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DEREGULATION

*Inside Canberra with Terri Begley
(sitting in for Madonna King)
ABC 612 Brisbane*

Subject: Queensland asset sales; national accounts; Joel Fitzgibbon; obesity;
State of Origin.

BEGLEY: Good to have your company this Wednesday morning. Terri Begley sitting in for Madonna King. Still on that issue, is there Federal support for the fire sale of key Queensland assets? And are we recession bound or not? We perhaps will find out today. And how long will the Government's support of the Defence Minister caught out over not declaring sponsored accommodation last? Lots to talk about this morning as we go *Inside Canberra*. Dr Craig Emerson is the Small Business Minister in the Rudd Government. Good morning.

EMERSON: Hello Terri.

BEGLEY: And Senator George Brandis from the Opposition. Hello to you too.

BRANDIS: Good morning Terri. Good morning Craig.

EMERSON: Hey George.

BEGLEY: Back to this sale of assets here in Queensland. The Premier has stirred up the unions, voters, you heard a couple of them just then, even those among her frontbench, with this plan to sell off commercial assets, and dump the state's fuel subsidy. Both the Federal Coalition and the Labor Party also sold government assets in the past – Qantas, the Commonwealth Bank. George Brandis, is this the right way to go for Queensland at this time?

BRANDIS: Well, I think there is an issue here. The really big issue in my view, Terri, is the issue of honesty. Because I heard the Premier's interview before 9 o'clock, when she said that well, she only thought about this in the last seven weeks. Now, frankly like Michael, your listener, who called in before, I think the Premier must think that your listeners came down in the last shower. How could the Premier of the state possibly just have it dawn on her in the,

immediately after an election, that the state's in deep financial trouble. We in the Liberal Party and the National Party were saying this throughout the Queensland election campaign. I remember Lawrence Springborg, when he gave the LNP policy speech, said the issue isn't where the money's coming from but where did all the money go because, as we pointed out at the time, Labor has got Queensland into \$74 billion, \$7,400 million, of public debt. So this was absolutely flagged, front and centre, in the state election campaign, and now the Premier turns around and says: well, I really only realised how bad the situation was in the last seven weeks. Come on!

BEGLEY: Craig Emerson, what if the government doesn't get what it's asking for on the assets sales and people start to see higher prices at the bowser, the petrol subsidy is gone, and the supermarket, also prices start to climb there? Will Labor lose some much needed support here in Queensland in the run up to next year's Federal poll?

EMERSON: Well, I don't think so. I think Anna is doing the right thing by the Queensland economy. I'm sure she'll be in negotiations with unions representing working people, in terms of securing jobs. Before the election Lawrence Springborg was actually promising to cut services and cut lots of jobs. As you pointed out Terri, these are commercial assets and there is a real question mark as to why a state government, for example, should own plantation forests. And indeed, I think there is a port for sale in this package. And I understand, from what Anna was saying, that ... what is the role of the state government, for example, in subsidising mining companies through a port? So, these are commercial assets, they are not what you would regard as the sort of standard assets that might be held by a government, a Commonwealth or a state one. So, you know, subject of course to ensuring there aren't any unnecessary or unwarranted job losses, this seems to be....

BRANDIS: Craig, Craig, you might be right about that. You might be right about that, but why didn't she didn't tell us during the election campaign, so people could vote with their eyes open, knowing exactly what a re-elected Labor government was proposing to do?

EMERSON: Well, I'm more than prepared to accept Anna Bligh's statement on this. And I know how Treasuries operate. They release forecasts and projections periodically. They may well have, subsequent to the election, and she didn't say: I came to this decision seven weeks ago. She said: I came to the decision within the last seven weeks.

BRANDIS: Within the last seven weeks. We just had an election Craig. Didn't she think about the next three years?

EMERSON: And if the Treasury has projections that concern the Premier I think it's incumbent on the Premier and responsible on her part to respond to those.

BEGLEY: But Craig Emerson, getting back to the point of my question, do you think this will translate to some pain federally for the Labor Party, if people

are feeling that they haven't been given enough information, and they're feeling angry about this?

EMERSON: I don't think so. It is seen to be a state issue. I think Anna Bligh is doing the right thing, I think it would be quite a big leap for voters to say because Anna Bligh is making this decision, it is a hard decision, as she is recognising, that somehow should affect people's attitude towards the Rudd Government in Canberra. I don't think that will translate, but I do support in principle what Anna is doing, as being in the best interests of the state, and really asking the question why do we need to hold some of these commercial assets in Queensland. And you can hear from George that he's not disagreeing with the policy, he's just asserting that Anna Bligh knew about this before the last election.

BRANDIS: Well if she didn't...

EMERSON: I'm quite happy to take Anna at her word based on Treasury advice.

BRANDIS: If she didn't... Well, put it this way Craig, if she didn't know about it before the election, there's something wrong with her, because there was a mini-budget delivered in February. Now, is anybody from the Labor Party going to think that the ABC's listeners are so silly that they, that they are going to swallow this line? The decision to have the biggest fire sale of Queensland infrastructure would have just dawned on the Government in the last seven weeks, when there was a mini-budget on the 21st of February.

EMERSON: What I'm saying is....

BRANDIS: Of course they must have known.

EMERSON: What I'm saying is Treasury quite often puts out new projections and the global recession is a rapidly changing ...

BEGLEY: Okay...

BRANDIS: Words, words, words Craig. Nobody, but ... I know you have got to defend this. But nobody believes a word of it because it's a ridiculous line that the Premier could make these decisions in the weeks after an election when she kept them under her hat during the election

BEGLEY: Let's move on gentlemen.

EMERSON: George I didn't know you were from the socialist left.

BEGLEY: We've got less than ten minutes. We are going to have to move on. The recession. The Reserve Bank left rates on hold yesterday. Today is officially the R-day: whether or not we have technically entered into a recession. We'll know after the GDP figures are out. But the sun still rose this morning. Most of us went to work in our usual routine. Has our slowdown

been as severe as expected, if we don't perhaps enter into recession territory today, Craig Emerson?

EMERSON: It has not been as severe as in other countries around the world. Canada just the night before last, released really bad figures in terms of the contraction of that economy. Most of the advanced economies of the world are contracting sharply. Obviously I'm not a soothsayer. I don't know what will come out at 11.30. But it's pretty clear that we have weathered the worst effects of the global recession. And one of the reasons that we have is because we acted early, acted decisively. We injected some payments into the economy, which today in a newspaper article, 21 prominent economists around the Australia, of all sorts of persuasions, have thoroughly and strongly endorsed.

BEGLEY: George Brandis...

EMERSON: If we hadn't taken that action and invested in infrastructure we would be a lot worse off, 210,000 working Australians would be a lot worse off.

BEGLEY: Senator Brandis, do you agree? Did the Government get it right?

BRANDIS: I'm just reflecting on the fact that the Labor Party has found 21 prominent economists to agree with their policy. Hold the front page: 21 economists who can't agree about anything usually, all of a sudden agree with the Labor Party.

EMERSON: Well, it just shows how strong a policy it is.

BRANDIS: Look, look, look. I think it's right to say Terri, that Australia has had a less severe recession than some western economies, and I think it's right to say that there are number of reasons for that and the principal I contend, is because unlike every other western economy, we went into this with no debt. Zero debt. In fact, tens of billions of dollars in the bank thanks to the legacy of the previous Government. And the legacy of this Government is, in 18 months to have gone from zero debt to \$315 billion worth of debt. Can you say that Craig, unlike the Prime Minister. Can you say 315 billion dollars?

EMERSON: George, I'm just saying that 21 prominent economists...

BRANDIS: Ah, ah.

EMERSON: ...not elicited or solicited by us, including a former deputy Governor of the Reserve Bank, and a former Governor of the Reserve Bank, have said that our policies have been very effective in cushioning the worst effects of the global recession.

BEGLEY: All right.

EMERSON: And endorsed the infrastructure spending, which is now being rolled out, and which will further insulate the Australian economy in these turbulent times.

BRANDIS: Gee, the economics profession has certainly covered itself in glory in the last couple of years, Craig. If that's the best you can do, mate.

EMERSON: I wouldn't be listening to lawyers for economic advice.

BEGLEY: Okay, let's move on. Away from finances at the moment, and to other issues at hand. Defence Minister Joel Fitzgibbon in some hot water again, last night admitting another failure of disclosure, this time over a \$450 hotel bill in Brisbane. Now, the history is, he's already had to apologise over failing to declare two overseas trips to China. Craig Emerson, is this acceptable of our Defence Minister?

EMERSON: Well, obviously this would have been much better if this had been declared. I think the threshold is around \$300. It is not related to the earlier developments.

BEGLEY: No its not, but it is the third time he's been found to have failed in his disclosure requirements.

EMERSON: And when it came to his attention he did the right thing, as I might point out a number of Coalition frontbenchers have done. Joe Hockey declared very late a family trust. We regarded that as an honest mistake and said so. Senator Brett Mason, a very good guy, I think a friend of George's, but an honourable man, just before he was appointed to the Howard Government frontbench, had to come forward and declare four managed funds investments, and we did not kick up a stink about that because we saw that as a genuine oversight.

BEGLEY: George Brandis, is that fair? I know that you and your colleagues are calling for the sacking of Mr Fitzgibbon. Is it fair when your members, the members of your party, have also erred on this?

BRANDIS: Look, I think that you put your finger on it Terri, when you said well look, this has now happened three times. Everybody will forgive honest oversights, and there have been honest oversights on both sides. I would say that if this was the only occasion in which there had been an oversight by Mr Fitzgibbon, and I'm perfectly prepared to accept that it was an honest oversight, then people wouldn't be making a fuss about it. The problem with this particular Minister though is that there is a pattern of conduct, and nobody is suggesting dishonesty or concealment by the way, what we are suggesting is that this Minister is a very sloppy Minister. If it happens once, you might overlook it. If it happens twice you might raise your eyebrows. It's happened three times now and this is the guy running the Australian Defence Department. I don't think we can afford in this country, or in any country, to have a sloppy Defence Minister and that's what this amounts to.

EMERSON: Well, I'd say to that that Joe Hockey and Brett Mason would have sweaty palms if they do this again, because by that test, if you do it more than once, you should be forced to resign.

BRANDIS: Well, I think there isn't... well hang on let me come back... I think you, yourself Craig, would acknowledge that there is plainly a difference between somebody making a mistake once and somebody who's developed a reputation for sequential mistakes; so that one could say that it's more than just a single oversight, but a pattern of sloppy conduct, and this by a very senior Minister. You know Craig, I would have a lot of confidence in you if you were Defence Minister, because I know you are not sloppy, and I know you would attend to detail. If ever there was a portfolio in the Government in which you need somebody with a capacity to really, really concentrate on the detail, it would be Defence. And here you've got a guy, who is a very nice guy, Joel Fitzgibbon, I've got nothing against him personally, but he is sloppy and untidy and that's not what we want in that portfolio.

BEGLEY: George Brandis, I've read a couple of reports in the newspapers this morning hinting that there might be another matter related to Mr Fitzgibbon on this issue that might be brought up in Parliament today. Any ideas on that?

BRANDIS: I don't know, and if it happens, we'll see what, what is said in Question Time. But I don't know the answer to that.

BEGLEY: Okay, well let's move away from that to an issue that created quite a lot of discussion and debate yesterday here on 612 ABC Brisbane, about lap band surgery. A lot of listeners to the program wanted to talk about it, as to whether the Government should boost public funding to obese people in need of this treatment, to save money in the long run. George Brandis, does the Opposition support this recommendation by the House of Representatives standing committee for the Federal Government to kick in more money for people who need this surgery?

BRANDIS: Terri, I'm going defer to what the Opposition's health spokesperson, Peter Dutton, has to say about this. Now, to the best of my knowledge, Mr Dutton hasn't commented on this yet, or he may have and I may not have seen what he said. But I'll leave that to him to express the Opposition's position on that matter.

BEGLEY: So you're not giving me an answer on that at all.

BRANDIS: Well, I, it's the Opposition health spokesman's task to state the Opposition's position on this issue, in response to this Parliamentary committee's report, and ah, I'm going to leave that to him to do.

BEGLEY: Craig Emerson, there are those who disagree with the idea that taxpayers' money should be spent on helping those, who some say need to help themselves first. What's your view on this?

EMERSON: Oh look, just as a personal view, I think that the problem of obesity is a genuine and, if I might say, a big problem. Wherever I go, I see this as a real health problem. I see it as not necessarily just the result of people, in a sense, indulging themselves. There are a lot of people who are greatly overweight as a result of a cultural background or even, you know, their own family circumstances. And I can tell you this from first hand experience: it does lead to diabetes at an early age. In my own electorate, in Logan City, I see a lot people, a surprisingly large number of people getting around on little cabs and so on because they've lost the use of their limbs. So I think we should at least go this far, and regard it as a genuine illness that does need public attention. But I can't really comment on the issue of Medicare treatment of this. I don't want to take that further from a personal point of view.

BEGLEY: Gentleman, finally something that's making more news headlines to State of Origin fans is the fact that it's on tonight in Melbourne. Should it be played in Melbourne, both of you?

EMERSON: Well I think it should, because it's neutral. So we can have one each in enemy territory, and one on neutral ground. I heard this morning that only 22,000 tickets have been sold, but I tell you, this Melbourne sporting crowd, as they're going home they'll say "oh the footy's on" and divert out to the Melbourne Cricket Ground. They're very, very good at drawing a crowd.

BRANDIS: I agree with that. I think it will be a great success at the Melbourne venue. I think it's good also, that this is the great football contest in Australia, between two of the states on the eastern seaboard, so to engage the third state, albeit as spectators rather than protagonists, is probably a smart decision by the football authorities.

EMERSON: I'll just say don't start giving them a point for missing a goal which they do in Aussie Rules...

BEGLEY: Now Craig Emerson, you would have missed the game if you were in Melbourne tonight, because I just have to pick you up on that. If they go to the Melbourne Cricket Ground, they'll be going to the wrong venue: it's actually on at Docklands.

EMERSON: Oh, right. Well, I hope not too many listeners from Melbourne are tuning in.

BEGLEY: A quick tip, who's going to win gentleman?

EMERSON: I would say that Queensland will, just through the wealth of experience. But New South Wales is doing exactly what Queensland did about five or six years ago, and get ready for a game of blinding speed, because there are some real speedsters on the New South Wales side. You may some see some really spectacular tries. But in the end, through some confusion in New South Wales' defence, because they are all so new, Queensland will get across the line. But it could be a real cracker of a game.

BEGLEY: Okay, and it is a sell-out crowd of more than 50,000 people, so there is a bit of support for it in Melbourne.

EMERSON: There you go. They've turned up in the last few minutes.

BEGLEY: Senator Brandis, who's going to win?

BRANDIS: I think Queensland will. I think Darren Lockyer's got the experience. I agree with what Craig says about New South Wales being a very young and hungry side, but I think Darren Lockyer's men will prevail.

BEGLEY: Okay, thanks gentlemen.

EMERSON: Go Maroons. Thanks Terri.

BEGLEY: And you're both wearing the right scarves?

EMERSON: I did on the touch footy field this morning.

BEGLEY: Okay, well done. Well done. Thank you gentlemen, and we'll talk to you same time next week.

EMERSON: Thanks Terri.

BRANDIS: Goodbye.