



THE HON DR CRAIG EMERSON MP
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND
THE SERVICE ECONOMY
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS
MINISTER ASSISTING THE MINISTER FOR FINANCE ON
DEREGULATION

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Dr Craig Emerson with Ashleigh Gillon and Senator George Brandis

Subjects: Paid parental leave, ETS, appointment of Mike Kaiser to NBN company.

GILLON: Good morning and welcome to AM Agenda I'm Ashleigh Gillon. Well the grenades are flying thick and fast here in Canberra this morning with both sides of politics on the defensive. The Communications Minister Stephen Conroy is being accused of giving a high paying job to one of his mates while the opposition leader Tony Abbott is under fire after he implied that housewives do all the ironing. Joining me to look at those issues and more shortly, the Small Business Minister Craig Emerson will be with us, for now we have the Shadow Attorney General George Brandis. Good morning to you Senator.

BRANDIS: Morning Ashleigh.

GILLON: I'm going to get to those couple of blunders that I just mentioned but first I want to ask you about a report on the front page of the Sydney Morning Herald this morning. It suggests that the Coalition is going to come up with a paid maternity leave scheme which would see women, parents be able to get 24 weeks of paid maternity leave, is that right?

BRANDIS: Well the Opposition's policies are in development at the moment. No announcement to that effect has been made so I'm not going to anticipate anything that might be said by either

Tony Abbott or by the Shadow Minister, but I should point out Ashleigh, this is an issue that Tony Abbott has been very interested in for a long time and when he published his political manifesto *Battlelines* last year there was quite a long discussion of paid maternity leave as an area of policy development to which he was rather attracted so watch this space but it's obviously far too early for me to speculate about what policies might actually be announced between now and the election.

GILLON: Well in *Battlelines* Tony Abbott suggested that any paid maternity leave scheme should be funded by the government. Do you think that's the way he's still heading?

BRANDIS: As I say, let's just wait and see what policy is announced in relation to family policy, including this issue and including the costings. That's a matter I don't want to comment on today.

GILLON: The details that are in the paper's report this morning is that it would be a six-month paid maternity leave scheme. There are no details of just how that will be costed or funded and no details about the rate of pay that parents can expect to get under the government scheme, it is an 18-week scheme, parents would get the minimum wage. Craig Emerson welcome to the program. Have you seen these reports this morning about the Opposition looking at doing a six-month paid maternity leave scheme? Why didn't the Government go down that path?

EMERSON: Our paid maternity scheme is economically responsible. Tony Abbott is now proposing ... where's the money coming from? This is Phony Tony's Funny Money Scheme where he comes up with these expensive ideas and then when asked "where's the money coming from?" says "don't you worry about that". He and Barnaby Joyce are loose wheels on this vehicle, on the Abbott-mobile because they are consistently coming up with expensive ideas like the climate change con job, \$10 billion and...

BRANDIS: I think you must have swallowed a dictionary of political clichés this morning Craig?

EMERSON: On the climate change con job, Barnaby Joyce said "We'll get that out of the tax system". In this area in his book *Battlelines*, which I have read, he says that there'll be a levy on business including small business. Now in the newspaper he says "I'm not sure whether there'll be a levy on small business, on business in

general, it might have to come out of the tax system or out of reduced services.” He needs to come clean on this.

BRANDIS: Craig, because you were late in arriving you didn't hear the earlier discussion and the point I made is that the Liberal Party has made no announcements in relation to this matter, none at all so when you say...

EMERSON: Well what do you reckon was on the front page of the paper today?

BRANDIS: Well what was on the front page of the paper this morning was speculation.

GILLON: Craig Emerson, back to my initial question though, why does the Government not go for the six-month length? Was it just that that's too costly, is that what it came down to?

EMERSON: Well we took a policy to the last election and we're implementing the policy, 14 weeks paid maternity leave at the minimum wage. Now Tony Abbott's plan as far as it's outlined in *Battlelines* and today is for a higher rate of pay and for a full six months. Now, he has to say whether he's going to increase taxes, or reduce services, or slug small business with the new levy. There's only three ways of doing it Ashleigh.

GILLON: Labor's plan is 18 weeks though isn't it Minister?

EMERSON: Yeah. Well what I'm saying is that a six month paid maternity leave scheme is very expensive and indeed on top of that he's saying the rate of pay needs to be higher. So we're in a situation where yet again, after the \$10 billion climate change con job, we've got Tony Abbott and Barnaby Joyce, a big risk to the economy, a big risk to small business with unfunded commitments saying "don't you worry about that, we'll worry about that later." The Australian people deserve better.

GILLON: As we said earlier, there is no announcement yet so we're not going to get into the details of the cost because there is no, we don't even know the rate of pay so...

EMERSON: And you're going to dispute the front page of the paper...

BRANDIS: Exactly, maybe a journalist wrote it Craig?

EMERSON: Oh, just out of their imagination?

BRANDIS: My point is surely you understand that the Liberal Party has announced no policy in relation to this issue yet. We will announce the policy in relation to support for families between now and the election, and perhaps you might refrain until you know what you're talking about before you start commenting on it.

EMERSON: Are you suggesting it was made up by the Sydney Morning Herald? Well Phil Coorey would be interested in that accusation.

GILLON: We look forward to getting all the details of that policy. Let's not keep going around in circles on something that we have very few details on. Let's go onto the climate policy instead. Yesterday the Opposition Leader was out at a dry cleaners, the point of the visit was pointing out that electricity costs will rise under the Government's emissions trading scheme and this is one of the comments he made while he was there...

ABBOTT: (Audio) The interesting thing about this (dry-cleaning) is that this is very energy intensive. If Margie sees me doing this...

GILLON: Tony Abbott was accused of implying yesterday that housewives are the ones who do the ironing. He was saying housewives need to be aware that electricity prices will go up. George Brandis, what was he thinking? Was that a bit politically incorrect?

BRANDIS: Oh look, I wouldn't make too much of it. The fact is electricity prices will go up for everyone under the Labor Party's ETS scheme and he was just illustrating that point.

EMERSON: I think you're missing the point George.

GILLON: Well the assistant Climate Change Minister yesterday, Greg Combet, had this to say in reaction to that.

COMBET: (Audio) Carrying on about housewives doing the ironing at home I think only demonstrates that he really is stuck in the past, he's old fashioned, he's not thinking about Australia as a modern society and he has not been able to come up with a climate change policy that is forward-looking either.

BRANDIS: Give me a break Ashleigh. I mean, honestly and truly this is the issue the Prime Minister used to describe, no longer does, but used to describe as the great moral challenge of our time and the Labor Party have been reduced in arguing about that issue, to pick up slips of the tongue from Tony Abbott using an old-fashioned expression that is not in current usage. Now honestly and truly, don't they have, is that what they are reduced to in defending their policy?

GILLON: But Senator, is this turning into a bit of a theme here? We keep hearing about Tony Abbott's problems with women voters...

BRANDIS: Not verified by the opinion polls I might say...

GILLON: ...and you add up things like his very conservative views on abortion, his comments recently on virginity, this is just another comment the Government is obviously going to use to suggest that Tony Abbott has outdated views on women.

BRANDIS: Tony Abbott is a conservative person, he is proudly a conservative person. But he is also a very modern man, and honestly and truly I have to stress this point; if the best the Rudd Government can do to defend the most important public policy measure of their term in Government is to latch onto the odd stray arguably politically correct remark of the Leader of the Opposition then it just goes to show how far their position has degenerated.

GILLON: So Tony Abbott shouldn't apologise to women who stay at home for assuming they do all the ironing?

BRANDIS: Well an expression is an expression, the expression 'housewives' is an expression used by a lot of people in Australia, particularly older people.

GILLON: Craig Emerson, let's just get, the substance of this argument of course is that Tony Abbott was suggesting that dry-cleaners,

businesses like the one he visited yesterday will be facing higher electricity costs. He says that dry cleaner spends \$15,000 on electricity and will face a \$3 increase under the ETS. Is that right?

EMERSON: And I dealt with this in Question Time yesterday. Now either consumers have to pay increased costs associated with electricity and this is what the Coalition is asserting and then we compensate consumers, well there is certainly a compensation package, or business pays. You can't have business paying and consumers paying the same amount. So there is a passing through to consumers. There are also schemes that have already been announced to assist businesses, including small businesses to become more energy efficient. But the conversation that you've relayed, Bruce Billson is the Shadow Small Business Minister and he kept correcting Tony Abbott yesterday saying "and house-husbands, and house-husbands". It wasn't Labor. We weren't at the dry cleaning shop. It was Bruce Billson who immediately saw the alarm from Tony Abbott's style and approach to these issues which is a very old fashioned style. We have the greatest respect for women who choose to stay home and obviously many women choose to do the ironing. But it's pretty clear in our family who does the ironing if you want to have a look at my shirt this morning. I had about three goes at it.

BRANDIS: Craig, when are you going to get into the substance of this issue?

GILLON: And I'm about to ask Craig Emerson about the substance. You said you talked about this in Question Time yesterday. All of our viewers may not have sat down and watched the entire Question Time yesterday...

EMERSON: I can't believe that!

BRANDIS: (Laughs)

GILLON: ...what is the answer to that question? For example; that dry cleaner has a \$15,000 electricity cost a year. Tony Abbott is saying it's going up by \$3,000. That sounds like a huge number?

EMERSON: Well if Tony Abbott says it, that means it's true, is that right?

GILLON: Well I'm asking you, you're the Small Business Minister.

EMERSON: Well what I'm saying is that either any increased costs through electricity are passed on to consumers, and consumers then have a compensation package, we have said that electricity prices will rise under the CPRS.

BRANDIS: Say that again Craig?

EMERSON: We've given the figures: 7 per cent in the first year and 12 per cent in the second year. Bruce Billson, the Shadow Small Business Minister says "well if they go up under Tony Abbott's \$10 billion climate change con job people can just change the electricity company they buy their electricity from." He is conceding that under that \$10 billion unfunded plan that electricity prices would go up under the Coalition. At least we are being honest with the Australian people Ashleigh.

BRANDIS: I think the only concession we're hearing this morning Ashleigh is from one of the Government's senior economic Ministers, that under the Rudd Government's great big new tax on everything there would be a very substantial increase in electricity prices which is...

EMERSON: Seven per cent...

BRANDIS: Keep saying it, keep saying it.

(Inaudible)

GILLON: Okay, you're talking over each other and our viewers can't hear either of you when you're talking over each other so let's just have one at a time here. Craig Emerson, the \$3,000 increase, that is correct is it? The Government keeps accusing Tony Abbott of running a fear campaign on this, but if his numbers are right where's the fear?

EMERSON: Well I don't have in front of me a calculation that says for this particular dry cleaner the cost to that dry cleaner will go up by \$3,000. I don't have that figure. The fact that Tony Abbott asserts it doesn't make it true. That is no disrespect to the dry

cleaning business. Maybe they have done that estimate. That's okay and they are entitled to do that. But what I'm saying is that if electricity costs go up to a business then they will have a capacity to pass that through to consumers, and consumers in the lower and middle income ranks will get compensated for that. But you can't count the same impact twice and this is what the Coalition is trying to do, saying it will go up for small business and it will go up for consumers...

BRANDIS: It will...

EMERSON: You can't have the same dollar counted twice. This is the Tony Abbott funny money, Phony Tony Funny Money Scheme.

BRANDIS: You can for one very simple reason. Because on the Government's own figures the compensation package for consumers isn't enough to fully compensate them. So the cost of small business will rise, those will be passed onto consumers, and the cost on consumers will rise, the Coalition...

EMERSON: On your whacko economics...

BRANDIS: May I finish? Because on your own figures the compensation package isn't enough to compensate more than 50 per cent of Australian families through increased electricity prices.

EMERSON: Either affects small business or it affects consumers.

GILLON: Senator isn't it unfair to criticise the Government's plan when the Coalition is saying that you will also penalise big emitters if they go above emissions, businesses usual levels, but we don't know what sort of penalties they could be?

BRANDIS: Above usual levels but of course...

GILLON: And those costs could also be passed onto consumers couldn't they?

BRANDIS: But of course Ashleigh, the whole point of our plan is an incentive based plan, the focus of our plan, there are penalties for above more than usual levels of emissions...

GILLON: And what are those penalties?

BRANDIS: The heart of the Coalition's plan is an incentive plan to encourage businesses in fact to reduce their emissions below business as usual. So we think that the circumstances in which the penalty side of the policy will kick in are going to be few and far between.

EMERSON: Well not according to Bruce Billson.

GILLON: Well Malcolm Turnbull certainly doesn't think your plan is the way to go. He has strongly advocated that the Government's Emissions Trading Scheme. What was your reaction to his speech yesterday. He seemed to lay out a pretty good argument.

BRANDIS: Well I'll tell you what my reaction to Malcolm Turnbull's speech was; I was very proud of the Liberal Party. I was very proud of the Liberal Party because unlike the Labor Party, the Liberal Party does allow individual Members of Parliament, conscientiously to express a view at variance from the Party's official position. That's how this dispute happened at the end of last year. There were a number of members of the Liberal Party who were very uncomfortable with the direction which Malcolm was taking the Party and in the end their views prevailed. Malcolm has, with integrity, adhered to the view that he expressed. Now I admit that sometimes that looks a little bit untidy but I'm sure the Australian people would prefer that than a Party that was so tightly disciplined, so robotic, that everybody simply recites the same mantra. Over to you Craig.

EMERSON: Well if it was such a good speech, and I think it was a good speech, where were the other Coalition members? We had Joe Hockey sitting right beside Malcolm Turnbull, a show of strength and unity, papering over the cracks, the divisions in the Liberal party that are still there, that are still alive and well and its just a papering over exercise. If it's good enough for Joe Hockey to be in the chamber, why not Tony Abbott, why not all the others. All it is is a reminder of how divided the Coalition is and how much hatred there is. It's being kept just below the surface because we are in an election year. It will bubble along.

BRANDIS: What did I tell you about robotic mantras.

GILLON: Now, we are going to hear a lot more on the ETS debate a bit later in Parliament today, so we are going to go to a quick break and when we come back we are going to look at the accusations that the communications minister has given one of his mates a very high paying job. That's next.

GILLON: Welcome back to AM Agenda. Joining me this morning on our panel of politicians this morning is Small Business Minister Craig Emerson and the Shadow Attorney General Senator George Brandis. I want to raise another issue with you this morning. The Communications Minister, Steven Conroy, is under fire for an appointment of Mike Kaiser, the former Labor powerbroker to a senior role at the National Broadband Network. Craig Emerson is this a case of jobs for the boys?

EMERSON: Senator Conroy didn't appoint Mike Kaiser. Mike Kaiser was appointed by the National Broadband Network Company.

GILLON: And the Minister is responsible for that?

EMERSON: Yes, and he made no direction to appoint Mike Kaiser. It is not true to assert that the Minister, Senator Conroy, appointed Mike Kaiser. He was appointed by the company. As their decision, their process, other candidates I understand were considered, they decided on Mr Kaiser.

GILLON: Well I understand that the company didn't actually consider anyone else, the job wasn't advertised and Mr Kaiser is being paid around \$450,000 a year. Is this really as transparent as your making it out to be?

EMERSON: Well, my advice is that other candidates were considered. This is not unusual in terms of ways of identifying possible executives for corporations. You don't necessarily, for corporations, put advertisements in the newspaper, but that does not then mean that Mr Kaiser was appointed by the Minister Senator Conroy, he was not. He was appointed by the company.

GILLON: George Brandis is that fair enough, that argument? Is this an independent decision from the company?

BRANDIS: Now Craig please don't interrupt me because I'm just going to go through the facts.

EMERSON: How long are you going to go?

BRANDIS: These are the facts that came out of Senate Estimates yesterday. Mr.. the job ... the position is a \$450,000 position, it pays more than the Prime Minister is paid. It wasn't advertised, there was no short list prepared, there were no other candidates interviewed. Mr Kaiser's name was suggested to the company by the Minister Senator Conroy who urged his appointment. Mr Kaiser is a close personal friend of Senator Conroy's. Mr Kaiser has no significant corporate experience, he's a former state secretary of the Labor Party in Queensland, a former assistant national secretary, and was briefly a member of the Queensland Parliament of which he was forced to resign in disgrace for electoral fraud. Those are the facts.

GILLON: And of those facts, the two points that you made that seem to be standing out are as why there is so much controversy and apparently came out in Senate Estimates that this is a position put forward by Senator Conroy.

EMERSON: Yes, and I listened very intently to George and I didn't interrupt him and I didn't hear at any point George asserting that Senator Conroy as the Minister appointed Mr Kaiser. The Board that the company...

GILLON: Is it okay though for him to suggest that....

EMERSON: The company appointed Mr Kaiser. Now in terms of the salary, \$450,000 I think obviously sounds like a lot of money but to be the chief executive, sorry the position that he holds in that company, is probably not out of kilter with the corporate world in what is a very, very important program for Australia and that is the rollout of a National Broadband Network which will be very important for Australian business and productivity in the future. It's a key appointment, it's a key position to which he has been appointed, and by the way, you say that Mr Kaiser has no business experience, that's not correct either.

BRANDIS: No relevant significant business experience.

GILLON: Are you accusing the Minister of abusing his position?

BRANDIS: Yes, yes I am. I am accusing the Minister of interfering in a process to press upon the (inaudible) for which incidentally is not completely at arms length. He has Ministerial responsibility for this corporation. This is a government-owned corporation. I'm accusing him of interfering in the process to secure this job for one of his mates and the manner in which this was done is plainly, plainly, a corrupted process.

EMERSON: Well hold on, that is a huge assertion. The fact is...

BRANDIS: Are you satisfied with the process?

EMERSON: Well I would not regard an assertion of corruption being in any way a reasonable or decent thing for you to say as a very highly credentialed lawyer.

BRANDIS: A process in which there is no advertisement, no transparency, no competition, one candidate, the candidate is plainly unsuitable...

EMERSON: That's not right, that's not right.

BRANDIS: Is a corrupted process.

GILLON: Craig Emerson, final word on this very quickly, you say that there's no way that corruption has gone on here?

EMERSON: Well I think it's an outrageous assertion to accuse the Minister of being involved in corruption.

BRANDIS: I'm not saying the Minister was corrupt, I said the process was corrupt.

EMERSON: You did, you said he was involved in corrupt processes.

BRANDIS: The process is corrupted.

EMERSON: This is a fine legal point George.

BRANDIS: It may be but it's a....

EMERSON: It's an outrageous suggestion.

GILLON: Senator Conroy will need to face further questions on this today because it does seem like there are some very different opinions on how he acted and whether or not it was appropriate. Craig Emerson, George Brandis thank you so much for joining us this morning.

BRANDIS: Thank you Ashley.

GILLON: We'll see you next week.

EMERSON: Okay.

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