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Transcript

Inside Canberra, ABC 612 Brisbane with Madonna King

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Interviewees: Dr Craig Emerson, Senator George Brandis

E&OE

Subjects: Stephen Conroy's suggested involvement in appointing CEO of the National Broadband Network, recent calls by Labor for Tony Abbott to dismiss Barnaby Joyce, surrogacy laws, Australian military personnel wearing uniforms made in China, and changing the legal drinking age from 18 to 21.

KING: Now, accusations on one side of jobs for the boys, and calls for a senior frontbencher to be sacked on the other side. That's the background to Inside Canberra this morning. Doctor Craig Emerson is a Minister in the Rudd Government. Good morning, Doctor.

EMERSON: And hello to you Madonna and to all of your listeners.

KING: And Senator George Brandis, Opposition spokesperson on matters Attorney-General, hello, good morning.

BRANDIS: Hello, Madonna, how are you? Good morning Craig.

EMERSON: Hi George.

KING: Let's start out this morning with the issue Craig Emerson of Stephen Conroy, your colleague, your Ministerial colleague who helped to secure a job for a Queensland Labor politician or

former Queensland Labor politician, Mike Kaiser. Do you really think that was appropriate?

EMERSON: Well all I can go by Madonna is the process that was adopted and that is the appointment was made by the NBN company. It appears that Stephen Conroy as a Senator and a Minister did suggest Mr Kaiser's name. Other candidates I'm advised were considered. And the company itself made the appointment. There's no assertion that I know of that Senator Conroy directed the company using any Ministerial powers that he may have. But the company made that decision.

KING: Yes, but if the Minister's suggesting this person, the company is unlikely to defy his recommendation.

EMERSON: I don't think that's right. I think it is a corporation and they don't just do what Ministers say. Whether a Minister has the formal power to direct them or not, there's no suggestion that he did direct the company . . .

KING: No, there's not but, but this job –

EMERSON: So I'm just saying that I don't think it necessarily follows, Madonna, that because a Minister suggests a name that a government-owned corporation will say "well that's it, we'll employ this person", irrespective of his or her credentials.

KING: All right, this job was seen as...

EMERSON: I understand there was an interview on three different occasions with Mr Kaiser, so I don't think they just said "oh well, we don't have a view, we'll just employ Mr Kaiser".

KING: No, all right. But just – this is a \$450 000 job with the National Broadband Network. Would you see that it's not a good perception when it was not advertised?

EMERSON: Again with corporations Madonna, it's not an automatic procedure that these positions are advertised. In the private sector I know there are executive searches conducted. People make enquiries. There are in fact professional executive search companies that do this sort of work so positions, executive positions in corporations sometimes are advertised and sometimes they are not.

KING: Yes, but you're giving the impression there that, you know, there's a recruitment company, went out across Australia and found the most relevant person...

EMERSON: No, that's not what I'm saying at all. I'm not saying that all. I'm saying that it's not automatic that a company advertises a position for an executive. I'm making no stronger or weaker point than that.

KING: George Brandis?

BRANDIS: Well Madonna, this is as clear-rolled golden example of jobs for the boys as you will ever find, although technically, the National Broadband Network company does the employing. In fact, this is a wholly-owned government enterprise. The responsible Minister who I think is the shareholder minister, is Senator Conroy. So he owns 100 per cent of the shares nominally in the name of the taxpayer. And, although I think Craig is right that technically there isn't a power to direct, it is as clear as can be, and this emerged from the Senate Estimates Hearing the day before yesterday – when the CEO of the company gave evidence that he was pressured by his minister who is also holds 100 percent of the shares in the company, to make this appointment. Now let's look at the process. There was no executive search or recruitment company engaged. There was no shortlist prepared. The position was not advertised. The only person to be interviewed was Mr Kaiser. Mr Kaiser has no significant relevant corporate experience.

KING: Well, hold on he's...

BRANDIS: He has no significant relevant corporate experience. That's judgemental of you. It's a fact.

KING: No but hang on there, he's worked inside Parliament, outside Parliament he's worked in government relations which is what this job entails. To play the devil's advocate, wasn't Stephen Conroy doing his job as a good Minister in raising his name?

BRANDIS: No because Mr Kaiser was not a suitable person to be appointed because this is, this is one of the senior executive jobs. It's a \$450 000-a-year salary, and the person who was appointed without any competitive process and without any other person being looked at, is a Labor Party apparatchik and somebody who had to resign from Parliament in disgrace at an earlier stage of his career, has no relevant corporate experience and is a political and personal mate of the Minister, who pressed his name on the CEO.

EMERSON: Madonna, I don't believe that there was any evidence given at that Senate Estimates Hearing that the CEO of the National Broadband Network said he was under pressure, as George has asserted, to make this appointment.

KING: Because that is an issue.

BRANDIS: Senator Conroy himself conceded that the suggestion that Mr Kaiser be appointed, came from him. And that ...

EMERSON: We acknowledge that.

BRANDIS: And that is the evidence shown before the Senate Estimates Hearing.

KING: But that doesn't mean pressure Senator George Brandis.

EMERSON: Exactly.

BRANDIS: Well one can infer from the circumstances...

EMERSON: [Laughs]

BRANDIS: ...that nobody else was approached. The Minister who, for who has Ministerial responsibility...

EMERSON: That doesn't constitute pressure.

BRANDIS: What!

EMERSON: It doesn't constitute pressure. The man was interviewed. At no point did he say he was under pressure.

BRANDIS: No other candidate was considered...

EMERSON: You have sought to mislead your audience.

BRANDIS: No other candidate was considered and no other candidate was looked for.

EMERSON: George, you have sought to mislead Madonna's audience . . .

BRANDIS: Not at all... It is...

EMERSON: ...by saying at the Senate Estimates Hearing it was clear that the CEO was put under pressure. There was no such evidence. He said no such thing.

BRANDIS: ...it is as plain as can be.

KING: So just let me make this clear. George Brandis, you're saying by Stephen Conroy making the suggestion of Mike Kaiser quite clearly and it's a wholly-owned subsidiary of the government and he is the boss, that was a pressure to employ him. Where, Dr Craig Emerson you're saying there was no direct pressure in the sense of Stephen Conroy picking up the phone and saying Mike Kaiser is the man you've got to have?

BRANDIS: Correct. That's well...

EMERSON: I'm saying that there is no evidence at the Senate Estimates, contrary to what George has just said, that anything like that happened, and the CEO did not at any time indicate he was under pressure...

KING: Yes.

EMERSON: ...to make this appointment.

BRANDIS: He did say that it was suggested to him...

EMERSON: Suggested.

BRANDIS: ...by the Minister that he appoint this particular person. The person is plainly unsuitable for the job on the basis of lack of experience in the sector alone.

KING: All right. So George Brandis are you now calling for Mike Kaiser to be removed from that job or is the Opposition stopping short of that?

BRANDIS: I am saying it was an inappropriate appointment and the process that was undergone of looking for nobody else once the Minister has suggested his mate, the Labor apparatchik with no experience in the business that he was appointed to was wrong.

KING: All right.

EMERSON: The CEO said that other candidates were considered.

KING: All right it's 19 minutes past 9. That's Dr Craig Emerson and a very fiery George Brandis this morning. Let's see if you keep the fire in the belly on this one, Senator. Tony Abbott is spending a lot of time cleaning up after his finance spokesman, Barnaby Joyce. He's now warning Australia – this is Barnaby Joyce, not Tony Abbott – is at risk of defaulting on its debt. And the Government this morning is saying that is irresponsible and Tony Abbott now must sack Barnaby Joyce.

BRANDIS: Well Tony – well can I say first of all that Barnaby Joyce I think is a very very effective Shadow Finance Minister.

KING: Do you agree with him that Australia is at risk of defaulting on its debt?

BRANDIS: Well, as a matter of fact, that's not quite what he said. If you check his remarks, what he said was that Australia is developing an unsustainable level of debt. And it just can't continue to go on because the point will be reached at which we can't afford to pay it back.

EMERSON: That sounds like at risk of default.

BRANDIS: Well, do you dispute that, Craig?

EMERSON: Absolutely, absolutely I absolutely dispute that Australia is at risk of default.

BRANDIS: But if, do you dispute that if your Government continues to rack up debt endlessly we will reach the point at which the day will come when we can't pay it back.

KING: Yeah can I just be very clear. Senator Joyce said, and this is an exact quote, I understand – 'You have got to ask the question how far into debt do you want to go? We are getting to a point where we can't repay it.' So Senator George Brandis he did say that.

BRANDIS: Well, you know I, what I interpret that as meaning is that if we continue the way we are, we will get to a point at which we can't repay it. And that, I think all your listeners understand that. That's a matter of common sense. You cannot continue recklessly to rack up debt the way the Rudd Government has done. I mean Australia has never, in peace time, racked up so much debt, so fast, than in the last two years.

KING: So are you agreeing, so are you agreeing with Barnaby Joyce? Because it appears this morning Joe Hockey in another radio interview certainly doesn't.

BRANDIS: Well I – if you were referring to Joe Hockey's interview on AM, I listened to that interview too Madonna, and I don't think Joe Hockey contradicted Barnaby Joyce. I think...

EMERSON: [Laughs] He certainly did.

BRANDIS: I think what Joe Hockey said, and what I say, and what Barnaby Joyce has said, are the same thing. Nobody is saying Australia is about to default. Barnaby Joyce didn't say that. What the point Barnaby made, the point Joe made, the point I make to you this morning, is that if public debt in Australia continues to be racked up in this drunken sale of manner by the Rudd Government we will reach a point at some stage where it'll be too much to pay back.

KING: All right, so let me make this clear, because I'm just – let me just read from *The Age* online, just picking one major paper. And it's by a very respected journalist. Barnaby Joyce says we are getting to a point where we can't repay it. Joe Hockey has flatly rejected that. He says 'I have no doubt Australia has the ability to repay sovereign debt. It is in no danger of defaulting on its debt.' Now, aren't they arguing at totally...

BRANDIS: Well can I have a go here...

KING: ...different thing – no hold on Senator Brandis, I'm just wanting to know, are you actually siding with Senator Barnaby Joyce on this? Or on Joe Hockey?

BRANDIS: Well I don't – there's no, there is no inconsistency between them. Because Barnaby didn't...

EMERSON: [Sighs]

BRANDIS: ...Barnaby didn't...

EMERSON: You've got your feet on the sticky paper here George.

BRANDIS: No, Craig, if I may finish. Barnaby did not say that Australia is about to default. Neither did Joe. Neither do I.

EMERSON: He said...

BRANDIS: What, what, what... what he said...

EMERSON: [Sigh] Can I get a word in here or not?

BRANDIS: ...what he said and what Joe Hockey said, and what the Opposition has been warning about for more than a year now, is that we are racking up, in this country, unsustainable levels of public debt.

KING: All right. Can I hear from Dr Craig Emerson a right of reply, Dr Emerson?

EMERSON: Barnaby Joyce did say, as you've recounted, that Australia is at risk of default. Australia has...

BRANDIS: He did not say that.

EMERSON: ... one of the lowest net government debt of any advanced country in the world, in the world. We are triple-A rated. There is no risk of default, and that Madonna, is what Joe Hockey said on the AM program.

KING: So Dr...

EMERSON: Flatly contradicting Barnaby Joyce...

KING: All right. So can I just ask this Dr Craig Emerson...

EMERSON: ...but the person who hasn't is Tony Abbott, who has not contradicted him and has defended Barnaby Joyce's right to speak out and make such reckless, risky irresponsible claims.

BRANDIS: No, no. Look, Craig, Craig you can try and tease this language out for all your worth but it doesn't, it doesn't get you there. The fact is that Barnaby Joyce said, as Joe Hockey has said, as the Opposition has been saying for a long time, the rate at which your Government is racking up debt at an unprecedentedly rapid rate in peace time, is getting to a position at which it is becoming unsustainable.

EMERSON: So are you saying...

KING: All right, can I just ask then Dr Craig Emerson, do you agree with your Government that Barnaby Joyce should lose his job or is that political correctness gone mad? That Barnaby Joyce is

entitled to say this, as a member of a political party and people can make up their own mind?

EMERSON: As a member of a political party people can make statements and you're right, people can make up their own minds. He's not just a member of a political party. He is the Shadow Finance Minister. These statements reverberate around the world. And it is completely reckless and irresponsible for the Finance Minister or Shadow Finance Minister of an alternative government to say to the world that it is the considered view of the Coalition that Australia is at risk of default.

KING: So do you...

EMERSON: I watched the interview, I watched the interview Madonna. This was not a slip by Barnaby Joyce. It was not made under pressure. He developed the argument as George has just now, and then came up with the final line. Not repudiated by Tony Abbott.

BRANDIS: No.

EMERSON: In fact, Tony Abbott has defended Barnaby Joyce all the way. And we know what the caper is. Let Barnaby Joyce go out there, make these reckless statements and then Tony Abbott, or in this case Joe Hockey will say 'well we don't really agree with him' on...

BRANDIS: I, look...

EMERSON: but get the whole party thing going, very damaging to Australia's national...

KING: George Brandis you've had a good go, but 30 seconds.

BRANDIS: I don't think the dollar crashed last night Craig, so, so much for the reverberating around the world.

EMERSON: You don't think it's reckless?

BRANDIS: Honestly and truly, no I think it – not only is it not reckless, but it is absolutely responsible for the Opposition and in particular the Opposition Finance Spokesman to express concern and alarm at the unsustainably high level of debt into which your Government has got Australia.

KING: All right we're going to leave it there and we're going to go on to the next issue, which is slightly, slightly lighter I hope. But, so that we don't argue over the quote, let me read you exactly what was said. This is Tony Abbott, who's in trouble this morning for suggesting it is women who do all the ironing at home. He said, 'What the housewives of Australia need to understand is they do the ironing, is that if they get it done commercially it's going to go up in price and their own power bills, when they switch the iron on, are going to go up'. George Brandis, he didn't expect the reaction he got though?

BRANDIS: Well I think that the remarks were completely commonplace. I mean he used an expression, 'housewives' that is a very common expression in Australia, particularly among an older generation of people. It's not an expression that younger people use. It is the case that in a lot of households, the wife does the ironing. Not all households, perhaps not most households, but certainly in a lot of households.

KING: So, Tony Abbott says people are being oversensitive to it. Are they Craig Emerson?

EMERSON: Well it reflects a particular view of the world that Tony Abbott has. Obviously I respect, and everyone respects the choice of women to stay home and do housework and similarly the choice of blokes to do so. But to characterise those who do the ironing as housewives...

BRANDIS: That's absurd.

EMERSON: ...well it is absurd...

BRANDIS: That's nonsense.

EMERSON: ...and Bruce Billson was the Shadow Small Business Minister standing right beside him in the dry cleaner corrected him twice, saying 'and househusbands', because he saw the alarm bells ringing...

BRANDIS: [Laughs] Did they reverberate around the world to you again Craig?

EMERSON: ...that here was again Tony Abbott expressing a particularly quaint view...

KING: [Laughs]

EMERSON: ...a quaint view of you know, Australian society.

KING: All right.

EMERSON: It's not really a very modern view of Australian society.

KING: I know the question in my listeners' minds this morning are do either of you do your own ironing?

BRANDIS: I'm a very good ironer.

EMERSON: If you saw my...

KING: Do you do your own ironing, George Brandis?

EMERSON: [Laughs] That was a political answer George. He's ducking and weaving he'll get that song back.

BRANDIS: Sometimes I get my shorts – shirts laundered but the answer to your question is yes.

KING: What? Sometimes you do do your own ironing?

BRANDIS: Yes and sometimes I get it laundered.

KING: All right so when last did you iron a shirt to wear to Parliament?

BRANDIS: Last Sunday morning.

KING: All right. Craig Emerson, can you beat that?

EMERSON: Yes if you saw my shirts you would know that I do my own ironing. Because it's bloody hard, I have to do it about three times. I'm the slowest ironer in the world. But I do my own ironing.

BRANDIS: You're not very good at it actually.

EMERSON: Exactly!

BRANDIS: Perhaps I should take in your ironing for a fee...

EMERSON: I thought you would George and I would agree. I thought George and I would agree on something.

KING: And what would be a fair fee, George Brandis for you to do Craig Emerson's ironing.

BRANDIS: [Laughs]

EMERSON: Oh he goes at bloody \$5,000 an hour, he's a QC.

BRANDIS & KING: [Laughing]

EMERSON: I'd go and buy about ten new shirts for the price of George's ironing.

BRANDIS: I'd do it for you for less than that.

EMERSON: Oh yeah.

KING: And you'd have to pay up front though I suggest.

BRANDIS & EMERSON: [Laughing]

KING: Look, a big issue today in Canberra and Queensland is surrogacy laws will be debated. And it's a conscience vote, a rare conscience vote. But the issue here is the legislation being put up by Labor and at least two Labor MPs don't support it but, is that you can become a surrogate parent whether you're a heterosexual couple and this is your last resort to have a child, whether you're a gay couple, a single mum and the like. Where do both of you stand on that issue?

BRANDIS: Well I in general support surrogacy laws but I think that surrogacy laws and adoption laws have to apply the same criteria to you know, who they're available to. It's a state issue I should emphasise. But the Coalition's position, the Federal Coalition's position has always been that this is - the adoption and surrogacy, is a matter for a man and a woman in a permanent domestic relationship.

EMERSON: And my understanding is that Labor's position on this is the same at the Federal level. At the personal level on surrogacy, I think it's a wonderful opportunity for people who otherwise can't have a child - we were talking about Senator Conroy a little earlier in a different context ...

BRANDIS: Yeah.

KING: Yes.

EMERSON: But they've got a wonderful little baby which is a lovely result.

BRANDIS: Well, she's more than a baby, I mean. Notwithstanding political differences Senator Conroy is a friend of mine and I spent some time with him...

EMERSON: I bet your listeners didn't pick that [laughs].

BRANDIS: I spent some time with he and his wife in the United States at a conference in January and I met their three year old daughter and she's absolutely delightful.

KING: All right so while you're getting on so well, a bit of small talk while we go to news headlines and I want to go back and ask you about an issue where the Australian soldiers are being sent to war wearing uniforms made from camouflage material made in China. And it certainly seems to have upset some people this morning.

KING: Inside Canberra this morning with Dr Craig Emerson and Senator George Brandis. And gentlemen, Australian soldiers going into war wearing uniforms made from material in China. This is allegedly under a new round of Defence cost-cutting. Is that good enough, Craig Emerson?

EMERSON: I can advise you Madonna and your listeners that Australian military personnel are not going into war with Defence clothing made in China. That is not in this contract, it's not happening. So we can clear that one up pretty quickly.

KING: So you're saying that the Government will move on this to ensure it does not happen?

EMERSON: Well the contract actually is with two firms, one in Bendigo and one in Wangaratta. And this does not involve, and will not involve...

KING: But currently...

EMERSON: ... will not involve, this does not involve the – and there are no personnel wearing Chinese uniforms. And, this contract, I know there was speculation about it having an option, having an option for sourcing material from China - that is not going to happen.

KING: So the Government will step in to ensure it doesn't happen? Is that what you're telling me?

EMERSON: I am saying that's right. That it is not going to happen. This contract will not involve the procurement of uniforms or the material for uniforms from China.

KING: George Brandis?

BRANDIS: Well the contract was let. I mean if the Government decides to step in and cancel the contract or reverse that term of the contract, then that's something the Opposition has been calling for. We'll wait and see what happens. But the contract was let, and it's something that should have not have happened. There is a national security dimension to this. And the Shadow Minister for Industry who actually is also the Federal Member representing the town of Wangaratta in Victoria, Sophie Mirabella, has raised this and perhaps in response to the Opposition's pressure the Government is backing off on this. That's what it sounds like to me from what Craig has just said.

KING: All right. Now final question for you both. Can you send our children to war at 18 but lift the drinking age to 21?

EMERSON: Well I think what Kevin Rudd said the other night on Q&A, Madonna, was we approach these things from an evidence basis. I think that binge drinking is an issue but I haven't seen, I'm not aware of evidence that lifting the drinking age from 18 to 21 would have the desired effect so I'm not aware of any proposal on the Government's side to do it.

KING: But would you support it Craig Emerson?

EMERSON: My own view is that without compelling evidence, I don't think that there is a case.

KING: But what is compelling evidence? So, what is have you looked at how many . . .

EMERSON: Well - you see - there are countries obviously overseas - my son spent a little time in the United States. They actually have a drinking age of 21.

KING: Yes.

EMERSON: That's the sort of evidence. But I'm not aware, for example, of you know, road accidents or anything like that being any less prevalent in the United States as a consequence.

KING: Because I mean, you can see how the criticism could be made fairly or unfairly of the Government, that it's an easy thing for the Prime Minister to come out and say 'well look personally I support it but we're an evidentiary based government, we base on evidence, as opposed to popularity, therefore, you know, I would need to see the evidence'.

EMERSON: Yeah well I think that's what our approach has been to government more generally.

KING: Well are you seeking the evidence to see if it has made a difference in other countries?

EMERSON: Well Kevin made those comments on Fri – sorry on Monday, where are we? On Wednesday. I don't think there've been any major developments in that period of time. He was asked a question and he gave an answer, based on utilising evidence-based policy. But look, we all agree Madonna, and you and I and George have had these discussions, and I think with no acrimony and disagreement, that binge drinking is a big problem for young people in Australia. We probably need to tackle that head on doing whatever we can. But the problem is, for policy, it is easier said than done. We'd all like, and all of your listeners would like to see a reduction in the incidence of binge drinking. But it is easier said than done.

KING: All right. And George Brandis, finally?

BRANDIS: Well I don't support raising the drinking age, and, for this reason. I think that you do have to define adulthood and once at a particular age, and once somebody is an adult, I think that you can't approach them with a nanny-state mentality. Now, we decided in this country about 30 years ago to define, redefine adulthood from 21 to 18. And I think that was a good decision. And I don't see any call to reverse the age of adulthood from 18 up to 21. And with adulthood I think comes full responsibility for personal conduct.

KING: Gentlemen, good to talk to you and I look forward to doing it all over again next week.

EMERSON: And I'm going to take my ironing board around to George's office.

ALL: [Laughing]

KING: And tell us next week what he charges Dr Emerson.

EMERSON: That's right.

KING: That's Senator George Brandis and Dr Craig Emerson, Inside Canberra, just after nine each Wednesday here on 612 ABC Brisbane.

END