



THE AUSTRALIAN

Printed October 10, 2009 02:51pm AEDT

Keating's sty of execution

Niki Savva | October 10, 2009

Article from: [The Australian](#)

KERRY Packer died in 2005 for the second, and probably the last, time. The first time was 19 years ago, when he was playing polo at Warwick Farm. I am pretty sure he is really dead now, but it's a bit hard to tell because his presence still looms so large and especially given the ongoing feud between him and Paul Keating.

A couple of months ago John Westacott, the former executive producer of the Nine Network's 60 Minutes, reported that Packer had a bit of a wobble 10 years ago about whether to broadcast a special edition of the top-rating current affairs program on Keating's investments.

That was certainly a different Packer from the one I encountered at an unforgettable dinner party in 1998, when I was then treasurer Peter Costello's press secretary.

It was July 22 and we were in Sydney. The Howard government had not yet finalised its new tax package, offered later at that year's election, and was going through a pretty rocky period. Costello had a meeting that morning in the cabinet room with John Howard and other senior ministers to try to put the finishing touches to the package that would introduce a 10percent GST, remove wholesale sales tax and cut income taxes.

In the afternoon he met members of the Catholic Church hierarchy, including then Sydney archbishop Edward Clancy and then Melbourne archbishop George Pell, in an effort to assuage their fears about the effect the GST would have on the poor.

The Labor opposition and sections of the media were running horror stories about the number of people the GST would maim or kill and the churches were understandably very nervous about the effect of any changes.

The constant speculation meant the government was in a precarious position. By the end of July, Newspoll had the Coalition's primary support at 35 per cent and Labor's at 41 per cent. The one piece of good news was that the June quarter consumer price index figures released that day showed inflation was running at 0.4 per cent for the quarter and 1.6per cent through the year. Keating would probably have called them a beautiful set of numbers, but we resisted the urge, merely describing them as excellent.

So it was a pretty full-on day and we were looking forward to a good meal, at least, when we arrived at Packer's sumptuous Bellevue Hill residence in Sydney's east around 7.30pm. Son James Packer, who had become friendly with Costello, was instrumental in organising the dinner, figuring the treasurer and his father should get to know one another better in relaxed surroundings.

It turned out to be the kind of dinner party you look back on with fascination and horror, so much so that I can't even remember what was on the menu, apart from us.

As well as Kerry and James, there were several Nine heavies in attendance, including David Leckie, Peter Meakin, Laurie Oakes, Paul Lyneham and Ray Martin. One person not there was Westacott.

The butler served dinner and he was the only other person we saw that night which, as Zorba the Greek would say, turned into the full catastrophe. Contrary to popular belief, and despite Labor's claims about how supportive he was of the Howard government, Kerry Packer did not have a good word to say that night about anybody in the government or anything the government had done. Not one.

Packer told us Labor was going to "shit it in" at the next election, largely thanks to the impending introduction of the GST - which he thought would be a disaster - and more generally because we couldn't do anything right. We treated workers badly, he said, and it was almost criminal how little nurses were paid. He knew because he spoke to them (implication being we did not) when they were treating him. He scoffed at the tighter gun laws and said that, if he wanted to, he could go out right then and there and buy a gun. Of course he could, he was Kerry Packer.

It was downhill all the way from there. Costello was trying to be amenable by asking for suggestions about what the government could or should be doing. I veered off with criticism of television and programs such as A Current Affair for ripping into everyone and everything for no good reason other than wanting cheap headlines and to cut down tall poppies. That kicked things along for a bit, until Packer called it quits: "Well, can we all agree to have coffee?"

When we said yes, he got up from the table to move into the lounge, saying: "Finally, we can agree on something." There was no point observing that he was the one who had started the disagreement.

As the evening was winding up, he broke off from bagging us to bagging Keating, whom he seemed to loathe passionately. Keating, of course, reciprocated. The war between them had raged for years and the worst place to be was in the middle of it.

Keating thrived on conflict and liked to brag that he didn't get grief, he gave grief. For example, in 1995, as Labor prime minister, he was flying to Germany for a technology conference, with a stopover on the way in Singapore and a meeting with the then prime minister Goh Chok Tong.

He wandered down the back of the plane where we journos sat. I was then political editor of Melbourne's Herald Sun newspaper. Keating seemed relaxed in his tracksuit bottoms and shirt - he wasn't always done out top to toe in Zegna - but soon launched a tirade against Packer, with whom he had been fighting over media ownership laws and plenty of other things besides.

The gist of his complaint was that Packer had done a deal with then opposition leader Howard to change the laws and allow him to buy what is now Fairfax Media, that Packer was too busy playing polo to concentrate on his business, that Packer was hopeless because he couldn't grow his business outside Australia, and that Rupert Murdoch was smarter and better because he had built a worldwide organisation. We wanted Keating on the record, so a group of us, including Jim Middleton of the ABC and Michael Gordon, then of The Australian, approached Keating's press secretary, Greg Turnbull, in Singapore the next day to see if we could get quotes.

Keating was scheduled to have a press conference with the Singaporean prime minister and Turnbull suggested the journos should ask him about it then. So we did. Keating said publicly pretty much what he had said privately while Goh stood there, superfluous and bewildered by the whole thing. The story ran for days across whole continents, and as well as wrecking Keating's trip it also added more fuel to the ferocious feud between him and Packer. It was obvious Packer would seek revenge. The only question was when and how.

We discovered the answer that night at dinner at Bellevue Hill. As we were milling about preparing to leave,

Packer casually turned to Oakes, Nine's political editor, and asked him why he had not done a story on Keating's piggery in NSW.

Packer knew Oakes had been given documents relating to the piggery, which came as a surprise to Oakes. Oakes did not know Packer knew he had the documents and was taken aback even further when Packer wanted to know why, exactly, he had not produced a piece based on them.

Oakes replied he had checked out the documents and found they didn't stand up. He had been waiting for a source to come through, but he had not delivered. James Packer said he thought that was fair enough, but it was not good enough for Kerry. It was apparently the one and only time Packer tried to heavy Oakes. Oakes did not budge. At that point, Lyneham stepped forward, literally, and volunteered his services. He said he would look at the documents himself, even though, as of that night, he did not have them.

Lyneham later somehow came by another set of the same documents, and there he is fronting the special 60 Minutes program on Keating's investments in March the following year. The program investigated Keating's dealings with the Commonwealth Bank relating to the piggery investment, but no wrongdoing was found and a Howard government inquiry also cleared him.

Costello and I had stayed right out of the Keating conversation that night, glad that Packer's attention had shifted elsewhere. We were about to go when Kerry announced he was leaving. He had arranged to fly secretly to New York that night for treatment for his heart. James offered to go with him to the airport, but Kerry insisted he stay with their guests. In the only show of affection all evening, he and James kissed and hugged. Kerry left, and so did we, soon after.

According to Westacott, in *The Australian* last June: "Keating accused Kerry of being behind it (the piggery story), but that was absolute rubbish." Westacott said he and Lyneham had to convince Packer the story should run. Maybe Kerry did wobble later, but certainly that night at Bellevue Hill it was Kerry who wanted to know why it wasn't already out there.

It is possible the feud between Packer and Keating will end when Keating himself is interred, but I wouldn't put any money on it.

Edited extract from So Greek: Confessions of a Conservative Leftie, by Niki Savva, to be published in February by Scribe (\$35). Savva was a political reporter for many years, including with The Australian, before joining Peter Costello's staff.

Copyright 2009 News Limited. All times AEDT (GMT + 11).