumstances of – and because I was in charge of the Party's polling and knew just how popular Hawke was, and I remember that that day – you remember, when Hawke replaced Hayden and Fraser went immediately, you know, to the Governor-General – I remember saying to Eggleton, 'You must get Fraser to go back,' because he hadn't yet actually gone to the Governor-General. 'You must tell him he mustn't go to the Governor-General. His only hope is to have the election at the end of the year and have Hawke exposed as Opposition Leader for at least nine months.' Because that played so much into Hawke's hands: he'd never spent a day in Parliament as Opposition Leader. But, Fraser being the stubborn man that he was, he'd made his decision and he was going to Government House and he was going to have his election, which was a tragic and terrible and (laughs) really stupid decision. Still – he still would have lost at the end of the year, I suspect, but – – –.

Yes, and people do that, don't they. And I was thinking, as you were saying that, that your own role within the kind of machinery of party, it seems to me that you were kind of getting lessons in all of that, too, the kind of interrelationships and having some influence on which way the Party shifted in its thinking while you were working for the secretariat: would that be so, and did that have an influence?

Well, when you're working in that milieu, our focus was very much on –

Winning.

– about winning, yes. That was our job. Our job was to make sure the Party won election campaigns; that it had the resources, the personnel, the money and the capacity to fight election campaigns against the Labor Party and beat the Labor Party. And so you looked at, in a sense, policy through that prism, you know: it was the politicians' job to develop the policy and then our job to work out how to sell them to the public and work out how to expose the weaknesses in the other side. And, while I had policy predilections, I enjoyed very much that exposure to and learning a lot about the whole business of campaigning and becoming a professional campaigner and learning those skills.

But you must have been aware of tussles, of jostling for position and positions of power within the Party itself at that point?

Oh, sure. Although, you know, there was never any question about Fraser's dominance and no-one thought for a second Peacock was ever going to knock him off, and while we were – I mean, from where we sat, we just wanted unity and peace within the Federal Parliamentary Party and anything else was just going to make that much more difficult for us to be able to win campaigns. But it was interesting

through that period you had the formation of and the development of so-called 'drys' – you know, Jim Carlton and John Hyde and all that – and so I was obviously very interested in all of *their* work. And, yes, clearly there was the real tension developing then between the old-school Victorian sort of protectionist, regulatory approach, which had been the lot of Australia for so long, and this new wave of thinking very much focused on a much more deregulatory, less protectionist, more pro-market approach. And obviously that was the sort of – in a philosophical and policy sense, the side of the Party that I was most attracted to and the people I liked were the Hydes and Carltons and all that. And Howard was seen as the champion of their cause, so it was a brave decision of Fraser to put Howard into the Treasurer's job at that point, and particularly knowing that there was that tendency developing in the Party as well, which Fraser didn't much like at all, you know. (laughs) So, yes, I was a close observer of that quite significant and difficult period, on our side of politics, developing; but, at the same time, very pleased to see those new – what were then these young bucks developing what I thought was a much more sensible approach in a policy sense – and, not being a Victorian, you know, (laughs) I was happy for them to succeed.

So that's how you came to South Australia, I gather, was it? I had wondered.

Well, after the '83 election I knew then that I didn't particularly want to stay in Canberra too long, and Kerry and I – interestingly, having had been friends at university and then when she was in the gallery, she'd been back in Victoria and I was in Melbourne for the federal election campaign of '83, and – – –.

She was still working for *The Age* at that point?

Yes. And our relationship developed, really, during that election campaign.

How exciting! Like a TV series.

So I have the '83 election campaign to thank for, yes, Kerry and I really getting together. But I went back to Canberra and continued on till towards the end of '83, and I was, really, the secretary of that Valder Review of the Party, which I think is one of the best – probably *the* best review of the Liberal Party ever done.

The Valder Review?

Yes, which you may know of, that John Valder chaired, and I was his secretary; and I think the Valder report still has in it all that's – – –.

And why do you think it was good?

Well, because it really drilled – in the wake of, you know, the loss of government after only eight years or whatever it was, when everybody thought we should have been able to stay in government for considerably longer, and Labor were back in power. After '75, people thought Labor would be out for 20 years, and yet just seven and a half, less than eight years later, they were back in office, which was devastating for the Liberal Party. So it was a very honest and detailed and thoughtful appraisal and analysis of what the Liberal Party had to do to be a strong, competitive force in Australian politics.

Do you think it had an impact?

It went right down to the real – from the grass roots right through. Well, you know – no, it hasn't had anything like – its disciplines and its lessons were never fully absorbed or acted upon, and it's a tragedy, in a way, (laughs) and one of the reasons we still don't do very well at state elections. But I left at the end of '83 and Kerry and I got married in beginning of '84 and deliberately said, 'Let's just go overseas for a year,' and both of us quit our jobs and had no particular plans other than to go away and have a year-long honeymoon. And we ended up cycling around Europe for a year. But, towards the end of '84, when I started thinking, 'Well, I suppose I'm going to have to go back to Australia at some point and get a job,' (laughs) but I wasn't sure what – do I go back into the law, or what do I do? – the South Australian Liberal Party, who had got to know me through my work at the federal secretariat, tracked me down and offered me the job of State Director back here. And I'd always liked Adelaide, enjoyed working with the South Australian Liberals I knew, and I was aware of my family's history here – you know, this is where we first came, from Ireland – so I thought, 'Yeah.' Kerry's from Victoria and I'm from New South Wales and we thought South Australia would be a happy medium, (laughs) because I wasn't mad on Melbourne and she wasn't mad on Sydney. So, yes, we came here in early '85, for me to be State Director – which, you know, more than 25 years later, (laughs) having thought I'd only be here for a few years – – –.

Well, you've kind of been here and not been here, in a funny sort of way, haven't you?

Yes. Well, that's the beauty of being in Federal Parliament, because I think it is important, if you live in Adelaide, to be getting in and out of the joint a lot.

Yes. Interesting, that, isn't it? Probably the same as if you live in Canberra, actually.

Yes, I think so.

For similar reasons, actually.

Yes.

Yes, to get out, yes.

It's easier in Canberra because you're not far from Sydney and other things, but – – –.

That's true. And Newcastle, which I really love.

Yes. That's where my mother was brought up, yes.

Well, give me your first impressions of politics in South Australia when you came here. So we're talking '85?

'85, yes. Well, of course, the Liberal Party had had that one term in government, '79–82, and when I got here really hadn't got over the loss in '82 after just one term in government and had only just lost in '82, and [John] Bannon was the fledgling Premier, and there was an election due in '85, and the Liberal Party had every reason to believe it could return to government – that '82 was just a blip and the Party could win in '85. I was never as optimistic as that, I suppose, and Bannon showed then the sort of public appeal which he had. But it's an interesting polity here because it's essentially a city–state, you know, it's all Adelaide with a little bit tacked on, and I was immediately conscious of the sort of – you know, the Party, certainly on our side of politics, there's been this great overlay of the so-called 'Playmander',[2] that politics had been, in a sense, loaded towards the conservatives.

And rural.

Yes. Like Queensland. And that had all gone. But, in its absence, the thing was just inherently weighted towards Labor because 80 per cent of the population lived in the metropolitan area and it had such a strong industrial base. So I came conscious of the fact that this was an incredibly difficult state for the conservative side of politics to succeed in.

Despite having had Playford in power for 32 years or something – 26, yes.

Well, but as a result of what was a (laughs) considerable bias in the electoral system. Mind you, he operated almost like a Labor Premier, anyway. (laughs) So, in that sense, it was a real challenge here, but given that it wouldn't have taken much to get back in '85 I was attracted to the challenge. But it was immediately very difficult

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[2] 'Playmander' – gerrymander underpinning South Australia's longstanding Playford Government.

because Bannon won that, and it showed you how parochial and difficult state politics can be because, once Bannon got that Grand Prix, which he successfully ran in '85, you know, the election was all over, (laughs) in a sense, and the Liberals had no chance after the success of the Grand Prix and comprehensively lost in '85. And I thought, 'Oh, gee, what do I do?' I was almost tempted to say, 'Right, I'm out of here,' you know. And Bannon was incredibly popular and the Liberal Party sort of fell in on itself a bit.

What was your impression, then, of the key players in the Liberal Party at that stage? Was it still LCL at that point?

No; it was the Liberal Party – the Liberal Party of Australia, SA Division – but it was not long after the implosion over the LCL and then the Liberal Movement and the sort of reformation of the Party that sort of happened – what? – late '70s, early '80s.

And that was still evident, was it?

It was still there. There were still many in the Party – there was still that tension between the old-style Liberals and their sort of hatred towards those who'd been involved in the Liberal Movement, many of whom are now my very good friends. (laughs) They were sort of seen as the 'lefties' – you know, the Steele Halls and those, who'd said, 'Look, you can't go on with this gerrymander and it's got to finish,' and all that. But there was still a lot of tension between the two sides of the Party, and I suppose just about more than anywhere else. What was interesting about the South Australian Liberal Party was that cleavage between what you might call 'left' and 'right'. And, of course, uniquely in South Australia it had been institutionalised by the formation of the Liberal Movement as a distinct political party with its own membership base and fundraising and everything else, then being reincorporated into the Liberal Party, which meant you had an automatic and quite distinct factionalism operating in the South Australian Liberal Party which was – existed in a de facto way in the Party in other parts of the country but had never been formalised in the way it had been here. So that was a constant sort of issue. And, as a State Director of the Party, I had to very professionally and adroitly sort of steer my way through that and be as objective and professional and independent as I possibly could in working my way between these factional tensions.

And therefore, it seems to me, a very astute choice to have an outsider come in as State Director.

Well, they were deliberately wanting to have someone from outside South Australia who wasn't sort of tainted by being associated with one side or the other of the Party, there's no doubt about that.

Did people try to co-opt you? I mean were you lobbied?

Oh, yes. People were always asking Kerry and me out to dinners and all this sort of stuff. It was amazing, the level of hospitality when we first arrived: people (a) trying to work you out and (b) trying to ensure that you understood they were the best side of the Party. (laughs) No, that was fascinating. And I like to think that I was professional and objective in the way I managed the Party through that period, and I certainly learnt the absolute importance of acting without fear or favour in that role through that period, and yes, you'll make enemies in so doing, but so be it.

In some ways you're a public servant in a funny way, aren't you – – –?

Well, yes, you're the public servant of the Party – yes, very much so.

Yes. So that you couldn't, as you say, be – well, you had to give frank and fearless advice.

Well, you had to serve, you know, and the sort of authority in the Party did change in that period from left to right, and I had to prove to each side that I would work fearlessly for whoever was in authority, but that I would perform my duties objectively and professionally.

Who were the main figures in authority in your time, then?

Well, – well, I arrived (laughs) in the wake of the then Liberal Movement President having shot through: what was his name? Now I've forgotten his name – John somebody-or-other. He disappeared because he was a lawyer and there was lots of – he was thought to have ripped off his – what do you call it? – the fund; and then it was discovered that he'd ripped off the Liberal Party and he was last seen or heard of heading off in a boat somewhere, (laughs) a yacht to New Guinea. And Bruce McDonald had in the previous year been elected Senior Vice-President of the Party, so he was the Acting President; and I knew him, of course, from my days in Canberra and he was the very feisty, aggressive Leader of the Opposition in New South Wales prior to losing his seat and moving to South Australia. And he and I got on very well, and he was a very strong State President but very closely identified with the Ren DeGaris side of the Party, the conservative side of the Party, and the bête noir of what are now called the 'moderates' – you know, the sort of Liberal Movement types – you know, Joan Hall and Steele Hall and .... in the Party,

and of course Ren DeGaris, and then, in the State Parliament, you had [Dean] Brown and [John] Olsen and all that tension. So, yes, it was quite – you know, at every level this manifestation of this sort of left and right, which was really the old country Liberals.

It was more a country–city thing, as much as anything. You had the country Liberals, associated with conservatives in the city, versus the rest of the city. It was a real, in a sense, metropolitan–country divide. And the country people always resented the loss of what they saw was only fair, you know, because once the gerrymander went they were reduced to a rump. (laughs)

Yes, very much so. Two and a half people. And also you were coming from federal, operating at the federal level, to a state level. What were some of the – apart from parochialism, what were some of the things that really struck you about that?

Well, it was a much more, in a sense, demanding day-to-day job of actually running the Party. And that's what I quite enjoyed. You know, it was a bit ethereal at the federal level because you didn't have any – nobody belongs to the Party federally – you know, you don't have members; you don't have any of that sort of thing; you're dealing constantly with campaigning and the parliamentary side of things and policy, market research, et cetera. Here, you've actually got to administer a state branch of the Party from the branch level up. So for me it was a great experience. It was almost like running a small business. So then, at the age of 32, I had 15 staff, most of whom were older than me, and I had to make sure there was a salary every month and – – –.

Where was your office?

We were first on Fullarton Road, actually, just down right opposite Victoria Park Racecourse, in the Parks Building. And my wife and I had bought a house in Grant Avenue, very sensibly –

In Rose Park?

– in Rose Park, which was – I could just walk down to the Parks, down to work. So I thought it was great, you know, moving to this wonderful city and being able to walk to work. So for me it was a very challenging job, but a great experience. And being responsible for a membership which was then about nearly 18,000 members and hundreds of branches, and you have to have a secretariat which administers all of that, which the federal body doesn't do any of that at all, and then working hand-in-glove with the State Executive of the Party elected by the Party and all that; and then

working with the State Parliamentary Party as well, because you don't have much to do with state politics when you're at the federal level; as well as, of course, having to run federal campaigns in South Australia. So I found it a more interesting and challenging job, really, than being in Canberra.

What were some of the issues that were really causing concern at branch level? Did you get a strong sense of people's feelings and how they differed from what you might have thought were the important things?

Well, yes – I mean, when you come from Canberra, you're immediately struck by just how parochial things can be, and at branch level they're concerned about the bloody road, you know, from – (laughs) 'My road in the Barossa Valley hasn't been repaired for the last six months, and you're the Member and what are you going to do about it?' Oh, gee: okay. So yes, the issues are much more grass roots and parochial – but, you know, it was a reminder that that's what actually matters to most people. Most people aren't thinking about sort of relations with China and all that sort of thing; they're thinking about their roads, their rates and their rubbish. So, in that sense, yes, it was a shock to the system, but enjoyable all the same. And I certainly – on the back of my year going around Australia as part of that Valder exercise – used the opportunity as the State Director to preach the reform proposals for the Party in the Valder Report and most of my speeches to branch meetings and things would always have a component where I was advocating the sort of reform measures that were in the Valder Report, so I certainly used this platform, yes.

And, contrasting the State having gone a lot of toing and froing, probably particularly to New South Wales and Victorian directorates, I would suspect, because of the meetings that you went to when you were in Canberra –

Yes.

– contrasting, therefore, the state Parties, those three state Parties, were there very obvious differences?

Well, everybody hated Victoria. And I subsequently – I soon learnt that that's true of almost any organisation you can name in Australia, any national organisation: it's the Victorians who cause all the trouble, and (laughs) who everybody else hates. I don't know what it is in the water in Victoria, but – – –. Yes, I mean, because the Liberal Party is genuinely a federal party, and the Party had – each state division of the Party was a product of the conservative movements within that state, and really only ultimately came together in 1944 or whatever it was under Menzies, but, you know, here it was the Liberal and Country League and then Victoria was something else and New South Wales was something else, so there'd never really been much of

a National Party here, so our party was much more country-oriented, and that was hence the tension, in a sense, in this party here because it was – had always been an amalgam of people who would have otherwise been Nationals, you know, with Liberals – although it was an interesting demonstration that a merged party can work –

You had the link across – – –.

– although it was also a demonstration of what the problems are with merged parties.

Yes. You also had the link across between the Liberal Movement and the formation, later, of the [Australian] Democrats in that period, too, or – I think early '80s? Yes.

Yes. Well, a lot of people had been – once the Liberal Movement – – –.

Yes. Robin Millhouses.

Yes. Once the Liberal Movement folded back into the Liberal Party, those who didn't want to go back into the Liberal Party in a sense went to the Democrats, that's quite right, and this was –

Was that an element in – – –?

– very much – while [Don] Chipp formed the Democrats, South Australia had always been the home of the real strength of the Democrats, that's true, yes.

And was that something that you were very conscious of then as well? Because, in effect, they would have – although –

Well, the Democrats were certainly –

– taking votes away, yes.

– always a part of the political landscape here and needed to be dealt with. But that was true around Australia, but certainly we were conscious they were stronger here than in other states, but that was just a matter of degree. But certainly I enjoyed working with the State Directors from all around Australia and getting a better understanding of how the Party differed from round Australia. And I knew from my Valder days that it was actually the Victorian Branch of the Party that was, in a sense, the most backward and the most in need of reform in terms of its structure and the way it operated; but the most instinctively reactionary, in that sense, and opposed to change and difficult to deal with, and contemptuous of the rest of us, and it was also by far the richest of all the state branches, too, so it could sort of thumb its nose at everybody else. (laughs)

Were there cross-links with other organisations in South Australia, formal or informally?

No. We obviously had to deal with the other political entities, and there was always a fledgling National Party here. They regularly had one seat in the State Parliament, so we'd always have to deal with that variety. And then a variety of conservative groups that would pop up from time to time, and it was my job as State Director to maintain relations with them because you're always thinking about preferences and things like that. But no, nothing – – –.

You didn't have secret meetings in the Adelaide Club, for example?

Well, you'd certainly have meetings that you didn't want others to know about; but, no, I was not involved in the Adelaide Club. But certainly it was important that I maintain good contact with a whole range of right-wing groups: (a) to minimise the damage they could do to us; and (b) to ensure we got preference flows when we needed them and things, and to know what they were up to.

So did they approach you, or did you approach them, or was it a mutual thing?

It always used to work both ways, yes.

Because you were talking earlier about the Industry Committee; I wondered whether there was an equivalent in South Australia.

Well, that was a Party committee.

Yes, that's right.

Certainly we had, within the State Party, there were a variety of – well, there was a Policy Committee, whereas at federal level they were these very much policy-specific committees which were designed as much to keep large donors in the tent and understand the pressures from particular lobbies, whereas at State level it was more about giving an outlet for the passions of Party members, to enable them to get a sense of involvement in policy formulation for your grassroots members, which wasn't an issue at federal level.

What about fundraising?

Well, that was – yes, the shock in coming here as the State Director was to understand that you had to go and raise the bucks on a daily basis, that you were reliant on your membership for a significant degree, proportion, of your income and therefore your capacity to pay your staff and administer the Party, which of course you had to supplement as much as you possibly could from the corporate scene. So I

was heavily-involved in both: in sustaining the membership and all that corporate fundraising activity. And it is the most difficult and debilitating side of the political process. In a way, it's a good thing that the parties are a function of the extent to which people want to support them financially – you know, it's a good barometer of whether they are worthy of existence; on the other hand, you know, you can spend an enormous amount of productive time just fundraising, and then you've got that very difficult issue of ensuring that the Party's donors don't have undue influence on outcomes, that's really important, and that donors understand, 'Yes, you're supporting our side of politics, but don't expect any particular influence as a result.'

Did you have battles, memorable battles, about that; or was it just a constant theme?

Oh, no, it wasn't particularly – you know, there were no particular circumstances. And of course we were out of government through most of the '80s, anyway. (laughs) We were out of government federally and at state level for the whole period I was the State Director here, '85–93. We were in opposition the whole time, so (laughs) the problem didn't arise, particularly. And that made the job harder, of course. It's hard to raise funds and guarantee support when you are out of office. But you at least avoid the problem of (laughs) donors expecting government decisions in their favour. 'Yeah, mate, when we get in; don't worry,' yes. Anyway.

But that was the period at which, increasingly, the corporates were becoming less and less inclined to support politics at all, which I think is, in a sense a sad development, because (a) I think strong parties are vital to democracy and (b) if you don't have corporate and grassroots funding what are you left with? Public funding, and I've never been all that enthusiastic about public funding, but I'm afraid it's becoming a just inevitable reality.

Well, in a way, when you think about it, that was the big change in the 19th century to paying members of parliament, wasn't it, really?

Parliament – yes, that's right. Used to be *noblesse oblige* sort of thing, yes.

Yes. So there's kind of quite a long history of saying, 'If you want a democracy we're actually going to have to pay for it.'

Yes, exactly.

Although – which brings me neatly to something you also said in your maiden speech – this notorious maiden speech –

I should have gone and reread this, yes.

– you're going to be answering every single – which was you said your 14 years' full-time work as senior officer of the Liberal Party 'convinced me of the need to end compulsion for voting'. Would you like to talk about that?

Well, it's been one of my longstanding passions, yes, and I've written – – –. Actually, I did a – do you know those Chevening Scholarships that the British Council run?

No.

They're really interesting. It's a scholarship program that enables you to go and spend about three months in Britain studying a particular subject. So you sort of apply and, if they decide that your area of study is of interest and worthy and you're a worthy character – and they pay your fares and accommodation and everything else to spend three months – so my very tolerant wife agreed to me applying for and accepting one of these. I think it must have been around, yes, 1990, because our second son had only just been born, and she (laughs) allowed me to go away for three months.

To London?

To London, yes. I think it was three months; two months, at least.

In what year? Sorry, 1990, yes.

End of 1990, I think it was, or early '91. Actually, I was in Britain when the First Gulf War erupted, so that was early '91, wasn't it, I think. Yes. And my subject was an analysis of voluntary voting, because Britain, of course, has voluntary voting. And I was sort of based at, formally a student of, the London School of Economics and therefore had access to all their library and academics and everything else, and for three months had this program of just interviewing everybody I could and reading as much as I could and studying as much as I could about voluntary voting, of which there is an enormous amount of academic work in terms of analyses of turnout, and who votes and who doesn't vote, and why they vote and why they don't vote, and its impact on elections of various levels of turnout, you know. And I went all over Britain talking to academics about it, and I actually got myself over to Prague during that time to talk to the fledgling parties there in the wake of the Velvet Revolution, and remember being absolutely – you know, these people who were wanting to bring democracy to Czechoslovakia and looking to Australia, you know, as a great model democracy; and I remember them being absolutely horrified to learn that we forced people to vote. I said, 'You're not going to do that, are you?' And they said, 'Absolutely not!' (laughs)

I ended up writing a paper on all that, and Dean Jaensch was very good – he was my sort of academic adviser here – because he's always strongly believed in –

Dean Jaensch.

– yes – in voluntary voting, and he helped me sort of get my thinking in order in terms of studying the subject and leads and how to go about it. So, yes, I guess my motivation or beliefs there come from a variety of sources. Just as a Liberal, I'm just utterly and totally opposed to what I regard as an appalling form of authoritarianism; because, as I say, my real deep roots are libertarian and I suppose I'm deeply anti-authoritarian (laughs) and I hate petty authoritarianism, and forcing people to vote is one of the worst. And, when you study the history of how this came about – see, there's a lot of ignorance about it. A lot of people think it's in the Constitution, and they don't understand that we're almost unique in the democratic world in having this ghastliness. And I remember Geoff Sawyer was the doyen of Constitutional Law at the ANU when I was still there, and probably the leading constitutional academic, and he wrote somewhere in all this that what the Parliament did in bringing about compulsory voting was one of the most disgraceful acts of democratic vandalism ever. Because they did it – it was just done in one night, with hardly anyone speaking in the Parliament: basically, a conspiracy between the two parties to use the force of law to do the job they should do. So I've always opposed it on philosophical grounds, and then I developed a strong opposition to it on practical and democratic grounds as well: I think it corrupts the democracy and it corrupts the parties, and it's very bad for the parties.

See, most parties around the world understand their responsibility, both to get out the vote and act in a way that encourages high turnout; and the parties here, cynically and in a sense corruptly, don't have to worry about any of that because the force of law does it.

I mean, one of the arguments is –

And, see, people confuse –

– about getting Labor voters – – –.

– a responsibility to vote with being forced to vote. So, as I put it: 'Yes, of course you should vote; but you shouldn't be forced to vote.' And to make people guilty of an offence because they choose not to is just a deprivation of their human rights, and actually you can argue that it's contrary to the Convention on Human and Civil

Rights. So I have long campaigned against it, but I can't even convince my own party.

No.

To the great credit of the South Australian Liberal Party, it is the one State Liberal Party that has always had a strong commitment at organisational and parliamentary level to voluntary voting, and went to the last election advocating voluntary voting; and indeed it's the only place in Australia, since it went compulsory, that a chamber of the Parliament has passed a bill to make it voluntary when it went through the upper house here. And indeed, my one achievement at federal level was to ensure that the voting for the Constitutional Convention election was the first voluntary election at a federal level since the 1920s. But I had a fight for that: some people said it should be compulsory, you know. It's extraordinary. And I think maybe even there was an amendment in the Senate to make it compulsory. But anyway.

Now, tell me – we're approaching the end of the second tape –

Sorry.

– and I would like to get you to – well, firstly, I should ask you the names of your children and when they were born; let's get that detail.

Yes. Well, Jonathan David, otherwise known as 'Jack', on the 16th July 1985; and Oliver Hugh Minchin on the 12th October 1990; and Anna Minchin on the 19th September 1997. As you can see, they're very spread out, for a variety of reasons. And we'd have liked lots more, but couldn't have them.

Three's not a bad number.

We'd have liked five.

You'd have liked five.

Yes.

And was Kerry still working when you came to South Australia; did she work here?

Yes. As soon as we moved here, she got a job as a subeditor full-time at *The Advertiser*. We arrived here – she, in a sense, accidentally became pregnant while we were cycling around France, so we moved to – while she was pregnant with a baby due in July. But she was working at *The Advertiser* full-time right up until the pregnancy, and then – can't remember how long she full-time mothered, but she shares my view on these things; but she went back to work part-time. And, of

course, subediting's quite good, because you can do it at night. So she went back to part-time subediting fairly soon after having Jack and did work for *The Advertiser* for quite some years. And then she worked for the *Independent Weekly* when it first set up here. But, as she said, I brought her to a city where there are very few journalistic opportunities and there's only one newspaper, and (laughs) if you don't want to work for News Limited you don't work. And it's true, you know; part of my guilt in bringing her here is that there've been less opportunities for her in a career sense. And because our kids were spread out and she's spent a lot of time being a mother she hasn't worked full-time for quite some time now. She still does – she does the Zoo's magazine; she does a few other things like that, part-time; and she's always been active in school groups and community sporting groups and things, yes.

So we're reaching very close to you running for Parliament.

Right.

Well, two questions I have, really: why did you decide this; and why federal rather than state?

Well, as I say, even throughout my six years at the Federal Secretariat and then well into my time here as State Director, I had not had any thought to being a Member of Parliament. I'd sort of committed to the professional side of the Party. I wasn't sure where that was leading to, particularly, but I suppose I was on a trajectory to become the Federal Director of the Party, to succeed Eggleton; and certainly I'd had in mind that serving as – hardly anybody – I don't know if anybody had ever gone from the Federal Secretariat to be a State Director; I was probably the first to do that. But I had in mind that being a State Director was good training to be Federal Director. And at one stage Eggleton wanted me to go back from here to be Deputy Director again to position myself, because he wanted me to succeed him, but I didn't take that job at that stage. New South Wales approached me to be the Director there, but we weren't keen on moving back to Sydney. And then the opportunity to become Federal Director was kyboshed when John Elliott took over as Federal President, and he and I fell out badly because I told him what I thought of him on a number of occasions, (laughs) and so he was never going to support me to be Federal Director and he wanted Andrew Robb to be Federal Director, who – Andrew had been head of the National Farmers, he'd been the CEO of National Farmers – and Elliott imposed Andrew Robb on Tony Eggleton as his deputy (laughs) without Tony having any say in it, really.

And then people in the Party started talking to me about saying, 'Look, you'd be a really good politician; why don't you think about – – –?'

Who said that, sorry?

People in the Party, in the Liberal Party, were saying, you know, 'Nick, why don't you think about Parliament?' Roger Goldsworthy was really keen on me taking his seat in State Parliament, he was desperate for me to run. But I really – you know, while I enjoyed working with state politicians, I enjoyed running state election campaigns, state politics never interested me. It was just the issues, the things that I was interested in, were not state issues, and I just do find – – –. I mean, I'm a great federalist and I really do believe in strong states; but, personally, it's not my area of great interest. So it was only ever – I started to develop an interest in federal. And then Tony Messner sort of got me really thinking about the Senate. He approached me to seriously put to me the proposition that I should seek to replace him – he was proposing to retire – and that I should seek to nominate for his position. And it was tricky, because there was quite an element in the Party that felt that the professional staff of the Party should never be so audacious as to put their hand up to be a politician; how dare they compete with the ordinary members of the Party for – – –?

I'll stop you there –

Yes.

– 50 seconds short of the end of the tape.

Sure.

Thank you.

END OF DISK 2: DISK 3

This is Susan Marsden interviewing Senator Nick Minchin on the 19th October 2010. This is tape three, and it's 25 past 12, so I'm watching that. And we're not quite in the Senate yet, but we're nearly there.

No – nearly there, yes.

And you were just telling me about you being encouraged to [run for the Senate]– – –.

Yes. Well, I suppose the first time – I'd been thinking about whether I ever might want to go into politics, but Tony Messner, as then a Liberal Senator for South Australia, made a particular effort to try to persuade me to run for the vacancy he would create when he retired. And I'd, after a lot of contemplation, decided that's what I would do, and he created a casual vacancy by retiring prior to the end of his

term, and I was (laughs) gazumped by John Olsen's decision, after the '89 election, when he had two – – –.

The State election.

Yes. Remember he won 52 per cent of the vote but lost by one seat. And he, I think unwisely, decided to leave state politics and take the Messner vacancy, or seek the Messner vacancy. And it was a really difficult decision for me because I was State Director, and I thought he was making the wrong decision because I thought that he had a very good chance of winning in '93, the next state election –

Here.

– yes – but I couldn't really advise him as such because I had a conflict of interest because – – –.

Had you declared your interest at that point?

He knew of it, yes, and he rang to say to me, 'Look, I'm sorry about this, Nick, but I really want to go for that Senate spot,' and I said, 'Well, obviously, I won't be running against you,' you know, (laughs) 'and you go with my blessing' and all that. But I thought, 'Well, that's fair enough from John's point of view,' although I thought he was doing the wrong thing by his – I thought he was making a big mistake, because I didn't think he'd necessarily do all that well federally and I thought he had a real opportunity to win next time – and as, of course, it turned out in '93, we'd had the Bank disaster and a huge win. And, of course, he came back to try to win in – you know, he was only in the Senate for a year or something, and then came back and lost the leadership to Brown and all of that ensued. So it was one of those moments when I *knew* I was right, and history has proved me to be right, that he was a fool to have gone for the Senate and should have just stayed in South Australia. He still maintains that he would have been knocked off for Leader in that sort of '89–93 period. I don't think that's right.

But he'd kind of indicated – well, he'd indicated his lack of interest by taking off.

Well, this is the trouble.

That's right.

But if he hadn't done that and had just stayed as the Liberal Leader, I don't think he would have been defeated and would have led us into government in '93. So I think he made a big mistake. But, in any event, it sort of put *my* Senate ambitions – well, Messner and all that had *aroused* my Senate ambitions; they were put on hold. But

then, as we approached the '93 federal election, there was an opportunity for me to run for the third spot on the ticket. There were two incumbent Senators seeking re-election and, in a sense, a vacant third spot. So I indicated to the Party that I would like to seek that vacant third position; that I would never run against a sitting Senator, as incumbent State Director, but given that that position was vacant I felt I was in a position to run for it.

It's an awkward thing, isn't it, actually, when you – point about this.

Yes. Yes, it is.

Yes. It's much easier if you're just coming from way outside the Party.

Yes. But when you're the Party's professional servant and CEO of the Party, I mean you're in a delicate position, and I knew there was a grouping in the Party who were totally opposed to me running, anyway.

Why was that?

Well, they assumed – I think there were a variety of motivations. Some were motivated by a view that it was just completely wrong for anybody on the professional staff of the Party ever to run for Parliament, and it was relatively unusual. You know, the only other State Director who'd ever gone into Parliament was John Carrick, who I think I mentioned in there.

You mentioned in your maiden speech, yes.

There was this view that people who served the Party professionally should never aspire to be parliamentarians, whereas I had a completely opposite view: if you want to get the best people into your professional ranks, you need to give them at least the thought that they'll have the opportunity to go into Parliament. There are others who just – professional jealousy: they didn't want me going into the Parliament because then I'd be competing with them for the greasy pole. There were others who thought that I was, in fact, a right-winger and they were left-wingers so they didn't want me for that reason.

Can you name names?

Oh, well, obviously, the principal antagonism did come from what's now called the 'moderate' wing of the Party.

The?

Moderate wing of the Party.

Moderate view of the Party, yes.

Sort of the Pynes [Christopher Pyne] and Vanstones [Amanada Vanstone] and their grouping.

Was Robert Hill – – –?

Robert Hill was – oh, I don't think he was very comfortable with the idea of me running for Parliament but wasn't overtly doing anything to stand in my way. And he'd been elected President when I first arrived. Bruce McDonald was the Acting President, but then didn't seek the presidency in '85 and Robert Hill got elected, so I worked with Robert Hill for three years as his President.

And how did you find him to work with?

We got on very well. You know, a lot of things we didn't agree with in a policy sense, but we worked very professionally together as Director and President. And so, you know, we had a mutual respect, and I think he understood I'd make a good fist of being a Senator. It was more – Amanda was particularly opposed to me going into the Senate.

Did she say why, other than your – – –?

Well, she would publicly say that Party professionals just shouldn't ever aspire to going into Parliament. It's very wrong, you know, to be doing that. I mean, I stood down, I took leave of absence, all that sort of stuff. I vacated the chair, so to speak, to campaign for the Senate position. I, as I say, went out of my way to say, 'I only want the third position; I don't want to – – –.' Because I was on the – it was her ticket: it was Vanstone and Alan Ferguson, who'd won the vacancy when – – –. Because this was the other thing: when John Olsen stood down, he created yet another Senate vacancy for the position again, and my then President was Alan Ferguson, and Alan Ferguson wanted to run for that vacancy, and of course I deferred to him; and we were in the lead-up to the '93 state and federal elections, so I felt an obligation to stay there for those two elections. And so I didn't seek the vacancy again; I deferred to Alan. But by the time we got to the '93 election with the position not to be filled till June of '93, it was agreed that I stay State Director and help the Party prepare for the '93 federal and state elections.

So what did the preselection process involve? You having to convince people, obviously, clearly.

Oh, yes. Well, there are 250 members of the Liberal Party State Council living all over South Australia, and I spent the whole of the summer of '91 – was it? The end

of ’91, I think. Must have been the end of ’91, because the federal election was in March of ’93, so we must have done the preselection in ’92, I think. I may have that wrong; it might have been the end of ’92; but I’m pretty sure it was the end of ’91, in fact – travelling the whole State for like six weeks, just in the car and visiting every State Councillor to make my case for being third on the ticket. (laughs) And, in a sense, I managed to scare off most of the opposition, and there were only two others who sought the third spot and they weren’t particularly strong candidates. I mean the left were desperate to find someone to run against me, but had trouble finding anyone any good. But I still took it seriously and campaigned very hard to get the third spot – and knowing, of course, the third spot is a marginal seat; we weren’t necessarily going to win three Senate seats. So, even if I’d got third, you know – I mean, we didn’t win three seats at the ’07 election, for example.

What was the electorate?

The Senate.

Yes, it was for the Senate – I know; sorry.

Yes, the whole State.

Yes, the State, for South [Australia], yes.

But the third seat – we were only guaranteed two, you know.

Yes – right, that’s what you meant by ‘marginal’.

Yes. The third seat is always a dicey proposition as to whether you’re going to win three, get three quotas, you know? So, yes, I worked very hard to get the preselection and –

Probably harder than getting elected.

– having achieved that went back into the State Director’s job and worked very hard to prepare the Party for the state and federal elections. And of course we – – –.

Were they quite close that year, were they? There were in the same year, the state and federal elections?

Yes. The federal election was in March and the state election was, what, about October, something like that? So I actually left just before the State election, but I’d done all the work to get the Party ready for what I knew was going to be a big win anyway on the back of the State Bank débâcle. And Grahaem Morris succeeded me as State Director and took the Party through the ’93 election, and yes, we won in the biggest win ever, I think.

It's ironic, really, isn't it – just after you left?

Yes. Well, I felt very satisfied with all the work I'd done from '89 through to '93 to get the Party ready for the '93 election, yes. And, well, the '93 federal election was much harder. That was a very, very difficult election, and I was both a candidate for the Senate and State Director and Campaign Director in March of '93, and with [John] Hewson running the most appalling and dreadful election campaign and Andrew Robb as the fledgling, new Federal Director, having succeeded Tony Eggleton who'd been there for such a long time, and the federal campaign was a disaster. And I remember working very closely with Petro Georgiou, who was then the State Director in Victoria, and we ended up – well, certainly in South Australia – ended up abandoning the overall federal campaign and basically running our own, doing our own thing, and we ended up winning three seats from Labor here, whereas around Australia generally the '93 was a disaster. So we won three lower house seats from the Labor Party and of course, fortunately, won three Senate seats. (laughs) So election night '93 was a very happy night, when we'd proved that the South Australian Party could perform well in the face of a pretty disastrous overall scene, and I got elected to the Senate, yes.

You must have had quite intense family discussions about this, because this was going to be taking you away a lot from your young family.

Yes. No, at every stage I've always sat down with my wife and then sundry children to explain exactly what is involved and are they prepared to support me doing this or not, and if they don't I won't do it. So, yes, Kerry certainly has been very enthusiastic about me going into the Senate, even though at that stage we had two young boys and I knew what a big load it was going to be on her, and it really meant she couldn't work full-time because I wasn't going to be around much and all that. But she's been really fantastically supportive. But it's really important – I feel sorry for MPs of either gender whose spouses are not interested in politics and not very supportive of their husbands' or wives' career.

Or Opposition. I interviewed Meg Lees last year and that was interesting, because of course they, in a sense, were almost competing, husband and wife – Democrats; her husband was well up in the Democrats, too.

Yes? Yes. Fortunately, Kerry was never very involved in the Liberal Party, but she is conservative and, being a journalist, very interested in politics and always very supportive of me going into politics and takes an interest in it, which is great,

whereas I meet others whose spouses have absolutely no interest in what they're doing and wish they weren't involved.

That would be difficult too, wouldn't it.

Really hard, yes. Very hard.

So how did you organise your accommodation and family visits and all those sorts of things, having a young family? Which was not that common then, I wouldn't have thought, in Parliament, in the Senate.

It wasn't – no, that's probably true. I mean, yes, well, Kerry couldn't come to Canberra much; it was just a matter of me making sure I made time for my family. I mean, the Senate's better like that than the House. You know, with the House, you're just so bound to all those constituency duties – you know, your weekends and your nights going to all those electorate functions, which as a Senator you don't have that – demands upon you.

You're above all that.

You know – yes, well, you're more – the Senate itself, Senate committee system, and then as a Senator the Party is, in a sense, more the thing. You go to a hell of a lot of Party things, but I'd been doing that as State Director – I was always going to branch and electorate functions all the time, of the Party – so that sort of level of activity, I suppose in that sense the Senate was just a continuation of the role I'd had as a State Director in having to go to so much of that Party thing. But at least I didn't have to go to every RSL dinner in my electorate and all that sort of thing, like so many of the lower house. So, in that sense, you can have a better life balance in the Senate, I think, than in the House. That was one of the reasons I went into the Senate rather than the House.

Interesting. Which is probably a good moment, because I'm cognisant of the fact that I'm interviewing for the State Library as well as for the National Library, which is originally Senators were supposed – there wasn't a thing about parties; well, there were no parties, really, initially, when they were drawing up the Constitution, or barely. And the whole point was that – especially for the smaller states – which was that the Senators would be representing state interests. And how did you perceive your role in representing South Australia?

Well, you just accept that you wear a lot of hats and you have to judge issues accordingly, but you're primarily – you know, in the modern era, you are elected as a representative of a party, albeit that you represent a state or an electorate. So you have a responsibility to be a team player for your party as well as remembering who it was that elected you in the first place. So you've got, you know, the Liberal Party

in South Australia; the Federal Parliamentary Liberal Party, of which you are a member of the team; and the State of South Australia. But you very rarely get into situations where there is a huge conflict between the position adopted by your party or the parliamentary party and the interests of your state.

One of the newspaper – – –.

It hardly ever happens. And the point is what you do is bring to bear in your advocacy within the party the interests of your state.

And was that hard?

It's not hard to do that. But when you come from a smaller state, obviously, yes: the big issue in Australia, of course, it naturally is this sort of Sydney–Melbourne–Canberra triangle and the fact that particularly people from Sydney have a centralist view of the world, whether they're in the Liberal or the Labor Party. But one of the fortunate things at the time I was in politics is that during our period in government South Australia was so well-represented in our Cabinet, in our Government, that we had a strong base to put our state's best interest. But, at the same time, what you're endeavouring to achieve is consideration on merit. I don't think you should be seeking undue favour for your state; only that your case be heard and considered on its merits, and to ensure that the sort of 'Sydney-centric' part of the world is not ignorant of the claims of South Australia on whatever perspective – whether it's a South Australian putting their hand up for some government board or some particular policy issue that will affect South Australia particularly one way or the other – just that you do consider the matter on its merits.

Well, I see you've actually framed on the wall, *"V-Day'* it's behind me, *The Advertiser* front page – – –[The Advertiser 1 June 2005 (when SA secured new national destroyer contract. Front page, "V-Day")].

Well, yes. (laughs) That's sort of ironic, in a way.

Perhaps you'd like to explain what it is.

Oh, it was the air warfare destroyers coming to South Australia, which was very much as a result of the work of Downer and I and Hill ensuring that South Australia's position was considered on its merits. And, of course, Rann, with his PR machine, managed to convince the people that it was all his doing; and, as I often said publicly, Rann was almost counterproductive because of the hatred that had developed towards him in our ranks by his cynical and partisan opposition to the radioactive waste proposal for South Australia.

I wanted to ask you that, because that was quite contentious and it was one of my questions about relating to representing South Australia and how – – –.

That was probably the most difficult issue I had to deal with as a South Australian Senator, and I got a massive amount of abuse –

Especially from *The Advertiser.*

– orally and in writing and others – about being a South Australian Senator and being responsible for the federal policy of the thing being sited here. But I found it quite easy, because at the end of the day we're all Australians and we all have a responsibility to ensure that radioactive waste goes in the spot objectively determined to be the safest place in Australia. And an independent panel of scientists had assessed, after many years of study, that the Central North of South Australia is the safest place in Australia to put the radioactive waste, so how could anyone possibly contend that argument? Certainly *I* wasn't going to. I said, 'Sure: (a) there is absolutely no risk to South Australia – why would South Australians oppose it? There is no logic to opposing it; and (b) as Australians, we should all want this waste put in the safest place possible; and (c) it's actually in South Australia's interests because it means at Commonwealth expense all the radioactive waste lying up and down North Terrace will be taken to a Commonwealth facility at Commonwealth expense and stored properly and safely. So I felt quite aggressively confident in my arguments, as a South Australian Senator, in making that case. But, yes, Rann attacked me every day as, 'How can a South Australian Senator want to inflict this ghastliness on South Australia?' So he wanted it to go somewhere else. So South Australia, which is basically a mendicant state, depending on the largesse of other states to maintain its standard of living, is not prepared to carry its responsibility of being host, as the safest place in Australia, to Australia's radioactive waste. I thought it was a disgraceful attitude on the part of South Australia. And it would be one thing if it wasn't a mendicant state, dependent on other states; but the fact is it is.

So I used to get quite aggressive about it and get quite upset with opponents of it, and it was to me a sad reflection on the small-mindedness of this state sometimes, and this dreadful – you know, I can say it, having lived interstate – this chip-on-the-shoulder attitude here is dreadful. You know, it's almost like, 'Why do those Eastern States want to inflict their waste on us?' Oh, grow up, you know, get real. So yes. And I'll never forget being invited to a rally to oppose the radioactive waste site on the steps of Parliament House with 5000 ferals all wanting to kill me while I tried to make my case, and they just shouted me down. One guy tried to bash me over the

head with a poster; another guy tried to king-hit me from behind; you know, I had police guards and everything looking after me. And Jeremy Cordeaux, of all people, leading the charge, you know? The so-called 'conservative shock-jock' of Adelaide. So that was, yes, the most difficult and, in a sense, bitter experience I had.

And I was very proud of the South Australian Liberal Party, which at all times supported it happening on the grounds that it was scientifically deemed to be the safest place, and it took courage on the part of the South Australian Liberal Party to support it; but disgusted by the cynicism of Rann and the Labor Party in opposing it and using a sort of a quirk in the federal compulsory acquisition laws that prevent compulsory acquisition of declared national parks. So Rann declared the area that we wanted to put this thing in – which is just an old pastoral lease – a national park, and therefore thwarted the compulsory acquisition by the Commonwealth of that lease. And I thought it was disgraceful, because now Australia still doesn't have a radioactive waste repository; and this process started in 1991, under the Keating Labor Government, and we still don't. It's symbolic of things that depress me about this country: you can't even build a one-square-mile repository for low-level radioactive waste produced by a research reactor which produced lifesaving medical radioactive isotopes.

Thank you.

There you go. (laughter)

Had been on my list of things to ask. It seemed like a good moment to do it.

At the end of the day, we're not just – we've got to be realistic about our role and about South Australia's place in the [nation] and our responsibilities as a state to the nation.

Yes.

Where we can serve the nation, we should.

Yes. So were there issues that you felt that weren't represented well at federal level from South Australia, as a Senator, that you tried to bring up?

Well, you know, the Murray–Darling issue was always one where there was complete Eastern States arrogance towards South Australia. I think that was very bad. There was often, on the Eastern States, an arrogance towards the reality that this state had an industrial basis, and a sort of 'Let's just get rid of the car industry' sort of attitude, which was completely unrealistic. It was very difficult for South Australians themselves to get on the radar for – because the Federal Government

makes appointments to various bodies and boards and committees and that sort of thing all the time, and you really had to work hard to get South Australians considered on their merit for a lot of these sorts of appointments, you know? So it's easy for South Australia and its case to just disappear in the Canberra–Melbourne–Sydney milieu, and that's why it is important that South Australia makes sure it sends to Canberra, I suppose, at a federal level, prominent people prepared to fight on its behalf for its case to be considered on merit – but only ever on merit; that's all I ever – – –.

I was thinking also, in a sense, it's considered regional, in a way.

Yes.

You really got the sort of metropolitan–regional divide in Australian life, in a way –

That's true.

– meaning the Sydney–Melbourne–Canberra – well, Sydney and Melbourne, really, rather than Canberra – – –.

Well, it's that sort of power axis.

Yes, that power axis. And so in a way it seems to me, when I've been in those sorts of situations, you're not necessarily only arguing South Australia's case; you're actually arguing the case for 'regional Australia'.

Yes, true.

Would that be your impression.

There's a certain – – –. I mean, Adelaide's issues are more metropolitan than they are regional –

Yes, they are.

– but certainly, from a – – –.

But sort of non-big ..... metropolitan I guess is what I'm trying to say.

Yes. And people would often say, 'Oh, Adelaide: it's not as big as Western Sydney,' or something. 'There are more people in Parramatta than there are in Adelaide,' sort of thing. So there's a lot of not necessarily just in jest putdown, yes. But you're right: there is that Sydney–Melbourne mindset, and the rest of us are 'camping out', you know, as Keating famously said.

Well, also just different ways of living, it seems to me, you know, that the smaller cities are still – there is a different way of life –

Yes.

– in the smaller cities, including the smaller state capitals, it seems to me –

Sure.

– and the larger, non-state capitals, so your Launcestons and your Newcastles and so on.

Yes.

And I just wondered how that played out at senatorial level or in discussions and debates.

Doesn't play out at senatorial level; it plays out at government level and cabinet level, and bring to bear on government decision-making a truly holistic sort of perspective rather than just a Sydney–Melbourne perspective. I mean, the Senate, because of its nature and because every state is equally-represented, is much more – you know, it remains the great thing about the Senate: while some would claim it's undemocratic, the great thing about it is it reflects equally all those states and gives every state an equal say in that chamber, and I think that's its great virtue.

Which in fact the Constitution works in that respect, doesn't it?

Yes, indeed.

I mean, speaking of the Constitution, were you very conscious of the Constitution, is there something – or did that gradually grow on you? I'm again always struck by – – –.

I suppose the experience of '75 – you know, studying law, studying constitutional law and having the events of '75 going on just down the road – made me very much more conscious of the Constitutional than I suppose I otherwise would have been, and I'm a great defender of it. And I suppose I don't remember ever being anything other than a supporter of constitutional monarchy and federalism, which are the two great touchstones of our Constitution, yes.

And so tell me – can you remember your first day in the Senate, your arrival in Parliament and your impressions? Although it was familiar, much more familiar to you – – –.

Well, exactly, yes. Because I'd spent 14 years working for the Party, I knew most Coalition Senators, at least; I was very familiar with the Parliament. It was sort of love at first sight – I mean I really enjoyed it.

You would have had a better understanding than most people of procedures. Were you given any advice?

Oh, yes – like everybody else, just went through the normal – they have the –

Induction.

– induction sessions, yes, and I had to learn like everybody else all the arcane procedures of the Senate itself, with which I was not particularly familiar. But I always think being a lawyer helps with all that, in terms of the way in which legislation is dealt with and procedures and things like that, and I'd always had that sort of mind anyway, so I didn't find that difficult. Although, because I spent most of my time as a minister rather than just a Senator, I'm more government-oriented than I am Senate-oriented, I suppose, on reflection.

Yes. The timing's good, isn't it? I'm just looking at your chronology here. Because you fairly quickly became Parliamentary Secretary to the Leader of the Opposition: that was '94, wasn't it?

Well, that was a function of me being very close to Alexander Downer, and he and I had formed a pretty strong friendship from the time I first came here in '85, when he was of course already in Parliament; and then we were in a house together – when I went to Canberra, I moved in with him and Alan Ferguson; and then, with Hewson's collapse and the formation of the Costello–Downer team, and I was intimately involved in that and in the Downer–Costello campaign for the leadership and helping them with numbers and canvassing and all that sort of thing, so Downer winning in – yes, that was only eight or nine months after I got there – yes, he made me his – you know, Parliamentary Secretary to the Leader of the Opposition; so I was sort of in the thick of it from the outset. (laughs) And then, of course, his leadership was one of the most extraordinary periods in the Liberal Party's life.

Why was that, would you say?

Well, because he was a hugely refreshing change from Hewson, who was a disaster, and was incredibly popular at first; but then his immaturity and lack of experience suddenly became very obvious and he was up against one of the most ruthless characters there are, in [Paul] Keating. So Alexander soon realised that he himself wasn't really cut out for this. (laughs) But I'll never forget when he first rang me to say that he and Costello had decided they should form a ticket to take on Hewson, and I immediately said, 'Hang on – which of you is going first? Who's going to be the Leader and which is Deputy?' Because I was thinking, 'Shit, you're not going to be the Leader, are you, Alexander?'

Oh, you didn't think he could do it?

No – I didn't think he was ready for it. No, I really didn't.

Because?

Oh, well, I knew him too well, I suppose. (laughs)

That's the problem with friends, isn't it?

Well, he's a terrifically-gifted natural politician, but he has a sense of humour which gets him into awful trouble, which I knew about; he can be very flighty; he can lack judgment; and I just didn't think he had the sort of hard-headedness and maturity to take on the leadership at that stage – although, as he said, you know, he said, 'Well, you might be right, Nick; but Costello's deferring to me, because I've been here a lot longer than Costello.' Costello had only been there three years by that stage. So I said, 'All right.' And we both thought Howard should be Leader, but Howard wasn't going to beat Hewson.

Why was that?

Because there was still a sense of Howard being 'yesterday's man'; he'd been Leader back in the late '80s; he hadn't been very good; Hewson might be hopeless, but we can't go back to Howard. So, in a sense, the Party had to go through the experience of trying this new generation, and I suppose –

And then go back to Howard.

– Downer and I both knew that, and we both said at the outset, 'Of course, if this fails, then Howard will have to take over.' And so we agreed that Downer would go number one. Costello made the smartest decision by staying number two, because he was Deputy from that point right through, of course. And it was very difficult with Alexander as Leader, with me being close to him and dealing with all the problems. But I remember, the day Downer won, sitting in Downer's office celebrating; I sat next to John Howard, who was as glum, as depressed as you could imagine; and I distinctly remember saying to him, 'Don't worry, mate – if these guys fuck up, which they easily could do, you're it.' 'Thanks, Nick.' Because he just thought that was it; he was – over for him.

That was it.

But I genuinely was saying that to him, and we'd always had in the back of our minds that Howard would come in if Downer didn't work out, which he didn't. (laughs) So that led to Howard. But, yes – and, indeed, it was a really trying and difficult time with Alexander because he went through hell and his family really

suffered and everything else, and he and I worked together to work out a game plan for him to get out and say that, 'I'm standing down on the basis that I'm supporting John Howard to take over.' And I remember Peter Reith ringing me to say, 'What's this all about, just handing it over to Howard? Howard's no good; *I* want to run for Leader.' And I had a screaming match with Reith, you know, saying, 'Well, you do that; I'll tell Downer not to resign. This is the only reason Downer's resigning is to pave the way for John Howard to be elected unopposed.'

And why not Costello?

Peter accepted, at that point, that their leadership – the Downer–Costello leadership – hadn't worked. Peter didn't want the Leader. See, he'd still only been in there four years at that point. He didn't think he was ready to take on Keating and the responsibility of the campaign in '96. He recognised that Howard was the guy to put in against Keating to get us back into government, to Peter's credit. I'm sure Peter, at that stage, thought, 'Well, Howard will just do a term or two,' and Peter would then –

Pop up.

– pop up, and he thought that was – I mean, from his point of view, it was quite sensible. But Reith saw the opening and really wanted to run for the leadership, and we had to bully him out of running against Howard. I don't know that Howard even knows that. But, fortunately, Peter did stay out of it and we elected Howard unopposed, which was the objective.

And Howard actually was going to drop me as Parliamentary Secretary to the Leader and put Grant Chapman in, because Grant had been one of John's great supporters for many, many years, and Downer, to his credit, told Howard that would be a really dumb thing to do and to keep me on as his Parliamentary Secretary.

There was an interesting little paper I read about the departmental machinery of government which said that the most important change to Parliament since 1987 was the addition of a third tier of parliamentary secretaries, and there were four appointed in 1990 by Keating.

Yes.

And John Howard's first Government had 10. So, in other words, you were fairly close to being one of the pioneer parliamentary secretaries, if that's the right word.

Yes.

So what did the job involve, and who else were you with, working with, at that point?

Well, of course in opposition – – –.

Yes, that's true, which at least gave you that run first.

First I was in opposition, and really, in that role, you're just – I mean it's good because you're on the front bench and you work closely with the leadership and the other front benchers – and I travelled with John Howard in the '96 campaign as his sort of parliamentary adviser, which was an interesting experience – but in opposition it's quite different. So, in government, you're right: I think that level of ministerial responsibility certainly proved its worth. And I remember just after the federal election driving to Melbourne with Kerry – and the kids, I think – to go to the Victorian Grand Prix after Kennett had pinched our [SA's]Grand Prix, and I was a guest of Rothman's or one of the cigarette companies, actually, and it then became a bit of an issue. But Howard rang me on the phone in the car and said, 'Got a couple of jobs I want you to do as my parliamentary secretary.'

'Oh, yeah, what's that?'

And he said, 'One, I want you to take responsibility for Native Title; and, two, take responsibility for implementing this promise we've got of having a constitutional convention on the republic.'

(laughs) And I was sort of shocked, you know, because I knew just how big those responsibilities were, and I'm thinking, 'Hang on, whoa! I've only been here five minutes and I'm a parl sec and you're giving me *these* jobs? My god!' And, you know, 'Are you sure I'm up to it, John?'

'Ah, yeah, Nick – no, you'll be great.'

So that was – but that was after he was elected and became Prime Minister, was it, or was it before?

Yes. He said – once he was elected Prime Minister in March of '96, he appointed me as his Parliamentary Secretary to the Prime Minister –

Yes, that's right. Yes, that's right. Yes.

– having been Parliamentary Secretary to the Leader of the Opposition, but he had to give me specific tasks from within the portfolio of Prime Minister and Cabinet, and I was a bit shocked to be given those – because he had two parliamentary secretaries, me and Chris Miles, and he gave me the meat and Chris Miles sort of the bread. Chris Miles just had sort of Shadow Cabinet and Correspondence and stuff like that. He'd really given me two very, very meaty and fairly difficult responsibilities. You know, so I was honoured with that, but I must say quite daunted by the

responsibilities. And Chris and I were the joint convenors of what you might call the 'Parliamentary Secretary Faction', you know, and we used to meet as parliamentary secretaries. And Tony Abbott, of course, was then a parliamentary secretary and resentful of the fact that I'd been given these two really good jobs and I can't remember what he had, but he didn't like it and wasn't very happy. (laughs) And, of course, we weren't paid then, either; we were just on backbench salaries.

Were you? That's interesting.

Yes. There was a view that we weren't, under the law, able to be paid as parliamentary secretaries. They are now paid, but then we didn't get any extra money. You got one extra staffer, I think, and an office in the ministerial wing, but that was it.

Well, this paper said there were – John [John Nethercote, "Departmental machinery of government since 1987," Parliament of Australia, Research paper, 1999]'s paper that I mentioned said, yes, when Howard was elected that there were 10 of you.

Yes. Okay. I can't remember who the 10 were, but – – –.

Yes. But it's interesting that you had a little kind of gathering.

Oh, we used to meet regularly. And one of the big complaints was, 'We're not being paid but we're working like dogs,' you know, because the ministers would hand all their hard work to their parl sec but we were only getting backbenchers' salaries, you know. (laughs)

Yes, that's interesting.

So we did have a sort of a trade union movement, you know, and did start the process of campaigning for there to be a recognition that parliamentary secretaries should get some financial recompense for their role, which is now the case, which is good.

Interesting, yes. In a funny way, though, it seems to me, it was also coinciding with the great growth in the numbers of ministerial advisers at that time as well, who were different – unelected, of course – but you have got this sort of – – –.

Yes. Well, that's been progressive.

Yes, that's true.

I mean it started under Hawke and Keating and it's just – yes, it has grown and grown. It's always been in lockstep: there's always been an agreement on a ratio between the Government and the Opposition, so whenever the Government advisers'

numbers increase so does the Opposition. I don't know if you want a big discussion about all that, but it's inevitable – – –.

No, probably not. Well, I want to ask you about – in fact, you tell this lovely story – I watched very closely *The Howard years* on YouTube or wherever it was, or your interview particularly – yes, in which you do talk about dealing with Native Title. Can you, in your own words, tell me what that actually involved? I know it's a big question, but – – –.

Well, you mean what are the – – –?

What was your job with regard to Native Title?

Ah, well, my job was to reform the whole NativeTtitle system. We had, you might recall, opposed the Keating Government's *Native Title Act*. You know, Native Title was a function of the common law, by virtue of the original decision – the High Court's original decision[3] on Native Title. What the Act did was formulate a process for dealing with common law Native Title claims, and we'd opposed it because of the way the Act was drafted; and it was a shemozzle of an Act and was in huge need of reform to the legislation. So my job was to develop a reform package to the *Native Title Act* – not to seek to change the common law, because we couldn't, as the High Court had said, you know, 'This is the common law,' but to change the Act that Keating had put in place to deal with what was now the reality of Native Title. So I had to – and we didn't go to the '96 election with any particular and detailed policy; we just said, 'The *Native Title Act*'s not working and we're going to fix it.' (laughs) And so I had to develop a policy, get it through the Parliamentary Party and then get it through the Parliament – at the same time be planning the Constitutional Convention.

So it was the most challenging job I've had in all the time – right through to being Finance Minister. The most difficult and challenging job I had was my role in Native Title, because the level of misunderstanding and ignorance of what exactly the High Court had decided originally, and the implications of that, and the lack of understanding of the *Native Title Act* that Keating had put in place and its deficiencies, how the two married together, and how to bring about reform. And there are so many deeply-vested interests – from, you know, an Aboriginal point of view, a grazier's point of view, farmers, the State Governments; there were so many irons in the fire on this to deal with that it was an incredibly difficult, challenging

[3] *Mabo v Queensland (No.2)* [1992] HCA 23 – '*Mabo* case'.

thing. I mean, it really helped to have been trained in the law, because we were in a complex legal area. And then – – –.

And you also had this hostility and suspicion anyway, with a newly-elected Liberal Government.

Yes, that's right: there was a view that we were totally opposed to the whole idea of Native Title and we were going to just get rid of the whole thing – and there were certainly people in our ranks who thought that's what we were going to do and what we should do, you know. (laughs) So the biggest job I had was – – –. Well, there were two big jobs: pacifying Aboriginal interests, that that's not what we were about; and getting the hardliners in our Party, in our side of politics, to understand you couldn't do that, anyway, and it was the wrong thing to do as well, and that we had to find a way to make this thing – to live with the reality of Native Title and make it work, in everybody's interests. You had mining interests and all that stuff. So it was really, really challenging.

But it was my first real exposure to the great skills that exist within the Canberra bureaucracy. The people in PM&C [department of prime Minister and Cabinet] that I was working with on this were highly-skilled, intelligent, capable people. It enabled me to get to know a hell of a lot of Australia I'd never seen before; to work closely with the Aboriginal leadership of the country in a way I'd never had the opportunity to before. You know, I was going around the country just making speeches about what Native Title was, just trying to explain the High Court's decision, and then realising most people don't even understand the difference between common law and statutory law anyway. So basically doing seminars (laughs) on the law. It was amazing. But a wonderful experience, and it took a very long time till we finally got some reform through the Senate in what are still the two longest debates in the history of the Senate: the two native title debates.

Yes. And I've got three questions all going in different directions here: one is, of course, the criticism, I think, in the TV series that John Howard said, 'It all went on too long,' which you have answered – and can answer again.

Yes. I was disappointed in him saying that, but yes.

And what's your answer to that?

Ah, well, I think – I wrote to him a very long letter, to which he never really replied, explaining to him why, inevitably, it was going to take some time to resolve this: (a) we didn't have a majority in the Senate, so we had to put together a plan that both had the support from within our own ranks – and we had a huge range of opinions,

from left to right, in our own ranks – and then (b) of a kind that was going to get majority support in the Senate, and that was always going to take some time to formulate. There was no quick answer to that. And remembering that our first attempt was rejected by the Senate, effectively, so we had to start again.

And then, of course, the thing he forgot was that the *Wik* decision[4] at the end of '96 changed the whole ballgame again, because the whole – this is what a lot of people never understood, that the reason why the *Native Title Act* had to be changed was because the Keating Government had, quite legitimately, written the whole Act on the premise that the High Court had decided that pastoral leases extinguished native title, and pastoral leases cover a vast amount of Australia. The High Court hadn't actually said that, because it hadn't been called upon to decide that, but all the *obiter dictum* was that that's what it thought; but it wasn't till the *Wik* decision that it was called on to make that decision and, contrary to all expectations, it decided that pastoral leases didn't necessarily extinguish Native Title, so the whole foundation of the *Native Title Act* was ripped asunder. And then we had to, in a sense, start again on our reform exercise, to deal with that reality.

Not to speak of persuading people to accept it.

Yes, that's right. So I thought John Howard was quite unfair and quite wrong to make that observation, and forgot some of the key elements in it and why it did take some time.

Do you think he said it because he felt that there was a lot of political flak from taking so long?

Well, it hung around the Government. And, in government, the inclination is always to deal with problems as quickly as possible and get them off your agenda and move on, and that's fair enough. And I know that people like Downer and all that, often just in a kneejerk sort of fashion, when asked about the first term of the Howard Government, will always say, 'Oh, well, Native Title hung around too much. We spent too much time talking about Native Title.' You know, 'We should have just dealt with it.' Well, it wasn't that sort of issue, and it's naïve and idiotic to suggest that it could have been dealt with in that way.

But one of the problems was that this was an issue that was dividing our own ranks; causing a lot of tension in Aboriginal ranks; being exploited by the Labor Party, who wanted to paint us as anti-Aboriginal and all that; and that we couldn't

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[4] *Wik Peoples v Queensland* [1996] HCA 40 – 'Pastoral Leases case'.

resolve quickly. So yes, I accept that it was a cause of concern; but it wasn't amenable to some quick fix.

Interesting, because in more recent times you've been – quite favourable things [have been] said by you to him and from him to you, which is your opposite number, Senator Bolkus, Nick Bolkus –

Yes.

– about that very debate.

Well, Nick was very good. I mean I was disappointed that the Labor Party corporately took such a strong stand against what we were trying to do, but in a sense they were sort of defending their legacy with the Keating Act and not wanting to recognise all its deficiencies; but Nick Bolkus, to his credit, was one of the few in the Labor Party who really understood the *Native Title Act* and understood Native Title and was prepared to engage in real debate and actually came up with some good amendments, which we accepted, whereas Bob Brown – see, basically, the chamber was [Brain] Harradine, Brown, me and Bolkus, for hours upon hours upon hours, and Brown would – one of the reasons the debate went on so long was that Brown would use every opportunity just to get up and make some polemic about Aboriginal land rights without ever really understanding Native Title or understanding the Act. And often I would have to get up in response and just explain the law to him, and explain what the High Court had actually decided and all the rest of it, and he would just then respond with another 20-minute diatribe about Aboriginal – whereas I knew that Nick Bolkus and Brian Harradine both really understood the issues and understood the Act.

Harradine held the balance of power at that point, didn't he?

Yes, that's right. We had to get Harradine. And then, of course, he ended up having [Mal] Colston in his pocket, you recall.

Sorry?

He ended up having two votes because Colston, having left the Labor Party, deferred to Harradine and gave Harradine his vote. So it was very funny, going through this inordinate debate: whenever a vote on a particular provision would come up, the chair would just look to Harradine and he'd either do this or that (makes affirmative and negative gestures) and you'd move on, you know, because whatever he said was what happened – which is where we're going to be with Mr Brown, of course, after July.

Yes. Interesting, isn't it? Yes, because it was interesting talking with – I interviewed Michael Macklin, whom you might remember –

Oh, yes?

– and, of course, he was there in the days when it was the Democrats holding the balance of power.

Yes, sure.

So that was a very interesting discussion as well.

Yes, right.

So that whole kind of – yes, the way Parliament operates depending on that –

Yes.

– and then you later winning the balance of power in the Senate, which made a big difference –

Yes.

– which we will touch on.

Indeed.

We've got five minutes. I should move on. Although there's a related issue here, and it's a touchy one too, but of course a big – retrospectively, or even at the time, a big criticism of Howard was, of course, the whole business about Reconciliation and the Apology.

Yes.

What's your view of that, both in terms of whether it was needed and, secondly, how it was handled?

The Apology, at that time?

Yes, and Howard coming across as very intransigent.

Yes. John didn't handle Aboriginal affairs particularly well. He found it difficult dealing with the Aboriginal leadership of the time. The Aboriginal leadership of the time was very aggressive; very resentful of us winning in '96; you know, just had a mindset that was that we were trenchantly opposed to their interests. And he found it quite difficult to find his rhythm with them. You remember that terrible occasion –

Yes.

– when they all turned their backs on him and he started screaming at them and got very aggressive, and it's just not the way you deal with Aboriginal leadership. You've just got to spend as much time as it takes, just working through things with

them, and respectfully so. And he, strictly speaking, adopted the 'rational' position on the Apology: why should a current generation be 'apologising' for things done in a previous generation? It just, literally, doesn't make any sense. You can say you're sorry that –

It happened.

– you know, that it happened, and you regret that it happened; but you only apologise for things you did that cause damage. You can't apologise for what somebody else did.

But you've put your finger on the rationalist – – –.

So he took it very literally –

Yes, that's right.

– and, in that sense, he was absolutely right. But failed to appreciate the extent to which it meant a huge amount to Aboriginal people. It was sensible of us to – you know, one of the most difficult speeches I had to craft and make as Senate Leader was when I had to explain – as Leader of the Opposition in the Senate, when the Apology was dealt with in the Parliament, to speak on behalf of the Opposition in the Senate on the issue and having been part of the Government that had opposed the Apology and explained the context of that and that why now we were willing to support it. Yes. But it was a very difficult time.

And Howard was – you know, that was the period at which we were, in a sense – and I think it was one of the most successful things we did in government, ultimately – was to re-engineer the whole way in which we dealt as a government with Aboriginal issues, that it was about practical outcomes for Aboriginal people rather than all the symbolic gestures. Land rights and apologies and things, for us, was not what – and I'd been sitting around in the dirt with Aboriginal people all over Australia talking about Native Title. It was about housing and education and health and all these things, whereas all the Aboriginal leadership at the time were more interested in going to UN conferences and talking about land rights and apologies and all that sort of stuff. And that used to infuriate Howard. And I think one of the achievements we had was to really change the whole tone of the debate – took us a long time, but that is now what people understand to be the things you have to deal with.

Thank you. We'll stop there. One minute.

Right.

Perfect.

END OF DISK 3: DISK 4

This is Susan Marsden interviewing Senator Nick Minchin on the 19th October 2010. I've got a mouthful of biscuit, so I won't ask a question. We were talking about, well, the early – the first term of the Howard Government; we had been talking about your negotiations over *Wik* in particular, or native title. I see in 1997/97 you were Special Minister of State and then Minister Assisting the Prime Minister – that really carried on from having been in that role in the Shadow Cabinet; was that right?

No. Well, when we came into government I was appointed Parliamentary Secretary to the Prime Minister.

Parliamentary Secretary, yes.

Then, when in the first great sort of débâcle of the Howard era occurred when, what, three or four ministers had to resign and the chief of staff had to resign over all that travel allowance stuff –

That's right, yes.

– I was appointed as the Government's first Special Minister of State. They abolished the Ministry of Administrative Services, which David Jull had been in, and he sort of was the fall guy for all the mess in travel allowance issues. So they created this new position, Special Minister of State, within the finance portfolio, to look after everything to do with MPs' entitlements and remuneration and a range of other things as well. So I had to (laughs) find myself in the position of having to fix the mess that was revealed when all these ministers resigned. And I must say the whole entitlement system was incredibly loose.

Was it?

Yes. So I suddenly had, having had native title and the republic convention, suddenly had to put a major broom through the whole parliamentary entitlements system and clean that up, put in the whole place of new procedures and ways of dealing with it, basically as much to protect MPs from themselves as anything. Yes, so that was, what, the September of '97. So, having thought I'd probably never be a minister because South Australia had four ministers in Cabinet then – Hill and Downer and [Ian] McLachlan and Vanstone – I hadn't really expected to have the opportunity to become a minister at all; so it was sudden and unexpected, but welcome, and it was a great job and I kept responsibilities in Native Title and the Constitutional Convention as well as having this significant ministerial

responsibility, which included the Electoral Commission and the *Electoral Act* and all sorts of things. So that was a great job and, again, another big challenge, in terms of getting a – because the public had completely lost confidence in the whole parliamentary entitlement system.

Yes. And then, as you say, you had the whole – – –.

So I had that job for a year up until the '98 election.

Did you? Yes.

And then, of course, Ian McLachlan announced that he was going to retire at the '98 election – and again I didn't really expect to be appointed to Cabinet; I was happy to be a junior minister; but was lucky that – I guess because McLachlan had resigned – Howard was prepared to put me in the Cabinet, in a sense replacing him as a South Australian in the Cabinet, so South Australia kept its remarkable and unequalled and historic level of representation of having four of us in the Cabinet.

Yes. It's interesting – which is unusual, isn't it?

Oh, it's never happened before and I don't think it will ever happen again.

No. Since. No. We've got sort of a Clayton's South Australian [Julia Gillard]as our Prime Minister at the moment.

Yes. Well, it suits her to claim she's either a Victorian or South Australian, depending on where she is and what the issue is, yes.

Yes, that's right – yes, when she's here she's South Australian.

But when she barracks for the Bulldogs we all know she's a Victorian.

Yes. So that was '98.

Yes.

Oh, well, then '98. So you became Minister for Industry, Science – – –.

Science and Resources in Cabinet, yes.

At that point, yes.

After the '98 election.

Did you have any choice about which ministry you got?

No. This is one of the funny things about John Howard. I mean everyone – you know, it's just like the *Yes, Minister* series – you wait at the end of the phone, you know, praying for the phone call, and of course generally speaking you take

whatever you're offered. But the funny thing about John Howard is I don't think he ever, has ever had a conversation with me about what my interests are or what sort of area of government would I like to be in, and I suspect he's never done that with anybody. And, as good a Prime Minister and Leader as he was, I think that is a deficiency and he occasionally did get the matching completely wrong, you know, putting the wrong people in the wrong jobs, because I think it is important to actually understand your team and what their strengths and weaknesses are and what their actual interests are, what they would like to do. You know, you might not always be able to meet them, but at least you know what they – – –.

It seems sort of sensible managerialism, really, isn't it?

Because, after the 2001 election, when we had vacancies in several portfolios because John Fahey, I think John Moore as well, and Michael Wooldridge all retired, and he rang me and said, 'I want you to be Health Minister,' and that was the one and only occasion on which I said, 'Well, I think that's a really bad idea, Prime Minister.' (laughs) So it's not true that I always just took whatever was offered. (laughs) And what made him *think* that I would want to be or would ever be any good at health, god knows. Anyway.

Which is a big one, too, isn't it, really?

Fortunately, I was able to persuade him that it was much more sensible to put me in Finance.

Not a good idea.

Yes.

Well, it's a good time to ask you, actually – I mean one of the many media overviews or premature 'obituaries', if that's the right word, when you announced you would be retiring, was one comment that was made that you, despite your support for Howard and your career reaching its apogée, I suppose, during his time, they said you were 'not a Howard loyalist', how they described you. So it's a good point to ask you how you would respond to that comment, firstly; but, secondly, just your experience of working, because you had the advantage, really, of before you became Minister, really, didn't you, of working with Howard, or, you know, you had that kind of preliminary period.

Well, I'd known him since '77 and had worked with him as a party official while he was climbing the ranks, and then as a State Director. And, yes, we'd always got on well. My worldview, by and large, is similar to his. There are several major issues we differ on, but by – – –.

What were some of those?

Oh, the principal difference between us is that I'm very much a committed federalist, philosophically and practically, and he is just an out-and-out committed centralist.

Centralist, is he?

Yes. We parted on stem cells, too. I was very surprised, because I share his social conservatism and he's a good constitutional monarchist, all that sort of stuff. But he surprised me enormously by supporting embryonic stem cell research when every other conservative in the Party was opposed to it. So that was surprising. But what are you asking for: just the general view on Howard? Well, I was seen as close to Howard; I was seen as having similar views to Howard; I'd been –

Would you describe yourself as a 'loyalist'?

– well, I'm loyal to the Leader. But certainly he and I were on the same philosophical side of the Party. I'd worked closely with Downer to engineer Howard into the leadership in '95, whenever it was, and then obviously had travelled with him on the '96 campaign and all that stuff. So I guess it was surprising to people when I would argue with him and take contrary views to him, and sometimes disagree with him publicly. So if by 'loyalist' you mean 'blind loyalty', no; simply that I admired him and we had a similar philosophical view of the world. But when he was wrong, you know, I'd tell him and I'd argue with him. Probably didn't do that enough. (laughs)

Probably not. And the other thing is, speaking of future leaders, as we are, it must have been about this time – because there was the republic referendum in '99, wasn't it, so it was in the middle of this period –

Yes, '99.

– so you would have, if not before, had some dealings with Malcolm Turnbull at that point, I would imagine. Can you talk a little about that?

Yes. I first met Malcolm, I think, when I was on the most interesting Senate committee I was on, which was chaired by Richard Alston, who we mentioned briefly before, when I first went into the Parliament – must have been '93 – into the – you know, the Senate set up an inquiry into the whole Fairfax saga, the Conrad Black attempt to take it over and all that, and Turnbull appeared as a witness before our committee. But I hadn't had much to do with him at all until the planning the Constitutional Convention, when I had to work closely with both the republicans and the constitutional monarchists in putting this thing together, so I had a lot to do with Turnbull during that period. And we got on quite well, and I think he respected my – you know, I was up-front as a constitutional monarchist, but I think he respected my

impartiality in planning the Convention and my professionalism in that, and we dealt well together professionally. But I'd never had anything to do with him personally.

And then I was a bit, I must say, aghast at the way he bought his way into his preselection for the Party for the 2004 election, by just – (laughs) it was quite extraordinary – he was running radio ads to recruit people to come and join the Liberal Party in his electorate so they could vote out the sitting Member.

It's very American – sounds very American.

While Peter King was no great mate of mine, I mean I just thought this was unbelievable. Anyway, he managed to buy the preselection and then [I] worked with him in government, yes, but for that three years – and, well, he came into the Cabinet at the very end of the Government. He clearly had a different worldview to me. And I remember – when would this have been? In that period, I guess – experiencing his – he's extraordinarily thin-skinned and very sensitive, which was revealed to me on a couple of particular occasions. But we were able to work together professionally, but we had obviously very different views on the issue of climate change and that all played its way out last year.

Yes, indeed it did. We will be dealing with that – although it is interesting, it just occurs to me now, on that topic: did you come up against – not 'against'; did you come across this when you were Minister of Industry, Science and Resources? You would have been dealing with the Chief Scientist on science issues.

Oh, yes. That's when I first got deeply-involved in it. So, yes, my involvement with this issue goes back to '98, because it's the only time all three of those portfolios have ever been put together, and again Howard just created the portfolio and then looked for someone to fill it and said, 'Nick, you're it.' And it was really extraordinary, because I had no junior minister; I had a parl sec who looked after tourism and stuff like that; but I was *the* Minister for Industry, the Minister for Science, and the Minister for Resources, all of which now are sort of, basically, separate portfolios, and it was a huge load and the most taxing three years of my parliamentary life, in terms of demands upon me. But it meant that, as this whole greenhouse gas issue was developing and gaining momentum, that I was in the industry and resources portfolios, where [were] the Australian sectors most affected, as well as having ministerial responsibility for the science portfolio, which was meant to be objectively developing the science on all this. So we had a committee of Cabinet – whatever it was, the Greenhouse Gas Committee or something or other. We had a Greenhouse Office, didn't we? We had an office – AGO, Australian Greenhouse Office.[Australian Greenhouse Office (ADO) is described as the

world's first government agency dedicated to cutting greenhouse gas emissions (established 1998)]

Yes, there was, that's right. That's right, yes.

That had a sort of a supervising committee and it was me and Hill, so I was there always, you know, representing industry and resources and wanting to ensure the science was good, while I was surrounded by a whole bunch of greenies, you know. I immediately realised I was dealing with fanatics and that the Greenhouse Office seemed to be full of fanatics, and it worried – and as well as the Environment Department. So my concern and alarm about the way this issue was developing certainly goes back to '98, yes.

The Chief Scientist at that point was – oh, no; the head of Science, I presume – was Russell Higgins? I don't know who – – –.

Yes, the Chief Scientist was – he was the head of the department.

He was head of the department, wasn't he?

My department, yes.

I don't know who the Chief Scientist was.

Can't remember who the Chief Scientist was.

So, yes, that's interesting in a way, because it seems to me that therefore the actual science, for you, was drowned, if you like, by the kind of fundamentalist positions that were being taken up, do you think? Would that be right to say?

Well, that was my perspective, yes. The obvious reality that the scientific debate was intense and certainly not settled, which was obvious to me as Science Minister, was being swamped by this sort of fanaticism and this sort of snowball effect, that it was rolling through the place, and our creation of a Greenhouse Office, which – almost by definition – only attracted to it people committed to the cause. And so my department, my Industry Department, was constantly at war with this Greenhouse Office, which was trying to, from our point of view, screw the Australian resources and industry sectors, based on flimsy science, you know. So, yes, the fight was on from an early stage. (laughs)

Well, we'll come back to that later, because it does pop up again, of course. And the other question I had about that period – well, there's lots, but one other question – was you had the waterfront reform, which was highly contentious, just before you became Minister – I think '97 roughly, with Industrial Relations under Reith.

Yes.

Did you have to deal with any fallout of that? No?

Not really, no. No, I was more an observer of all of that rather than being involved; and, as you say, the height of it was before I went into Cabinet. Obviously, I was very supportive of what we were doing, but not directly involved, no.

Because there was also the Asian economic crisis.

When was that – '97, was it?

Yes.

Yes. Again, I was a parliamentary secretary and not directly involved. And I was up to here with –

Other things.

– Native Title and everything else, yes.

Take that one on as well.

Didn't need to worry about other things.

I know. I mean, it's interesting, actually, because sometimes I ask a question like that and they go, 'Oh, yes,' you know, 'I had to do blah-blah and blah-blah.'

Yes. No, no; I had plenty of other things to worry about.

Plenty of stuff to go on with.

Yes.

So that was, what, two or three years, wasn't it: '98 to 2001.

Three years in ISR, yes, which – as I say – was a very taxing and difficult time.

'98 to '01, yes.

But – and I think I'm the only minister ever, probably will ever be, responsible for the full nuclear cycle, because I had the nuclear research reactor in the science portfolio as well as responsibility for uranium mining and responsibility for radioactive waste, so I sort of covered the field. And it was in that role that I was dealing with this issue of radioactive waste here, and I also was in the chair when we made the final decision on a new nuclear research reactor, which was a very big decision, and authorised the Beverley Uranium Mine and all that sort of thing.

And the other big area of activity was in innovation. In '98 we'd promised to hold a first-ever national innovation summit, and we held that, I think, in the year 2000, and that was a huge amount of work and a fascinating exercise, and a really worthwhile exercise, I think. And that's when we – on the back of that, and through

the drive throughout my department – came up with the whole Backing Australia's Ability package, which was, at that stage, by far the biggest injection of Commonwealth resources into science and innovation, which I was really pleased with.

What was your impression of Australian – well, I've got two questions, again: firstly, of the state of Australian science at that point?

Well, our problem was, as always – and it's somewhat clichéd but it's true – the conversion of bright ideas to commercial reality. You know, my observation was there was a lot of money being spent on a lot of wonderful research that was all staying in the labs, you know, and you'd go into CSIRO[5] outfits all over Australia and other research bodies and have lots of people in white coats beavering away very happily at taxpayers' expense and doing great things, but no-one knew anything about it and there was no connection of the commercial world with all this wonderful science. So that was the point of and why I was so interested in the innovation summit, because it was about how do you put in place the policies and processes to bring those two together. And, you know, I think we're making strides there and I like to think I've played a part in really getting that off the ground, but it still remains, you know, we have a lot of good, basic science being done in this country, but converting it to commercial reality is very difficult and it's something governments have got to keep working at.

And similarly with my question, because we're talking about a very big period of change for the manufacturing sector in Australia –

Yes.

– so what were some of your observations about those changes?

Well, the big thing was the competitiveness of Australian manufacturing: how do we sustain a competitive manufacturing sector? And that goes to this issue of how do you wind down protection or withdraw protection in a managed way that enables them to best make the transition to a truly competitive environment. And obviously our industrial relations changes played a big part in that. The biggest single change we made, which was hugely helpful to manufacturing, was the GST,[6] because it meant getting rid of the wholesale sales tax. I mean the car industry was the single biggest taxpayer under the wholesale sales tax system, so the best thing we ever did

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[5] CSIRO – Commonwealth Scientific and Industrial Research Organisation.

[6] GST – goods and services tax.

for Australia's car industry was get rid of the old WST [Wholesale Sales Tax] and bring in the GST, for example. And it was tricky for me, though – particularly being a South Australian and being Industry Minister and managing this approach and not being seen by all my Liberal friends as a crazy protectionist just because I believed we should try and sustain the car industry if we could, and we had – every day for those three years I'd say, 'Is this the day Mitsubishi are going to announce they're going?', which would have been very difficult for me as a South Australian. Fortunately, they made it beyond 2001.

But what most interested me during that period was the number of wonderful sort of micro-enterprises in Australia that were actually converting to commercial reality some brilliant ideas and brilliant innovations, and particularly in the resources sector – and I've always thought the marriage of industry and resources was a good one, because – and science, really, because it is about R&D,[7] and there is so much fantastic R&D. And the one area in the world that we are leaders is resources R&D and resources software and resources innovation. But it's so many of those great little companies end up getting bought out or going international or ending up in the States or whatever; it's very hard for them to get to a sustainable size. But certainly I was convinced that manufacturing could survive in this country, but it had to be global, it had to be niche, it had to be very focused on hard-headed assessment of what we did best and what we were most capable at; and it had to be able to do it without being protected.

Yes, because you had the sort of rejigging of car manufacturing, didn't you, that's still going on, really, still playing out – speaking of South Australia.

Well – I mean every five years we have a new – you know, ... But yes, there were the constant battles of developing a program that involved staged reductions in tariffs coupled with support for R&D. That was the way we approached it: 'We'll lower your tariff to X per cent, but on the basis that we're going to provide R&D support for you to do X, Y and Z to make your business more competitive.' And, to a large extent, that's worked. And I didn't ever think we'd be able to sustain for all that long three manufacturers, and of course that's proved to be true; I hope we can sustain two. And it is, as we often say, we are one of the few countries that can build a car from a piece of paper to the finished product. There aren't that many that can actually do that, and we shouldn't let go of that lightly.

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[7] R&D – research and development.

Well, for security reasons, apart from anything else, probably.

Yes.

That's right. I was sort of talking about the sort of relations with other – give me some glimpse of how Cabinet worked.

In?

Well, if you had a, let's say, a difficult case to argue in Cabinet, how would you deal with it? How would you bring it to Cabinet?

Well, there's sort of – there is a convention that you don't lobby prior to Cabinet meetings. What you do is, if you've got a submission you want to make, you get the Prime Minister's authority to bring forward a submission, you work up that submission, you make sure – you know, you're responsible as a minister to make sure that it's accurate in every detail and as persuasive as possible and has dealt with every possible question that can be thrown at it. And then, of course, it goes out for coordination comments, which I know this Government seems to have scaled back. The critical issue is what are the PM&C,[8] Finance and Treasury going to say about it, because a lot of ministers – and understandably – will sort of quickly read a submission, maybe not quite have their heads around it, but will go immediately to the three coordinating departments to see what *they* think of it. And if those three departments, either collectively or by majority, can it, you know you've got a big problem. So a lot of work has to go on behind the scenes with your department, convincing these central agencies of the merits of the submission and why they should be supporting it in Cabinet, or at least not condemning it. And then, if you get to Cabinet and you've got the hostile central agency comments, you've got to have very well-marshalled arguments to deal with those central agency remarks.

So, while there is a convention about not lobbying, obviously ministers would from time to time ring some of their colleagues and say, 'Look, I'd really value your support on this submission for the following reasons,' or whatever, and that would happen, but you'd have to be a bit judicious about that. And I can understand why the convention exists, because you want the debate in the Cabinet room.

I suppose the disappointing thing, often, for a Cabinet minister bringing a submission is that, when you find it's clear that all the Cabinet ministers have actually read and understood your submission, when they do just rely on the coordinating comments – that sometimes can be facile and, again, not necessarily

[8] PM&C – Prime Minister and Cabinet.

based on a deep understanding – and if it gets knocked off on that basis it can be extremely frustrating and difficult.

Can you bring it back?

Well, you can; but Prime Ministers naturally are reluctant to bring something back if it's already been thrashed out and rejected. But often you can do – what you can do is if you see the tide's against you – say, 'Look, what if I tweak this bit of it? I can see that the problem is this area. Can we go away and work on that and come back with a possible answer on that,' and get authority to bring back that part of it, for example.

Were there good Cabinet performers – some people did better at that than others?

Well, Peter Costello was by far the best in my nine years in the Cabinet, because he typically did – because he was Treasurer. See, Treasurer and Finance Minister are the two who really do have to read every line of every submission and understand them, and certainly that's what I did in the – – –. So I had three years as Industry, Science and Resources, mostly going in and asking for things, and then six years as Finance, you know –

Saying, 'No.'

– playing Devil's Advocate with everybody's submission. Peter was – – –.

You were actually called 'Dr No'.

Yes. Well, that's what Finance Ministers are known as, you know, and I see Penny Wong saying it – she knows the reputation. But Peter was terrific, because he really did read and understand submissions, although he – I suppose sometimes, I felt, too quickly – took a line against anything involving spending, and particularly in the area of what I call 'investment in R&D'. I mean, there's a difference between just more welfare programs and actually investing in R&D, for example, or innovation or whatever it is. So I thought he was – I found him very difficult to deal with when I was in the industry portfolio because he just took this really strong, you know, sort of free trade view and, 'Stop propping up industry, Minchin,' sort of thing. But he was very good.

Peter Reith was good, although sometimes, in a sense, unduly combative. You know, he'd just have a fight for the hell of it. But he was always good and on top of his work. Downer's very good in Cabinet. The Prime Minister chaired Cabinet exceptionally well, I thought.

Did he? I was going to ask that.

By and large. Yes. I think Howard really thought – because I'd never been in Shadow Cabinet, of course, by definition; but apparently – those who were said at the time that he was, first [as] Opposition Leader, he was kind of hopeless in Shadow Cabinet: he'd dominated and he'd not be very tolerant and not patient and all that sort of stuff, and that was one of the reasons he lost the leadership. But I think he learnt a lot from studying Hawke and how Hawke managed the Prime Ministership –

Yes, the consensus.

– and I think he modelled himself a lot on Hawke in terms of the 'chairman of the board' and, you know, knowing how long to let a discussion run to make sure people felt they'd had a chance to contribute, but then bringing it to a conclusion in a way that reflected a fair consensus of the room; not imposing his will unless he really felt he had to. No, I thought he was a very good chairman of the board, in that sense.

It has struck me over the years – you know, being on endless committees with this and that – how much our democracies are run at all levels of society by committee –

Yes.

– and therefore how crucial chairmanship is, so I was interested.

Yes. Yes – skilled chairmanship is a real art, yes.

Interesting.

Sure is.

And it's a bit like good housework: it's almost invisible, isn't it, because if it's done well – – –.

Yes, that's right – the less you know about it the better.

Yes. That is interesting.

No. I think it was one of the strengths of – – –. It sort of unravelled a bit towards the end, but by and large he was exceptionally good for the period.

You've got – yes, it's interesting: there's one of the media overviews of you – in Crikey, I have to say – was that you were an 'indifferent minister', was the statement, but then they're focusing particularly on you as Finance Minister after you succeeded John Fahey in – – –.

Oh, that's that creep Bernard Keane, who's always hated me.

Yes. Has he?

Yes. He's a creepy lefty who, you know, I don't read, and I urge you not to pay him any attention at all.

Well, it's nice to have little pinpricks occasionally.

Yes.

Although even he, in this situation, says you did oversee 'substantial public sector reforms, like those flowing from the Uhrig Report' – do you want to talk about that? Or talk about becoming Finance Minister first, perhaps.

Well, as I say, I was exhausted but happy in the industry, science and resources portfolio at the end of 2001, but I knew Fahey was retiring and I'd hoped – and because I'd been, in a sense, the junior Finance Minister as Special Minister of State when I'd been Fahey's junior minister, so I knew that there was the opportunity of Finance Minister coming up, and economics had always been my area of interest, and the only problem with being in the Senate is you can never aspire to be Treasurer, by convention, so Finance Minister is the next best thing. And I do think there is logic in having the Finance Minister in the Senate, in the sense to represent Treasury and the Government's economic [policy] in the Senate, because the Treasurer's in the House. And I think it's one of the reasons Penny Wong's got the job now; and Peter Walsh was in the Senate. So I hoped I might be looked upon as Finance Minister when Fahey retired, and was deeply shocked when Howard proposed Health. (laughter) And I argued and argued with him, and said in the end, 'Look, if you really want me to do it, I'll do it; but I do so reluctantly, and I would like to have Kay Patterson as my junior minister,' because the junior minister looks after aged care and all that sort of stuff, so it's quite important you have a good junior minister. And she at that stage, I think, was a parliamentary secretary, and a friend of mine in the Senate. And he said, 'Right, Nick. Well, let me think about all that.' And he shocked the hell out of me when he came back and said, 'Well, on reflection, I've decided to make you Finance Minister.' I said, 'Well, thanks.' And I said, 'Well, who are you going to put in Health?' And he said, 'Oh, Kay Patterson. That was a good suggestion of yours, Nick.' I thought, 'What!' (laughs) So she went from being parl sec straight into Cabinet, and she's been eternally grateful to me because she knows the story, you know, of how she got the job, because I'd put the idea in his head having asked him to make her my junior minister. So it worked out well from my point of view.

And I'd always got on well with Peter Costello personally – and, you know, we had fights in Cabinet on a variety of issues, but he respected me – and I think in some

ways – – –. He was arguing for me to get Finance, I think partly because – he says, jokingly – to get me out of Industry. (laughs) I got away with too much in Industry. But Finance really suited me because economics was my interest. As I say, I think it's best placed in the Senate, in any event. I was a detail guy, so I enjoyed numbers; and while it's burdensome in the sense you've got to be across everything that's going on in the Government and you've got to be alive to every trick that every department and minister is going to pull; the ERC experience every year is extraordinarily taxing and draining –

Sorry – ERC?

– Expenditure Review Committee process: the preparation of the budget – but terrific because you are in the engine room of the Government, and there's no decision taken that you're not up to your neck in.

Spell out for the listeners the difference between Finance and Treasury.

Well, Fraser, in a fit of pique in the late '70s, got the shits with Treasury and said, 'I know how to fix them: I'll just split the department in two.' So that's literally what he did, just split the department in two and took half the functions of Treasury and put them into a new Department of Finance. But I think, on reflection, it was a very wise decision. Treasury had become almost too big. It meant that you had around the Cabinet table not one but two what you might call 'representatives of the taxpayer' (laughs) when everybody else is representing spending, you know, everyone else is a spender. And it also could be a foil to Treasury, so that there was another source of what you might call 'economic advice'. But essentially, in layman's terms, Finance is the bookkeepers of the Government: it's responsible for the management of the whole expenditure side of the budget. Treasury looks after revenue and macro-policy, and Finance looks after government business enterprises, all the accounting systems, the whole expenditure side and managing and monitoring $300 billion worth of expenditure.

And administrative services by that time, too, wasn't it, I think?

Yes. Administrative services had been –

Yes, that's right, had been brought in.

– brought in somewhat before. But yes – so yes: Finance then takes within it all the ministerial and parliamentary services; the Electoral Commission; all those sorts of bodies as well. So the Special Minister of State is a junior minister to the Finance Minister, yes. So it's a fascinating department and a really good job.

Yes. And do you think – I mean that's quite a long time, isn't it, six years – – –.

I'm the longest-serving in that role, yes.

I was going to say you must have been close to.

Yes.

And the benefits of that, do you think, of just being there for a long time, for you and for the department – – –?

Yes. Well, you get your head around it in a way that means that you're much more alive to the tricks of the spending ministers. But I mean I was keen to ensure that the department changed its reputation from just being a kneejerk opponent of anything to, in a sense, wanting to help departments achieve their objectives in the most cost-effective fashion, and, if a department had a plan and had a policy and a program, how do we get them to design it and present it in the most cost-effective fashion rather than just coming in and saying, 'No; we're totally opposed to that.' Accept the reality that there are going to be government spending programs, and it's legitimate that governments will want to engage in these things. How do we develop a culture that ensures maximum focus on efficiency and cost-effectiveness and that that should be Finance's role. And I think, in that six years, I think we went a long way down that path.

What was the Uhrig Report?

That was just essentially about – I'm surprised he picked that out – but, look, it was a good exercise. At my behest, we got John Uhrig, who's South Australian, to head up a review of governance, really, of all government authorities – statutory authorities, government business enterprises – you know, it's something that regularly occurs in the corporate sector and it hadn't occurred in the Federal Government sector for a long time – about the structure of government boards; their responsibilities; their relationship to their minister, to the public, to their stakeholders; the big issue that he focused particularly on was the huge danger of sort of 'representative' type boards. You know, one of the big issues was, for example, this question of having a staff representative on the ABC board, and he logically and compellingly explained why that's a disaster, for example. And so it was certainly our policy – which Labor says it inherited and adopted, based on Uhrig – that you would never have representatives of particular lobbies on any boards, because the obligation of the directors is to the institution, not back to some lobby group that they represent. So directors of the ABC are responsible to the ABC, not to the staff, not as a staff representative – *i.e.*

you just immediately have a conflict of interest if you're there as some representative. So it was a very important and very worthy report, which was under the auspices of me and my department, and I think made a big difference to the way we approached appointments to boards and the structure of boards and their operation.

Who was your departmental head?

Ian Watt, who was fantastic. I was so lucky, because he was appointed from PM&C, where he was a deputy, to head Finance at the same time I became the Minister, so we both came in together and he was there for the whole of that six years with me – and of course has subsequently gone to Defence, to head up Defence. But he was fantastic, yes, and we got on incredibly well. So I was very lucky, yes.

There were, of course, all sorts of other important events that happened upon your watch, so to speak. I was thinking GST was just before –

Yes; that was '98.

– but you must have seen some of the – – –.

Yes – '98 election, and then it came into effect in the year 2000.

That's right.

I was centrally-involved in that because of the Industry [portfolio], because it had so much effect on industry and the abolition of the wholesale sales tax and all that.

Although I was thinking, in a way – I don't know whether it diminished federal income or not, because in effect it was handing it back to the states, wasn't it?

Well, you know, I certainly as a federalist was supportive of it because it was – I think one of the most important things about it was, which Labor is now undermining, is that it is a growth tax dedicated entirely to the states. Having lost income tax, the states had no sort of natural growth tax all of their own, and I think the biggest and best thing about the GST was to say, 'That is state revenue, with which we, the Federal Government, will not interfere, and it's a growth tax because it grows in line with the economy, because it's directly linked, indexed, to the economy, essentially, to turnover.' So I think that was – and it enabled the removal of so many of those terrible, antiquated and counterproductive and inefficient little state taxes that they had. So I thought it was a really important thing, and I was surprised Howard got conned into it, in that sense. (laughs) Because it was, I thought, a very important life raft for federalism.

Interesting.

And I'm horrified to see Labor now trying to use it to punish the states, you know, by saying, 'Well, we'll withhold certain parts of the GST if you don't do the following,' which I think's terrible.

One of the events that happened then – out in the economy, I suppose – was the collapse of Ansett Airlines; '01, that was, so that was on your watch.

Was that '01, when I was Industry Minister?

Yes, it was. Might have been just before, maybe. I mean, it's not directly impacting on you –

No.

– but it was quite a big thing, wasn't it, at the time?

Oh, well, it was a very difficult issue for the government to handle, yes. I mean, I was in Cabinet, but it was essentially the transport portfolio and that. But yes – no, it wasn't easy, but reality is some companies are badly-managed and collapse.

Exactly, and can't do much about it.

Yes. And, you know, it's always you've got to be careful not to panic in the face of those things and rush in where angels fear to tread, and in a sense you've got to let the market sort it out. And Qantas rose to the occasion, and of course the vacuum was soon filled by other airlines. But, yes, it was quite a difficult period for the Government. Didn't affect us electorally, really, in the end.

No, interestingly. And then, of course, starting work on the Free Trade Agreement with the United States. Now, I do notice you were doing quite a lot of toing and froing at that – – –.

I was in Finance by then, wasn't I, I think?

Yes, you were. Yes, that's again '04.

Well, a lot of that was, I guess, because of the Senate and the role of the Senate in all of that, and the circumstances under which Labor would agree to it. I mean I wasn't centrally involved in it; only as a member of Cabinet. It had no particular relevance to Finance, except in a few areas.

What about the Work Choices?

Well, where do I start? Yes, that was a product of misguided sense of destiny – – –.

On whose part?

Well, you know, all that we'd done in industrial relations was extremely good for this country, right up until pre-Work Choices.

Which was, in fact, we should say, *Workplace Relations Amendment Act*[9] is its proper phrase, and that's 2005.

Yes. And despite not having a majority in the Senate we managed to achieve a fair degree of industrial relations reform.

So you're saying those amendments were a bad thing?

I haven't got to that; no.

Pardon? No?

No, I haven't said that.

No?

But there was clearly – you know, in this area, you've got to keep reforming IR;[10] you've got to keep making sure the country is as competitive as possible; and most Liberals do believe we should have as flexible an industrial relations system and as market-based industrial relations system as we possibly can. And the problem was, having won a majority in the Senate, there was no sort of institutional barrier to us putting in place what we genuinely believed to be for the good of the country. And we'd fought, many of us – and Howard more than anybody else, of course, but Costello as well; and I suppose that was, in a sense, part of the problem of what we ended up with, that Howard and Costello had been on the battlefield of IR, going way, way back – and, you know, one of Australia's problems is the strength of the trade union movement and the barrier that it represents to good public policy, as we're seeing in New South Wales now, where basically you've got a government run by the trade union movement. And Work Choices was not in any way, in my view, radical. It did have the requisite protections for workers, but it was easily demonised. And what we didn't do was put a sufficiently political filter on it, or have sufficient Devil's Advocates around the table.

The main issue *I* raised in questioning where we were going on this was in relation to its centralist tendencies. Our position had been that, in reforming IR, we had a desire for a national system, because you had seven systems, but that we'd only do that on the basis of a voluntary referral of powers from the states. It was thought

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[9] Full title: *Workplace Relations Amendment (Work Choices) Act*.

[10] IR – industrial relations.

that you might be able to use the corporations power, but there was some doubt about that; and, in any event, you know, we would not want to do that and we'd rather work on the basis of referral – and the states, being run by Labor, were never going to refer. Kennett had, of course, referred Victoria's IR system to the Commonwealth. So the issue that motivated change was that our mechanism for individual bargaining – AWAs, Australian Workplace Agreements – had sort of hit a ceiling, and because of the constraints around them the system had stopped dead in its tracks. And it's certainly true that, ideally, you should have a system that maximises the opportunity for individual contracts of employment, but premised on a safety net, and I think the mistake we made was not to demonstrate that our move to more individual contracting was based on a very good safety net, so we left ourselves open.

But, as I say, my problem was that we decided, contrary to my concerns, to use the corporations power to, in a sense, mount a hostile takeover of the state IR systems, which I never felt comfortable with and, frankly, I was convinced the High Court would knock out, because the High Court has a conciliation and arbitration power in it – the Constitution does – and it seemed to me any sensible High Court would say, 'You can't rely on the corporations power to mount a hostile takeover of the state IR systems, given that the Founding Fathers thought of that and the Constitution already has a conciliation and arbitration power in there.' To my enormous surprise, in the High Court by a majority, when the ACTU[11] brought a challenge to the Work Choices based on the Constitution, said it's okay. And my biggest regret, I suppose, from our period in government is that, by virtue of Work Choices, we now have the High Court saying that a Commonwealth government can do anything it likes under the corporations power, as long as it involves corporations. And, of course, you see, as a result of Work Choices having relied on the corporations power, Work Choices [*sic*] applied to everything involving corporations, which meant the state system still survived in relation to the whole public sector and unincorporated businesses. So it didn't solve the problem and, in my view, was always – – –.

We should have continued to say, 'Our position is that we want a voluntary referral of all powers,' so that you then cover state public services and unincorporated associations, and just reform our own national or central IR system, those registered nationally. And, in a sense, then we could have said, 'You've got a

[11] ACTU – Australian Council of Trade Unions.

choice: if you don't like the central system, you can stay with your state systems.' But we didn't, and Howard was driven to have a national system at the expense of the State systems, and I'll never forget his almost whoop of delight when he heard, in a Cabinet meeting, that the High Court had rejected the challenge to Work Choices, whereas I was far less comfortable about it than he was.

But, in a sense, the Cabinet was driven to pursue Work Choices because, having got a Senate majority, which none of us expected, most of us round the table were conscious that the Fraser Government had upon its tombstone the criticism that it had not done what it could have done to improve Australia as a result of its Senate majority.

It's interesting, isn't it, because it's a kind of rush of blood to the head: you've suddenly got this power, so you've got to – – –.

Well, it's not rush of blood and power; it's more saying, 'We don't want it said of us' –

'That we didn't – – –.'

– 'that we didn't do what we could' –

When you had the power.

– 'to improve Australia.' Because we weren't motivated to just give ourselves more power or – you know, everybody round the table genuinely believed everybody in Australia and the whole country would be much better off with a more liberated IR system. But there were still enormous constraints within the IR system that inhibited productivity and wealth generation. So the motivation was a very good one, but it was compounded by this sense that, 'We don't want to go to our political graves with it being said of us that we, too, wasted the opportunity of having a majority in both houses to do good things.' So that's what led us to go down this path.

Yes, that's interesting. Because another one was passing the legislation to privatise Telstra, which was – – –.

Well, that was the best thing about having the Senate majority: it at least enabled us to get through the Senate legislation to rid the Government of its continuing majority stake in Telstra, about which I, as the Telstra shareholder minister and Minister for Finance, was more pleased than anybody. But it then meant that I had the responsibility for selling it, but that was one of the good things about having the majority, and one of the things we most wisely used the majority to do.

What were some others? I don't have them written down, sorry.

No, I haven't thought through, either.

Testing you, haven't I?

I'd have to go back and – yes, you know, the two big things –

I had Telstra and the IR.

– were Work Choices and Telstra. I mean the point is we didn't – you know, most legislation goes through by consensus, anyway. It is only the minority of legislation where there is partisanship, where Labor is opposed to Liberal. You know, there'll be a range of other things we did, but we didn't – you know, we genuinely did not abuse that majority, and we genuinely – and I, as Senate Deputy and then Leader, genuinely tried to ensure that we achieved consensus on legislation in its own right, anyway, rather than just try to ram things through with our numbers. You know, we genuinely tried to get the majority of other parties in the Senate to support it.

Who was the Party Whip?

In government at that time? Well, it was Jeannie Ferris, who regrettably, as you may remember, died of cancer, and was then replaced right at the very end, I think, by the current Whip, Stephen Parry. But the big thing about that whole period was my role as Leader of the Government in the Senate for most of the time we had the majority, and I had a big job of ensuring, yes, it didn't go to our head; that we knew it was temporary and would end and was unlikely ever to be repeated; and we shouldn't be or been seen to be abusing it; and to try to continue to work with all the other parties to get legislation through.

Did you have sort of bipartisan meetings about – – –?

Oh, I was a stickler for having regular meetings – as we had had before – of all the Leaders and Whips in the Senate on a regular basis. You know, the Labor Party would sort of cynically come in and say, 'What's the point of these meetings? You'll just do whatever you want to do, anyway.' And I'd say, 'Well, no; I want to convince you on the merits of what we're doing, and I want to hear from you if you think what we're doing is wrong – whether it's on procedure in the Senate or bills or anything,' and try to engage them. Because, you know, the great thing about the Senate is the way it works consensually and that it had to work, and we couldn't allow that atmosphere and culture to die, just in the three years that we had this majority. So, you know, I did work hard at that. And, of course, I knew that we only had a one-seat majority, and any single one of the 39 Coalition Senators could hold a gun to the head, so it was important to try to widen the net, anyway, to get the cross-

benchers and Labor onside anyway, so we were not in a position of having to rely on all 39 turning up to vote on the Coalition side.

It's interesting, too, though, because I was thinking you were Leader in the Senate and at the same time you were a Cabinet Minister, so in a sense you were across both houses in a way, weren't you, or the issues that were of concern? I'd made note of some of the public issues, like the rise of Hanson's One Nation Party.

Well, that goes back to – which election was that?

Yes, '98.

'98 or something, yes.

Yes. The 'children overboard' issue; September 11, of course – the implications, really, of the rise of terrorism.

Yes.

Now, that's the things I've noted down from that period. You'd come up with a different list, probably; but, you know, did those issues of great public interest and concern, did they have their impact at Cabinet level in discussions, or not – or in other party forums?

Oh, well, inevitably. Inevitably in Cabinet there were endless discussions about any of those issues – you know, do you remember those riots at – what was it? – Coogee?[12] I'll never forget that, you know: having a Cabinet meeting in Sydney just before Christmas when you suddenly had hundreds of people all trying to kill each other on the beach at Coogee, you know, and all that sort of thing. So, yes, inevitably – I mean, that's the great thing about being in Cabinet, I guess, that you're at the pointy end of the questions about should the national government be doing anything in particular in relation to a national issue and, if so, what and how. And those are always fascinating discussions. Not all of those things were always a matter for the whole of the Cabinet; sometimes things had to be decided quickly, and particularly a lot of these security issues were decided by the National Security Committee of Cabinet, but as Finance Minister I was a sort of permanently-coopted member of that committee, so the discussions often took place in that forum; or sometimes they'd be for the – however many years I was in the leadership group of the Government, they were in that forum. So it depended on the issue as to which forum it would be. But, from the – – –.

END OF DISK 4: DISK 5

[12] Probably referring to a series of riots originating in Cronulla, New South Wales, in December 2005.

There's no file. I'm very sorry. I'll have to get you to repeat – thank god it was right at the beginning.

Right.

This is the interview on tape five, Susan Marsden interviewing Senator Nick Minchin. I was just starting to ask you, I quoted – – –.

Are you sure it's working now?

Yes, it is definitely working now. That's why I couldn't see the thing moving up and down; just wasn't quite in. Well, it was in; I don't know why. Anyway, I was asking – I was quoting back to you, yes – the phrase 'Power corrupts': not necessarily meaning corrupts –

No.

– but, as you say, that was said in the television series, in *The Howard years,* and I asked you to respond. I'm sorry.

No. My point is that the danger for governments is getting unduly focused, after a certain point, on simply remaining in power – I suppose that's where, to that extent, the expression is an accurate one – and, instead of being focused on what it is you're trying to do in government, you get focused on simply doing whatever it takes to remain in office. I think that's fair criticism of the culture of the Labor Party now: it's a sort of a political machine that's only raison d'être is to be and remain in office, and I always hoped that we would never get like that on our side of politics. And I think the problem with the last two years of the Howard Government is that it became unduly focused on simply remaining in office, and that was to a considerable degree because John Howard had his sort of legacy to protect; that he'd decided to stay on, and therefore, having made the call that he was the one best able to keep our Party in office, he had this huge weight upon him to win in 2007 when the odds were stacked against him, because he was saying, 'I, John Howard, rather than Peter Costello, am more likely to ensure the Government remains in office.'

So you think that was a mistake, that decision?

Oh, it was definitely a mistake for him to remain. As I say, I didn't ever want to keep a political diary, because I think they fall in the wrong hands and there can be terrible trouble, but I did keep a diary for the last two years of the Government – I just had this inkling that it might be an interesting couple of years – and my entry for January the first, 2006, says in part that, 'I earnestly hope that John Howard will have the wisdom to decide, in the early part of this year, hopefully on the 10th anniversary of our Government, in March, to retire as Prime Minister and allow Peter

Costello the opportunity to be Prime Minister.' So I've certainly placed on record (laughs) at the time my earnest hope, but – – –.

Did you try and persuade him? How much effort was put into trying to persuade him?

Well, what I did was – I was in a difficult position. My relationship with him wasn't great. We'd had a number of sort of battles in my role as Finance Minister within – he had appointed me Deputy Leader, because in government it's the Prime Minister appoints the leadership in the Senate; in opposition, we elect – and at the beginning of '06, of course, he appointed me Leader in the Senate. Was it early '06? Yes, when Robert Hill retired, so it was late '05 or early '06. Or was it '04?

I'm trying to find it myself, in all my pieces of paper.

Yes, it was towards the end of '05 or early '06. So I was in a slightly difficult position, you know: 'Thanks for appointing me Leader of the Government, Prime Minister; now, will you bugger off?' (laughter) Wasn't quite – didn't see that was working. What I decided was I was genuinely of the view that, for the sake of the Government and for John Howard, he should go on the 10th anniversary, in March '06. So, in the latter part of '05, I decided that the best way to bring that about was to convince the two people closest to him, which were Alexander Downer and Arthur Sinodinos –

And?

– Arthur Sinodinos – of the virtues of John retiring at the top of his game, instead of losing in '07, which is what I thought would happen. And this is even before Rudd took over I was worried. And I worked – because I shared a house with Downer, and I – because I figured there's no point in me going direct to Howard: (a) I wasn't that close to him, and he'd probably think that I was just carrying a flag for Costello, because Costello and I were quite close, having been Treasurer and Finance Minister; and (b) he would immediately go to Arthur and Alexander and say, 'Well, what do you think?' And if they said, 'Don't listen to Minchin; you've got to stay,' I was wasting my time. So I did my utmost to convince Downer, in particular, of the merits of John standing aside, and was unsuccessful; and I did discuss it with Arthur as well; and I asked both of them to let Howard know that was my view and, in a sense, left it to the older, senior person in the Prime Minister that if he wanted then to have a discussion with me it was for him to initiate that discussion. He never did.

He knew that that was my view, because Downer told me he'd passed it on to Howard, but he never sought to have that discussion.

On reflection, I should have initiated that discussion myself, but I knew it was pointless, given I knew he didn't want to go – I knew that as a matter of fact – and, having not been able to convince Downer or Sinodinos of the wisdom of it, I knew that he had a sort of Praetorian Guard there, and I also knew – as Howard knew – that the numbers in the Party room would always favour Howard. I mean, if it came to a challenge or anything, or a choice, the Party would sort of genuflect to Howard, so the initiative had to come from Howard. He had to make the decision to go, and he had to sort of want to go, despite the Party saying, 'John, don't go,' you know. So yes, one of my biggest regrets is that I didn't at least attempt to persuade him directly, although I regret that he never sought to initiate a discussion with me about it, even though he knew my view; and I'm disappointed I couldn't persuade Downer and Sinodinos to the wisdom of the view.

And then, of course, the trouble was once Rudd got the leadership Howard was never going to go, because it would look as though, 'Oh, god, they've elected Rudd – I'll have to go because Rudd will beat me.' It sort of was a test of his almost virility, political virility, that he then had to stay. And, of course, I knew that Janette never wanted him to go, either. So – – –.

You were up against it, really, weren't you?

Yes. Which was tragic, in a way. It really, in a sense, had to come from John, and I regret that it never did. But anyway.

And I wonder whether you tried to – well, I mean, it's interesting, given subsequent events where you were directly involved with a leadership change, to put it mildly, which we'll touch on, and it seems to me – and, in fact – – –.

Well, I was heavily-involved in the whole Downer thing –

Yes, that's right.

– and then the Howard thing –

Yes, that's right.

– so, you know, I'd had a history of involvement in these issues, yes.

Yes, that's right. Well, you have been said to have seen off the moderates of the Party, including Vanstone and Hill.

(laughs) That's not fair. They're my good friends. (laughter)

Well, it's just what it says here in the media.

That'll be Bernard Keane from bloody *Crikey* again.

That's right. Your 'most powerful foes'. But 'never succeeded in crushing Christopher Pyne'.

(laughs) Well, I wasn't *seeking* to crush him. So it's –

I would imagine he'd be uncrushable, I would imagine.

– wrong to say I didn't succeed, if that wasn't what I was trying to do.

Your factional opponent.

All I ever tried to do was contain Christopher's overweening ambitions. (laughter)

Yes. It's interesting, isn't it – you've had parallel parliamentary lives.

Yes. I mean, I'm quite a bit older than him, of course, but yes, we came in in the same year, but he was 24 and I was 40.

Interesting. So then let's – where are we up to? I've sort of gone in several directions at once.

Howard, 2006, you know.

I know – the change, the declining years, if that's the right word.

Yes. You were asking about power corrupting and – – –.

Yes – I am, yes. And, in that time, of course, you were also getting I suppose a change in the mood of the electorate, such as it is, if you can count the whole of Australia as an 'electorate' –

Yes.

– which probably one can't.

The mood of the nation, yes.

Yes. Well, for example – and this is where – I don't know whether it's a good moment to raise it again – but did have the not-signing the Kyoto Protocol, which is '05.

Yes.

So the climate change issue coming up then as being considered to be a very important issue.

Well, I mean, '97 was the – wasn't it? – was Kyoto itself.

Yes, that's right. It's just the Government – yes, then it – – –.

I mean, Kyoto had been hanging around forever, yes.

And, of course – well, that's in opposition. I might leave it until we get to you being in opposition, because then it's also in relation to your relations with Malcolm Turnbull.

Right. But certainly, through the course of '06/07, everything was catching up with John Howard and the Government. I mean, we'd been there a long time; Rudd was seen as a credible alternative after a succession of –

Yes; not so.

– less-than-credible Labor Leaders. Rudd's accession, ascension, really drew that contrast quite markedly. The drought had a huge impact. We had this dreadful sort of combination of a massive drought; the whole sort of Al Gore madness; the Labor Party and the Greens adopting the whole climate change hysteria as a political agenda; and we were scrambling to deal with that. That was sort of the height of public concern about, 'Well, gee, with all this drought and it's not raining – it's all dreadful and maybe there's something in this whole climate change thing,' you know. And it was a rational position for us not to sign the Kyoto Protocol – because it didn't involve all the major emitters and there was all the good, logical reasons why it was nuts – even though we'd agreed to do what was required of us *under* Kyoto. And that was our problem. We didn't sign it because it wasn't comprehensive and it put obligations on us which we didn't think were fair; but nevertheless we agreed to meet the targets, so we sort of, on reflection, 'Well, why didn't we bother – we should have just signed it.' In any event, we were rapidly sinking under the weight of this issue; and then putting someone like Turnbull in Environment – and that's one of the things that really upset me about Howard, where he became manic in that last two years, was spending money like crazy to try and buy our way back into office, and then throwing people overboard in a way which I felt was very unfair. And when my friend, Ian [Campbell] from Western Australia, who was – just forgotten his name – was the Environment Minister, from Western Australia; Senator.

It's all right.

I just had a mental block. But you remember he got in a difficult position with the fellow Rudd – I'm getting tired at the end of the day – that dreadful Labor – Brian Burke, you remember?

Yes.

There was all the fuss about Burke, and we were attacking Rudd over Burke, and then Ian – Campbell, I'm sorry; my friend and Senator, Ian Campbell – it was

revealed that, at some stage, he had inadvertently met with Burke, because Burke had just turned up in his office.

That's right, yes.

And Howard insisted that he just go. I had a big argument with Howard then. I said, 'You can't do that to Campbell. It's outrageous.' He said, 'No, he's got to go.' So he just sacked him, from Cabinet, as Environment Minister and immediately put Malcolm Turnbull in the job. And Malcolm was all the way with all the green agenda. And so it almost looked to me like it was almost engineered, you know: the flimsiest excuse to sacrifice Ian Campbell and bring Turnbull in, in a desperate attempt by Howard to sort of pacify the greenies. And then so Turnbull immediately started running this very green agenda, and we ended up having our own commitment to an emissions trading scheme. And I remember in the Cabinet saying, 'Look, if we're going to do anything, shouldn't we be seriously examining the option of a tax on carbon emissions, not this ETS[13] – that just looks like a crock of shit to me, just a picnic for the bankers and financiers.' And I remember [Peter] Shergold [Peter Shergold was Secretary of PM&C, 2003-2008] just immediately dismissing and saying, 'Oh, no; the whole world's going down the path of emissions trading, and if we don't go emissions trading we'll be locked out.' And of course, five years later, absolutely nothing's happened, and I still think – well, I'm a sceptic: if you are going to do anything, a tax on emissions is much better than an ETS. So it didn't really salvage the Government's position at all, and because we'd right up to that point been attacked as 'deniers' and then suddenly do this latter-day conversion, so it was never believed, anyway. So it was a really awful time, particularly for people like me who just thought it was sort of waving the white flag in the face of all this, rather than – – –. You know, I'd rather die honourably than die dishonourably. And so that was why I feel a bit sad about the way our Government ended, but we just were scrambling to try to save our necks, rather than standing our ground and fighting to the end, you know?

So you stayed – so when – federal election, which was lost by the Liberal Party after 10 years or just over, were you then immediately Shadow Minister for Broadband?

No. You remember I was elected – once we lost, you go into opposition, you elect the leadership in the Senate, and my colleagues were good enough to elect me Leader

[13] ETS – emissions trading scheme.

of the Opposition in the Senate. Then I helped make sure that Brendan Nelson won the leadership and Brendan asked me what role I would like, and I said – and Brendan agreed with me that ministers should not go back into their former portfolios, so I didn't want to stay being Shadow Minister for Finance. So I asked him for Defence, which he gave me, so I was Shadow Minister for Defence throughout Brendan's leadership. And then, when Turnbull became Leader, he just announced – he just rang me and said, 'I want you to take on Communications. You've got to do Communications. This whole NBN[14] and all this stuff, you've got to take that on, Nick.' And I said, 'Jeez, Malcolm,' you know, 'do I have to?' And I was, frankly, quite reluctant. I enjoyed Defence; wasn't ever enthusiastic about taking on the communications portfolio, but agreed to do it and think I kicked some goals. I ended up enjoying the portfolio area and the opportunity in it. And so I had that shadow ministry till Abbott took over, and then I took Resources and Energy until I resigned. So I had three shadow portfolios in a bit over two years.

Yes – in rather rapid succession.

Yes.

A lot of learning.

They reflect the changing leadership – – –.

Yes. Well, one of the things about when you were Shadow Spokesman for the Broadband, Communications and Digital Economy, as its full name is, was – yes, you were highly critical of the NBN, as we just call it – National Broadband Network –

Yes.

– but I think mainly because of the then Minister, Stephen Conroy's decision not to conduct a cost–benefit analysis.

Sure.

So, in a way, you were going back to your Finance Minister role, weren't you?

Oh, very much so, yes. And I brought to bear all the disciplines of that finance portfolio to this extraordinary proposition. Because it was a – well, I'd spent a year trying to explain that the Government had simply adopted the proposal that Telstra had brought to us in government to, in a sense, bring in a hybrid – you know, 'fibre to the node' – system, which wasn't a bad idea; but it completely buggered up the

[14] NBN – National Broadband Network.

implementation of that policy and then, in a panic, abandoned that and adopted this extravaganza of 'fibre to the home', going from a $4.7 billion policy to a $43 billion policy. And there are any number of avenues of attack upon that, but one of many is the fact that, having come into government saying, 'We will do cost–benefit analyses of all major infrastructure projects,' the granddaddy of them all is not to be subjected to a cost–benefit analysis. So I enjoyed my year of confrontation with my friend, Stephen Conroy, in the Senate in that portfolio, yes.

And, of course, the other major criticism: that you became increasingly vocal for – and in fact seen as being an attack also on Turnbull – was, of course, the Government's climate change legislation. Can we talk about that now?

Yes, sure, but where do we start? (laughs) I mean, look, you know, I had never been an enthusiast for the Howard Government's adoption of the policy of an emissions trading scheme, but had done so on the understanding that we were only doing it because that's the way everybody else was going and that whatever we did would be conditional upon the rest of the world moving. Because Australia has less than 2 per cent of the world's emissions, nothing we do makes any difference, so the only reason you'd go with an ETS is because everybody else is going down that path. And one of the cores of the difference of opinion between me and Malcolm was his assertion that the Howard policy had never been conditional in that way; that it was just an ETS unqualified. And so I had been arguing continuously (a) I think we should review our position on an ETS, because I don't think ETS is necessarily the way to go, anyway; but (b) that, if we were to do so, it had to be conditional on the major emitters being party to it. So there was this constant sort of tension in the Party. Turnbull used it as an attack point upon Nelson; then, when he got the leadership, he increasingly became a champion of us just, in a sense, signing up with Labor to an ETS, an unconditional ETS. And at each sort of step along the way I had to act as the sort of foil or Devil's Advocate.

Well, you became more public, though, didn't you? You did a *Four Corners* interview and so on.

Yes. Well, it's always difficult when you're in a leadership position and you're getting into a confrontation with the Leader of the Party. And so I thought carefully about – I was invited to participate in this *Four Corners* program. My views were well-known internally and externally, and I'd been – even when we were in government, going back to my industry days, I was publicly saying, 'I'm very

strongly of the view that the science is certainly not settled, and Australia shouldn't rush into this because we're very vulnerable to any move to seek to contain CO_2[15] emissions unless there's very good reason to do so, because of the nature of our economy.' So my position goes way back, in that sense, on the public record.

Had your position on 'global warming', as it used to be called, itself changed at all, or are you still – I hate the phrase 'climate change sceptic', because it makes it sound like religious belief or not, but – – –.

Yes. Well, it *has* become a religious belief.

Well, but on both sides, though, really, hasn't it? Yes, you either believe or you don't believe.

No, because those who advocate the cause have to justify it, and they do so on faith. Others are sceptics of the arguments in favour. It's not a matter of – you know, it's for those who say 'Increasing CO_2 emissions are changing the global climate' to make their case, and if you remain unconvinced that's not a matter of dogma; it's to say, 'You haven't convinced me.'

Well, I mean, we can debate this endlessly, if we want.

Yes. So I think faith – this is the trouble: those who say 'This is what's happening' have adopted it as faith, so it's a bit like religion in the sense that, you know, there are people who say, 'Well, I'm not convinced there's a God,' and all this sort of stuff, 'You haven't convinced me'; for those who believe in it, it is – because you can't prove God; it's an act of faith. And we've got to the point where the leaders in this theory can't actually prove it, so it's become an act of faith. So it's wrong to say those who are not religious – – –.

Although, as you're talking about science – – –.

So, no, I've got more and more – my doubts have got stronger, the more this goes on, because of the continuing failure of those who advocate this particular theory to provide the evidence and because the world is telling us: you know, there in fact hasn't been any warming since 2000, or even '98, and yet CO_2 emissions continue to increase, so just on an empirical basis there is increasing doubt. We've now had all the exposure of what a racket the IPCC[16] is, we've had the whole 'Climategate' scandal out of East Anglia. So, if anything, my doubts are just getting stronger and stronger.

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[15] CO_2 – carbon dioxide.

[16] IPCC – Intergovernmental Panel on Climate Change.

But it was a terrible dilemma for me. I mean, I felt comfortable saying what I said on *Four Corners*, because it reflected what I'd said publicly before; it was nothing new; we hadn't at that point made a decision to support the Government's legislation; I was operating on the basis that our position was still that we were opposed to Australia acting unilaterally. So I felt comfortable in doing it. It upset Malcolm quite a lot and it achieved a lot of notoriety, that show, but I don't regret doing it or feel that it was the wrong thing to do. And then, when it all came to a head with Turnbull, both Abbott and I genuinely tried to do everything we could to keep the Party together and preserve Malcolm's leadership. We didn't go into this as a ruse to knock him off; it was about making sure that the Party – *our* Party – wasn't the means by which this legislation came into effect, that we should do everything we could to try and stop it, but not at the expense of Malcolm's leadership. But he insisted on getting his own way, and therefore his leadership had to go on the line. But it was a terrible and difficult chapter in my political life, and not easy.

You resigned, didn't you, from your shadow position just before that, was it?

No, no, no.

After, was it? No; I thought that you had, yes.

No. I didn't – well, Tony became Leader; I remained – I said to my Senate Party colleagues – when I resigned as – I resigned as Shadow Minister, Abbott and I went to Turnbull and said, 'Despite the view of the Party, you're insisting that the Party vote for the ETS.' And we said, 'We can't do that. Is there no way, Malcolm, that you could change your position, that you can in fact reflect the Party?'

'No, no.'

And Tony and I said, 'Well, neither of us can vote *for* it; therefore, we have no option but to resign because we can't support what you say is the Party's position.' And I went back to my Senate Party room, informed them that as a result of this set of circumstances I'd had to resign from the Front Bench and what did they want me to do as Senate Leader, and they all said, 'No, we want you to stay on as Senate Leader,' which was very flattering. But then, of course, within 24 or 48 hours, we'd had a leadership ballot and the Party room had formally changed our position, by separate ballot, to oppose the ETS, so I was able to be reinstated to the Shadow Ministry by the new Leader, Tony Abbott, as Shadow for Resources and Energy. Because I then, subsequently, resigned in March.

Yes. This year, which we will touch on. We've got 10 minutes.

Right.

Yes, so I was just trying to get the –

Yes, the sequence of events, yes.

– yes – the timing, it's quite so close together, really, isn't it, the whole – – –?

So I was only off the Front Bench then for a few days.

24 hours.

Yes.

Yes. If you hadn't moved against Turnbull, though, as Leader, what do you think would be the situation today?

Well, it's more a question of, 'Well, what if the Party had – if Turnbull's position had prevailed and the Party was instructed to vote for the ETS?' You would have had at least – you'd have had all the National Party Senators and, I think, at least 14 Liberal Senators, nearly half of the Liberal Senators, voting against the bill. It still would have passed, just, on the basis the Greens were opposed but with Labor and half the Liberal Party Senators the bill would have passed, so it would become law, as a result of Malcolm and that position being adopted. You'd have had, in my view, an end to the Coalition as a result of that – I think the National Party would have broken off. You'd have had, I think, a permanent split in the Liberal Party. The position of the grassroots of the Liberal Party in this was incredibly strong, and the anger that would have been generated by the Liberal Party facilitating the passage of this legislation through the Senate would have been such that, in my view, it just about would have broken the Liberal Party in two. I think there would have – you'd have seen the – whether it was – it would have been a huge ruction, the likes of which we haven't seen since the '40s. You'd have either had the formation of a new, separate conservative party, or the National Party joining with the conservatives in the Liberal Party to form a new entity, or – – –.

Were there discussions of this, or was it just raised at branch level?

Well, there was a horror that it would ever get to that. There was a determination to prevent that ever happening, you know, and my actions were as much about preventing what I saw likely to happen as about making sure that Australia didn't have it inflicted on us this ridiculous emissions trading scheme.

If there'd been an alternative – if there'd been, as you say, a carbon tax – would you have been more supportive, despite your scepticism about climate change?

Well, no. I mean my starting point is that there is simply not the evidence to suggest that Australia should, at any point, unilaterally penalise itself for no reason. If, globally, the whole world goes mad and we all go down this path, then yes, you might as well, because you're probably worse off if you don't because the structure would be such that it would penalise those who didn't participate. And at least if you're not going to be relatively worse off – if we're all going to cut off our noses – well, we all do it together, okay. But in those circumstances I'd much prefer that the world went down the path of –

The tax.

– the tax than of emissions trading. I think emissions trading has – now, I reckon, has lost its potency as a policy proposal. I think so many people are now seeing the problems with it. As I often say, even James Hansen, the godfather of this whole theory, now supports a carbon tax rather than an emissions trading scheme. But my bottom line was you've got to demonstrate a verifiable, comprehensive action across the globe, because Australia is such a bit player and because we have an economy which, just by definition, is much more dependent on emission of CO_2 than any other, because we rely on coal-fired power more than most and coal exports more than most

You were, in your media interviews when you made the announcement that you would retire –

This is in March?

– yes, this year – and I'm working back to where we are –

Yes.

– because you did say then it wasn't a 'lightbulb moment', as they love to say; it was a gradual decision –

Yes.

– would that be – I mean, and we do want to touch, obviously, on Oliver's [Minchins] experiences, too – but there was, presumably, a lead-up to this point?

Ah, well, obviously, yes. I knew that I had a final decision to make in March as to whether I wanted to renominate for preselection for another six-year term. I'd put in a nomination to keep my options open, because I could always withdraw it, and I didn't want speculation running around. So I put in the nomination and I said, 'Well, my intention is to renominate,' but I was obviously thinking deeply about whether I seriously wanted a fourth six-year term; that 18 years looked pretty good to me and

did I really want to do 24. And I'd never been – you know, a lot of people do renominate, and then because in the Senate you don't cause a by-election, you can just pull out whenever you like. But I'm old-fashioned and think that, if you're going to renominate, you've got to honestly say to your Party and to the State, 'I want to serve a full six-year term,' and that you should do so, barring some particular circumstance. I couldn't honestly – I just reached a point where I can't honestly do that, because it means staying in the Senate till 2017 and I'll be 64 and 'Sorry, no, I don't have the fire in the belly any more.' So I'd been thinking along those lines, and I suppose, yes, Oliver's accident was just, in a sense, the straw that broke the camel's back in making me come to a conclusion, yes, that it was time to go.

Can you briefly tell me what happened with Oliver's accident? It was all in the papers, but just for the record here?

Yes. Well, he was very badly and near-fatally injured in a military training accident on Lake Burrinjuck, when he was run over by a high-powered vessel being driven by a highly-irresponsible petty officer, and nearly bled to death on the side of the lake but, fortunately, they got him to hospital in time and after seven hours of surgery managed to stop the bleeding and sew him up and he wasn't paralysed, which was also a miracle, because the propeller cut right through his lower back. So it was very traumatic and he had seven weeks in hospital and lying flat – – –.

Which hospital was that?

Canberra Hospital.

Was he?

Yes. You know, lying – he had to lie horizontal for seven weeks, and yes, it was a pretty traumatic, terrible time. But fortunately he survived, and he's back at ADFA,[17] although he's still fairly physically-restricted. But we've still got the court case coming up in a couple of weeks: the petty officer was charged under New South Wales law with causing grievous bodily harm, so go through that again. But, yes, just – because the accident was on Valentine's Day in February –

Of this year; last year?

– this year –

Was this year. Seems longer ago than that. Yes.

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[17] ADFA – Australian Defence Force Academy.

– and the preselection deadline was March, so throughout that period Ollie was still gravely ill in hospital and all that, and I just thought, 'No, I'm out of here.' (laughs) So it was a pretty traumatic and difficult time. And my wife's father died 12 days after Ollie's accident and all that stuff, so no, it was a tough time for us all.

A lot of time to be spent with the family, really.

Yes.

Yes – and I thank you; I didn't want to haul you through the whole horrible experience, but, as you say, it would seem to be a constellation of things that came to a head.

Yes. No, it was. It was one of those – well, any major injury to any of your children is always difficult to deal with, yes.

Yes – and just a huge relief that he's alive and well and walking, basically.

Yes. Exactly, exactly, yes.

I haven't asked you more about your family, which I feel bad about, but –

That's all right.

– we can't fit it all in.

Yes.

I do want to – I know we want to finish in a few minutes – but one I was also interested to see was your involvement in the Population Reform Movement.

Oh, yes. Yes?

And I see that you were a speaker at this Population Reform Forum back in whenever. [Adelaide Population Reform Forum, 7 April 2010]

Yes, it was about the middle of the year.

Middle of the year, yes.

Yes.

Got the date here somewhere. Do you want to tell me a little bit about that, how that came about?

Oh, gee, for as long as I can remember I have been a sceptic, (laughs) to coin a phrase, of the high immigration and indeed of high population growth, and that's mostly driven by my approach to economics. And indeed the theme I pursue there is to pick up the recent Productivity Commission analysis of this which demonstrates,

as I have long believed, that what matters in all of this is the question of real GDP[18] and whether immigration as such contributes to growth in real GDP. And the Productivity Commission quite conclusively demonstrates that it hardly does and, to the extent that it does, the gains accrue to the immigrants themselves. And so for the whole of the Howard Cabinet I was the one who would argue – every year when the Immigration Minister brought in a submission proposing yet more immigration, I'd be the one saying, 'Hang on a minute,' you know, 'make your case,' and I think demonstrating that no case was made, but it was always, 'Oh, well, let's do it.' Because you have this terrible combination in this country of incredibly self-interested developers and home builders and all this sort of stuff, who just want to keep the gates wide open and more people coming in to buy more houses, and the sort of left lobby who, for whatever reason – – –. I mean the left are very divided on this.

Yes. Very much so.

It's a really difficult issue for the left, because the conservationists – – –.

In fact, it was an environmental scientist that brought this to my attention.

Exactly, yes. The conservation movement is, you know –

That's right.

– very wary of it but then feels this genuflection to sort of immigrant groups and everything else, and multiculturalism and all the rest, and I think that's – – –. And, equally, our side of politics is divided: there are those who genuinely believe in a big Australia, for whatever reason, and those who sort of genuflect to the property developers, and others like me who genuinely query the economic implications of this.

And the environmental ones, for that matter.

Well, yes.

Yes, yes – I mean water, for a start.

I say to people, you know, 'You know those lovely, lonely little beaches in South Australia you used to go to? Well, in 10 years' time there'll be 5000 people on that beach.' And the reality that everybody says, 'Oh, it's just a matter of infrastructure'; well, the fact is, you know, we *don't* build the infrastructure; and Australians like to

[18] GDP – gross domestic product.

live on quarter-acre blocks; and, frankly, unless the economic case is overwhelming for high immigration, why shouldn't they be able to? Because everybody says, 'Oh, it's easy. You just build more infrastructure and you stick everybody in high-rise apartments.' Well, sorry; people don't actually want to live like that. So I do have a very strong view about immigration being very, very directly tailored to the skills needs, and that's all. And you can do that with about 70,000 net immigration; 300,000 is just madness, to my mind.

And, of course, the overwhelming problem facing government in this country is the problem of ageing, which we exposed through the Intergenerational Reports, and the consequences for federal finances of ageing. But immigration doesn't do anything to assist that. High natural birthrates help, because they keep down the average age, but immigration doesn't help that problem at all; in fact, it makes it worse because you get this bulking out –

Cohorts, yes.

– yes. So I think a lot of the arguments for high immigration are facile and shallow, and I admired Dick Smith and Kelvin Thomson and others for waging war on this, but there are so many vested interests, powerful vested interests, in favour of high immigration and it's so easy to accuse those of us who aren't in favour of it of being racist or something, you know?

Yes.

So it's quite difficult. And that's been my lot; to be accused of being 'anti-immigrant' is to be a racist or something, so you can't even – it's one of the tragedies of Australia: you can't have sensible debates about so many things because there's just all this branding goes on.

That's true. Can I – I'm conscious of the time – finally, is there anything you would like to say, looking back over your political career, as we are in your closing year, and what your plans are?

Well, as Enoch Powell is reported to have said, 'They all end in tears.' I mean, to my mind, I'm amazed that I was able to achieve so much, because I never expected to be anything more than a humble backbench Senator. It was a great thrill to get in the Senate, to be a minister for 10 years and going to Cabinet, Leader of the Government in the Senate and all that: I never expected any of that sort of opportunity and I'm grateful for it, and I'm pleased with the things I was able to do. But, on the other hand, of course we all have regrets about things we (laughs) *didn't* do. So, you know, mine's a balance sheet, I think just comes out in the positive, but

there are things I'd do differently if I had my time again. But I was very lucky to be in Parliament at a time when fortune favoured our side of politics and we were in government for virtually all the time that I was in Parliament, because lots of MPs go through Parliament being in opposition for virtually all the time they were there, you know, and don't get the opportunities. So I've been very lucky, in many ways.

And you're planning to stay in South Australia?

Yes. I've still got a 13-year-old daughter, as you know, and she's still got five more years of school and five more years of school fees. So no, our base will remain South Australia and, as you know, my historic connections are with South Australia and this is a great city to live in; but you do need to make sure you're getting out of it on a regular basis and keep your eye on the world and what's going on in the world.

Yes. Will you still be involved in politics in other ways, do you think?

I'll be involved in political issues, you know. I'll stay actively involved with the constitutional monarchist movement and I'll be at the barricades next time the issue comes up. I'll stay involved in the whole issue of wanting to ensure reality on climate change. This population movement I'm very interested in. I'll stay a member of the Liberal Party and sort of active in the organisation, but I think that's about it.

I don't think you'll be State Director again.

Absolutely not. Way past that. Yes – no, I'll never be full-time in politics again.

Well, thank you very much. That was fantastic.

Yes. Okay. Thanks, Susan.

That was great.

END OF INTERVIEW