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Transcript
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E&OE

Subjects: Abbott's soldier comment, Coalition's proposed budget cuts, leadership during crises

KING: Let's go *Inside Canberra*. Dr Craig Emerson for Labor, the MP for Rankin and Trade Minister in Julia Gillard's Government. Good morning, Dr Emerson. Good morning. Stop talking among yourselves and talk to me.

EMERSON: No, we were having a big argument.

BRANDIS: We were having a very civilised conversation about political philosophy, Madonna. Good morning.

KING: Good morning and George Brandis, also deputy leader of the Opposition in the Senate. Dr Emerson, was Tony Abbott taken out of context and why isn't Labor supporting him on this?

EMERSON: Well, I think that Mr Abbott meant no offence. I think that where he was at the time in the circumstances he made a particular remark and though I don't know Mr Abbott personally all that well, I'm quite confident that he would not have meant any offence at all. And I think personally it's now a matter between Tony and the family of Corporal MacKinney and I think he has in fact spoken to Corporal MacKinney's widow, Beckie.

KING: Yes, he has. Are you condemning, though, being asked the question? Did you think it was unfair on Tony Abbott?

EMERSON: Look, again, it's a bit difficult because it was a set of remarks given in a very strained situation in Afghanistan and sometimes we get tough

questions on both sides of politics. I just reiterate that I don't believe Mr Abbott would be blasé about these things. I don't think that he meant any offence. He's made that absolutely clear.

KING: But was it a fair question to ask, is my question?

EMERSON: Well, it's a bit hard for me to make a judgment about that. I think Mr Riley was simply saying, ‘well, what is the context?’, when Mr Abbott was saying ‘you've taken me out of context’.

KING: Yeah, well…

EMERSON: Then there was that long pause. Again, I don't think it's appropriate for me to get into that. One thing I will say is that there will be absolutely no politicising by me of the engagement in Afghanistan.

KING: No, well I'm not asking you about the engagement of Afghanistan though. So, Senator George Brandis, can I go to you here? Have you spoken to Tony Abbott about this at all?

BRANDIS: I saw him this morning. We had a bit of a chat about it, yeah.

KING: Yeah, and what is he saying?

BRANDIS: Well, what…

KING: I mean we've heard his public comments but he…

BRANDIS: …well, what he says in private is the same as what he has said in public.

KING: But is he angry? Is he disappointed? Can you give us some kind of idea of…

BRANDIS: I think, well, Tony's position is that the matter has...is closed. He had a conversation, as Craig has said, with Corporal MacKinney's widow last night. She has said - and was happy for him to confirm in a statement he made last night - that she has no issues with him and that's the end of the matter. I mean, I think this is a bit rough on her frankly and I really don't want to get into the issue of whether the journalist should have asked the question or not.

KING: Why not?

BRANDIS: Because journalists are perfectly free to ask any questions they like of politicians.

KING: Yeah. Is everyone supportive of Tony Abbott within the party? There have been reports to the contrary behind the scenes.

BRANDIS: No, I think that's just nonsense.

KING: So everyone supports very strongly what he said and can I ask you about…

BRANDIS: Well, no, no, hang on. Let me…

KING: I mean how he responded.

BRANDIS: …how he responded, that's right.

KING: Yeah, that's what I meant.

BRANDIS: I mean, look, he was taken out of context. He was talking to soldiers on a battle field.

KING: Yes.

BRANDIS: The language a guy might use talking to soldiers on a battle field wouldn't be the language you'd use if you were having tea with your maiden aunty.

KING: Yes.

BRANDIS: So I don't think there's any issue about that.

KING: Okay.

BRANDIS: He was taken out of context. Whether the journalist showed poor taste and lack of respect for the family in opening up this issue is a matter for him.

KING: All right. Just before I let it go, Tony Abbott's response has drawn comment this morning. Do you think it would have been better for him to have been strongly critical of the reporter? Was he on a hiding to nothing and that's why he remained silent? Was he so angry that he was determined not to give an answer?

BRANDIS: I think that – I don't think politicians should attack journalists and we don't. My own…

EMERSON: Well, hold on...

KING: Yeah.

EMERSON: We're about to disagree there...

BRANDIS: My own, my own…

EMERSON: ...this is fun attacking journalists.

BRANDIS: …my own view is, Madonna, my own view is just - I haven't had a personal discussion with him about this aspect of it, I might say, so this is my own take on it having looked at the footage: I think he was

disgusted. I think he was disgusted and wasn't going to dignify the question with a further response.

KING: All right. Well let's move on from that issue but let's stay with Tony Abbott for the moment. He is in some strife over his proposed budget cuts. $2.1 billion and this is as an alternative to the Government's $1.8 billion flood levy.

BRANDIS: Okay.

KING: And just in case people are unaware of them can I quickly run through? He would like to defer $600 million in water buy backs along the Murray-Darling. Defer $150 million in spending on the school buildings program. Strip $500 million from the automotive transformation scheme, and to defer for four years $450 million for helping children in Indonesia – and that is the one probably that some people have got upset about this morning. George Brandis, do you have any disagreements over any of those elements?

BRANDIS: None at all. I support them strongly and the point I'd make to you, Madonna, is the Government has decided to fund the reconstruction in Queensland and Victoria through a mixture of cuts of its own – most of which we go along with – and a new tax, which we don't go along with because we say 'well, if we can find additional...could have found these additional cuts why can't you? And spare the Australian people another new tax?'

KING: So is this the argument between the levy - the flood levy that Labor is putting up, Craig Emerson –and the funding cuts that Tony Abbott is proposing? Is that the difference here?

EMERSON: I think it is. Obviously the Coalition is opposed to the levy. We believe the levy is a fair way of raising one-third of the funds that are estimated to be necessary for reconstruction.

KING: Yes.

EMERSON: Someone earning $60,000 would pay $1 a week. Someone on $80,000 would pay less than $3 a week.

KING: All right. What is your issue against what George Brandis has just talked about, these deferrals in cuts? What's your major problem there?

EMERSON: I think there are probably three. The water buy back – Tony Abbott said in his campaign launch that water is probably the most urgent environmental challenge facing our country. The coalition will end Labor's procrastination. And goes on to talk about how they will get on with the buy back. Now there is…

KING: He's only talking about deferring it, not cancelling it.

EMERSON: Yeah, but he's talking about Labor procrastinating and now he's saying, ‘well, we'll procrastinate for a period of time’. This actually is probably a good time to buy back water when there is more water around rather than seeking to do it when there's no water around. In relation to Building the Education Revolution, I just find that puzzling because Tony Abbott has been a constant and visceral vocal critic of the Building the Education Revolution building program, but then says that they will defer $150 million of it. He either supports it or he doesn't. And the fact is he doesn't and finally…

KING: Let me…

BRANDIS: No, what we don't support is the wasteful way in which the program has been managed, Craig.

EMERSON: Well, I think your listeners, Madonna, would have gained the impression by now that the Coalition is totally opposed to the BER program. They've been campaigning on it for more than two years.

BRANDIS: Well, may I clarify that, please?

EMERSON: Calling it the school halls program, disparagingly saying it's just not worthwhile. The truth is local members – that is Liberal and National Party members – come out to these opening ceremonies and they actually see value for money and that's why they come to them.

BRANDIS: Well, look let…

EMERSON: But when they're in Canberra they say ‘we oppose it’.

KING: All right. Now let George Brandis answer that.

BRANDIS: May I have a go to clarify that, please? May I have a go to clarify that? What we have always said is we are... we would do this differently. For a start, rather than paying the money to inefficient State Government bureaucracies we would pay it directly to school communities.

KING: All right.

BRANDIS: Just as the equivalent program during the Howard Government did and, secondly, what we have said is we would let the school communities make the decisions about how they want to spend the money rather than being told ‘you will have a Julia Gillard memorial school hall’.

EMERSON: And that is not what was announced yesterday. What was announced was a deferral, not a cutting but a deferral of funding for the BER, which is a bit of an endorsement for the Building the Education Revolution.

BRANDIS: It's not an endorsement of a waste.

EMERSON: The third area, Madonna that I think…

KING: No, Craig Emerson, can I just ask George Brandis there, it is a deferral, George Brandis?

BRANDIS: It is a deferral.

KING: So why isn't that support for the school buildings program? You haven't suggested cancelling it?

BRANDIS: As Christopher Pyne, the Shadow Minister for Education has pointed out, our side of politics has said to school communities – don't take the school hall if you don't want one. Negotiate with the State bureaucracy...

KING: Yes, I understand…

BRANDIS: …and try and persuade them to build a project that you want for your school, not the project they want you to have. And a lot of the unspent BER money – not all of it – but a lot of the unspent BER money is in fact earmarked for schools which have done that, which have followed the Coalition's advice and we…

KING: Yes, but answer my question.

BRANDIS: …and we didn't think it was right…

KING: All right. Let me go back then to you, Craig Emerson. Your third point?

BRANDIS: …followed our advice should be…

KING: All right, you've had a go.

EMERSON: My third point is in relation to funding of Islamic schools in Indonesia. I've seen emails going around saying Labor is supporting Islam and supporting radicalism and so on. These are not emails from the Liberal Party but they are doing the rounds. And the fact is we're doing exactly the opposite. We are continuing to fund a program put in place by John Howard, which is in fact designed to educate kids in Indonesia so as to reduce the risk of militant behaviour.

KING: All right. Let me move on from here and can I get you to answer the question rather than going off on these tangents. Craig Emerson, who will be exempt from paying this levy?

EMERSON: Well the people who are directly affected by the floods themselves, the people affected by the cyclone as well.

KING: What about the people in Perth whose homes were burnt down?

EMERSON: I can't answer that now. But I'll get that back to you. I'll get back to you on that.

KING: What about the floods in Victoria?

EMERSON: As I understand it, they too would be exempt. Anyone who is paying, Madonna, who is - sorry - who is receiving support – and this includes $1000 because they meet the criteria of the Natural Disaster Relief and Recovery Program – would not then be expected to pay the levy.

KING: Yes, but you're unsure about the situation in Perth?

EMERSON: Well it would be similar. If they were eligible for the NDRRA payments then they wouldn't have to pay the levy.

KING: All right. The $1.8 billion was tallied up after the Brisbane floods. Since then we have had the cyclone in North Queensland and we've got the floods in Victoria. Do you know how much that will change the final figure?

EMERSON: Well I don't because those figures have not yet been compiled. But Julia Gillard has indicated that there won't be an extension of the levy, there won't be an increase in the levy. If there is more to be done it will be funded by further expenditure reductions.

BRANDIS: Well doesn't that just prove...

EMERSON: ...we're just trying to agree with yours, George.

BRANDIS: Doesn't that just prove, Craig, that if you looked harder for cuts in the first place you wouldn't have had to impose this tax at all?

EMERSON: There's this myth that cutting government expenditure is painless. No, I'm not talking about political pain here. I'm talking about the recipients of those programs, the beneficiaries of those programs. Tough decisions may well need to be made. They will be made if they are required.

KING: All right so tough decisions need to be made. Why would you not consider just backtracking on your promise to bring the budget to surplus in 2012/2013. It's a question listeners have asked. That would cause no more pain. But would you be worried then that politically you had to break a promise?

EMERSON: It is a good question from your listeners and from you, Madonna. The reason is that we expect, on projections, the economy to be growing very strongly by 2012/13. Yes, we have made a commitment to return the budget to surplus in 2012/13. But this is the right thing to do economically because if you're continuing to run deficits at a time when the economy is going very strongly through this mining investment coming through – a very long and wide pipeline – then you put strains on the economy more generally. And so this is a time to ease back, that is, not to further stimulate the economy.

KING: Okay George Brandis, what would be your response if Julia Gillard came out and deferred that surplus for a couple of years?

BRANDIS: Well we think the budget should never have been put into deficit and...

EMERSON: Well, that’s a revelation. Never into deficit?

BRANDIS: ...and I find it extremely amusing to hear Craig and other Labor politicians make a virtue of the fact that they are returning the budget to surplus. The budget only needs to be returned to surplus because they ran it into deficit.

KING: All right, but that's not my question.

BRANDIS: There was a $20 billion surplus...

KING: Yes, but George Brandis you come on and you say that every week. That is now history. What I'm asking you now is if Julia Gillard did come out and say ‘look we will now defer the surplus’, would you say ‘look we understand and it will cause no immediate pain?’ Or would you say ‘that's a broken promise?’

BRANDIS: That's not our position. The Government has to have the character to restrain its spending. Now we have shown - don't forget Tony Abbott has offered to sit down with Julia Gillard in a bipartisan fashion to find the additional spending cuts.

EMERSON: Couldn't spell bipartisan.

BRANDIS: Julia Gillard didn't even dignify him with a – have the decency to reply to that offer. We have found the additional spending cuts. And now we hear Craig saying ‘well if the damage bill is much greater than the $5.6 billion we estimated, we'll find further spending cuts rather than increase the new tax’. Why didn't you find those additional spending cuts in the first place so that we didn't have to have the new tax?

EMERSON: Because they’re not painless. Now Madonna, you've just heard a very important new economic statement by the Deputy Leader of the Coalition in the Senate when he said that the Coalition would never have gone into deficit in the first place. This is a brand new economic doctrine. More than $100 billion was wiped off Government revenues by the global recession. What George is saying is that he would have filled that $100 billion hole – initially estimated at 200 – with spending cuts. That would have put this economy into a very deep recession, hundreds of thousands of people would have lost their jobs.

KING: Okay, all right, I want to move on from this area because we're going off on tangents again. We, after 10 o’clock, will talk to the political editor of the *Financial Review*, Laura Tingle, about the budget, the surplus and the deficit and what impact it would have on you, for example, if the Government did defer that surplus. But gentlemen, can I just move onto leadership during crises like this and to Julia Gillard – very emotional in parliament yesterday. How have you seen her leadership through these disasters, George Brandis?

BRANDIS: I think that she has obviously failed to make the connection with the people that, for example, Anna Bligh was able to make. I think her response has been programmatic and wooden and the – that's a personal response. Leaders have to – particularly in times of crisis – have the capacity to reassure and have the capacity to inspire. Anna Bligh – and I think everybody agrees, so I'm not making a party political point here – Anna Bligh everybody agrees was able to do that during the Brisbane floods in particular. And very obviously Julia Gillard wasn't.

KING: Okay can I go to Craig Emerson on the same question and Craig can I put it this way – you've heard the accolades for Anna Bligh and again then from George Brandis. Is it more difficult to actually be a Prime Minister than a Premier at times like this?

EMERSON: I think in relation to being the Premier – remember Anna Bligh was born and raised in Queensland and we're a very parochial lot – she knows every nook and cranny, every valley, every street of towns and cities. Or so it seems anyway through her handling of it, which was in fact exemplary. I don't think that can be expected of the Prime Minister of Australia regardless of who that Prime Minister is and regardless of the political persuasion of the Prime Minister. But I will tell you this – Julia was very moved and distressed, as I was, and other members of both political parties, at the trauma and the brutality inflicted by those floods. And the reason that she was very upset yesterday is the story that we all know and all your listeners know. For example, of Jordan Rice, the boy who said take my – sorry – 10-year-old brother first and that little boy perished. That's going to upset everyone.

KING: And that story I'm sure none of us will forget because I remember at his funeral his big brother used to always tease him that he was a bit of a mummy's boy. And yet at the age of 13 he had the courage and the – I don't know – the maturity to say ‘take my little brother’. And he saved his little brother's life, didn't he?

EMERSON: He did and his mum died as well.

KING: And his mum died as well. George Brandis, do you think it's a bit more difficult to be a Prime Minister than the person on the ground in situations like this? Whether it be the Victorian bushfires or a flood in Queensland?

BRANDIS: No, I don't particularly and let me give you an example. Even though he had a rather conservative and unflamboyant personal style, I think John Howard, at times of natural or manmade catastrophes, like for example the Bali Bombings or the various major bushfire events that occurred during his government, had a tremendous capacity to connect with people. So I remember in particular an occasion when there was a ceremony in the Great Hall here after the Bali bombings, and there was an extraordinary rapport between Mr Howard and people who had lost family members. So I think it's not the question of whether the Prime

Minister or the Premier - no I don't. I think it's a question of your nature and your capacity to relate to other people.

KING: Is there somebody on the other side federally that you would also say had that, George Brandis?

BRANDIS: Look I – look there are different personalities on both sides of the aisle of both federal and state parliament. It's not a party political thing. The point is, the point I make is that I think it's embarrassingly obvious to everyone that Julia Gillard just hasn't got it.

EMERSON: Well, George, that is the sort of comment – I've just covered Tony Abbott's behaviour. I said look he hasn't meant any offence to anyone and we just get this nasty...

BRANDIS: I don't think Julia Gillard meant any offence.

EMERSON: ...nasty, carping stuff.

BRANDIS: It's not nasty. I'm answering the question.

EMERSON: Yeah, you're revelling in answering. I disagree profoundly.

BRANDIS: I'm answering the question that I was asked.

KING: But George Brandis, George Brandis, let Craig Emerson speak though. You had a go. Craig Emerson, do you think Julia Gillard finds this more difficult than, say, maybe other people on your side? You had Bob Hawke, for example?

EMERSON: Well, no I don't, and as you know I used to work for Bob. And the irony was that any time that he did cry we used to get all these phone calls from caucus members saying ‘stop Hawke crying! Stop him crying!’ What are we going to do? Say ‘Bob, don't cry’ – you know? 30,000 Australians who were left here after Tiananmen Square and he got national security reports about it and he cried. I thought – well, fair enough for God's sake.

KING: Well some people cry more easily than others, don't they?

EMERSON: That's right. Absolutely.

KING: It comes down to how you show your emotions. And gentlemen you'll both be joining me in Ipswich next week?

EMERSON: I will and I think George will too.

BRANDIS: I will be there.

KING: And we look forward to it. Thank you.

BRANDIS: Thank you, Madonna.

EMERSON: Thank you, Madonna.

KING: That's *Inside Canberra* returning for 2011.