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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

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Subjects: Malcolm Turnbull, interest rate rises, proposed internet filter, Victorian government financing Tiger Woods' visit, educational methods: competitive vs participatory.

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**KING:** Malcolm Turnbull's decision to quit. How do you think history will record his time in Parliament? On the SMS someone says 'Malcolm Turnbull will be remembered as the one who got a participation ribbon, not the first class prize'. And what will you, how will you remember, do you think, Senator George Brandis and Dr Craig Emerson, when their time comes to move on? Let's start Inside Canberra this morning with their expectations. Dr Craig Emerson, Small Business Minister in the Rudd Government, good morning.

**EMERSON:** Good morning to you Madonna.

**KING:** Thank you for your time.

**EMERSON:** I'm very happy to be here again.

**KING:** And Senator Craig Emerson you've been caught up in that terrible accident on the Sunshine Coast but you are now safely ensconced in our studio.

**BRANDIS:** I think you meant Senator George Brandis not Senator Craig Emerson, but yes I am.

**KING:** Oh did I? Oh was I promoting Senator George ... was I promoting Craig Emerson or demoting him do you think?

**BRANDIS:** Um, I think you'd be promoting him.

**KING:** He was...

**EMERSON:** [Laughs] That's one aspiration I don't have.

**BRANDIS:** [Laughs]

**KING:** But that was a terrible accident George Brandis. A four vehicle crash on the Sunshine Motorway near the Yandina Coolum Road turn-off at Coolum Beach.

**BRANDIS:** Yeah that's right. So the traffic this morning was, at the Sunshine Coast, was terrible and it still is.

**KING:** Yeah so if you can avoid the area it may be a good idea. George Brandis, before you tell me how Malcolm Turnbull will be missed. How would you like to be remembered when your time comes to go? Seriously.

**BRANDIS:** Well I think all people who go into public life would like to be remembered as someone who made a difference in one way or another. But the particular respect in which I'd like to be remembered in what I've tried to do in the years I've been in the Parliament, is to advance the principles of liberalism, both in legislation, in policy, in speeches and writings. I joined the Liberal Party many years ago because I was...

**EMERSON:** As a young nipper.

**BRANDIS:** ...was persuaded that liberalism, not socialism, not conservatism, not some other political philosophy, but liberalism was the best political philosophy for our country and I am still of that view.

**KING:** So, 10 years after you leave Parliament, and someone says 'do you ever remember that Senator George Brandis on your show?' - you would like me to say, 'Yes I remember George Brandis, he always advanced the cause of liberalism'.

**EMERSON:** ...[laughs] the cause of liberalism.

**BRANDIS:** Well I suspect that people get remembered for you know, more fleeting things than that. But that in fact is what I've tried to do and that's why I'm in Parliament.

**KING:** Craig Emerson.

**EMERSON:** I would like to be remembered as someone who improved opportunity for disadvantaged people in Australia. I think the goal of equality of opportunity is a noble goal, a noble cause, and ensuring that young people, irrespective of the income or wealth of their parents, get the same opportunities in life is something that I've always thought is very important. And if I'm remembered for that, I'll feel that I've done a pretty good job.

**KING:** So let me start this question with you, Craig Emerson. Malcolm Turnbull - how do you think people across Australia will remember him and his contribution to politics?

**EMERSON:** As a man who had the courage of his convictions. He assiduously pursued the issue of a republic outside of the Parliament and still supported it in the Parliament. Malcolm has strong views about that. He had strong views and continues to have strong views...

**KING:** ...But isn't he a quitter?

**EMERSON:** ...about climate change.

**KING:** ...By leaving, by leaving while those views...

**EMERSON:** Well these are very personal decisions and he's indicated that he's spent a lot of time pondering this with his family. And we must never forget the role of families in supporting politicians when they go to this alienating place called Canberra. And Malcolm probably made the judgement that it wasn't for him any more, that maybe he wouldn't become leader again and in those circumstances, he'd given it a really good shake. I've known him for 20 years and I know how, it's a bit of an irony, he was so desperately keen to get into Parliament. And then having got into Parliament in what, 2004, he's out in 2010 after...but he did make the frontbench and a cabinet minister and leader of the opposition in that short period.

**KING:** Before I go to you George Brandis, still with you Craig Emerson. You say he was desperate to get into Parliament. He is returning

to the business world. Do you think we'll see him down the track pop up as NSW Liberal premier?

**EMERSON:** No I don't. I believe Malcolm, when he was actually asked about this yesterday, and he would see Canberra as the big pond, and a pond in which he wanted to swim, and did swim around, and did so with some elegance and grace. But I don't think he has any interest in going into NSW politics.

**KING:** Why do you say all these nice things about him now he's going, when you never said any of these nice things last year when he was opposition leader?

**EMERSON:** I did once or twice, but look, the truth is, it's an adversarial parliamentary democracy. And we do tend to maximise the differences between us and not so much talk about those things that we have in common. But I think your listeners might agree, for example, that George and I, where we do agree, we have no problem saying we agree and that is true between Malcolm Turnbull and me, and Kevin Rudd, who has praised Malcolm as well.

**KING:** George Brandis tell us something about this man who is now - could've led Australia, or hoped to lead Australia - is now leaving Parliament. You would've had many one-on-one meetings with him. You would know him fairly well?

**BRANDIS:** Yeah I did get to know Malcolm well. And I like him a lot and I admire him a lot. I'm very sad that he's made this decision. I was one of the many who, in the last months, I've been ringing him up saying, 'Whatever you do, please stay in Parliament because Parliament needs people of your rare talent.' But he's made that decision and I agree with Craig that those decisions ought to be respected. And I'd like to thank Craig, speaking as I think I can, as a friend of Malcolm Turnbull's, for his generosity in those remarks.

**KING:** Well how do you think he will be remembered by Australian people?

**BRANDIS:** Look, inevitably I think political leaders are remembered by association with the most famous events in which they participated. So inevitably I think he will be best remembered as, in the context of the events at the end of last year, which led to his fall from the leadership. In terms of contribution to public policy though, I think he will be remembered for something very important, though a little less spectacular, and that is the Murray-Darling River Basin plan that he pioneered as the

Environment Minister in the last year of the Howard Government. That I think is his – in government – is his main public policy legacy. But generally, beyond that Madonna, I think Malcolm will and deserves to be remembered as somebody who raised the tone. I mean you know, it is very rare that political parties on either side attract a person, people of Malcolm Turnbull's talent. And as I said, the Parliament will be a great loss for it. But the real tragedy you know is that Malcolm Turnbull didn't win pre-selection for Wentworth the first time he tried...

**EMERSON:** Hmm.

**KING:** Yes.

**BRANDIS:** The first time he tried was way back in 1982 when he was fresh back from Oxford where he'd been a Rhodes Scholar. He was in his mid to late twenties. I think if Malcolm had gone into parliament at an earlier age, when he was perhaps a bit less set in his ways, and some of the rigidities that I think were a feature of his leadership had been knocked off earlier on, he would've had a long career and probably would've ended up as Prime Minister.

**KING:** Yes, but you know, six in one hand, half a dozen in the other. He wouldn't be perhaps a multi, multi-millionaire either...

**BRANDIS:** I don't...

**KING:** ...if he'd gone into Parliament as a 28-year-old.

**BRANDIS:** You might be sceptical of this, but I don't really think that mattered a lot to him. I never thought either Malcolm or Lucy Turnbull were particularly materialistic people. They were very success-driven people, and in business, the consequence of success is that you make a lot of money. But can I tell your listeners one thing about Malcolm that is not widely known. He and Lucy are very wealthy through the dint of their own efforts particularly through developing this company Ozemail that introduced email to Australia. Now for years they have given away to various charities in Sydney millions and millions of dollars of their own money and they've done it anonymously, not because they wanted to make a big show of themselves, they've done it anonymously. Although they're very wealthy people, they're very generous people and in a sense very humble people.

**KING:** All right, let's move on to interest rates now and George Brandis I don't want any harking back to the years when you were in

power, that is now history, I want to know where both of you think interest rates are going. I spoke to Saul Eslake, formerly from the ANZ Bank and now with the Grattan Institute in Melbourne before nine and he says the normal mortgage rate will sit around seven and a half per cent and that's what we will see, that's his expectation. Senator Brandis where do you think interest rates are going and what do you think out in voter land people are thinking here?

**BRANDIS:** Well, they're wondering when this is going to end interest rates are going up. I heard your interview with Saul Eslake, who's a friend of mine in fact, and whose judgement I always respect on economic matters and the point that I make every time I'm asked this question is that they needn't have gone up this far this fast but for the fact that the government overdid it with the stimulus package so the Reserve Bank has got to put its foot on the accelerator firmer and sharper than it otherwise would have done and Australian families are suffering as a result.

**KING:** Do you feel comfortable in the view they are not going to spiral out of control like we have seen in previous decades?

**BRANDIS:** Well, who can say what might happen into the future with interest rates I mean famously hardly any economist in the world predicted the global financial crisis so if economists can't get their predictions right then people like me who are not economists are scarcely likely to be on a better footing but the point I do make is that they needn't have gone up this far this fast but for the fact that the government overdid it with overstimulating the economy.

**KING:** How will Craig Emerson, a Rudd Government Minister rationalise this? You'll find out in just a moment after the news headlines.

## HEADLINES

**KING:** It's now 28 minutes to 10, Inside Canberra with Dr Craig Emerson and Senator George Brandis and Dr Craig Emerson, it's an election year, petrol's going up, interest rates are going up where is this going to stop, what can you tell listeners this morning to put their minds at ease?

**EMERSON:** This interest rate rise is a painful reminder that, as the economy strengthens, the Reserve Bank will move interest rates back to normal levels. That's what they've indicated.

**KING:** Is that supposed to make us feel comfortable?

**EMERSON:** It's cold comfort to the Australian home buyers, to mortgage holders ...

**KING:** What does that mean?

**EMERSON:** It means that their budgets will be stretched. That's the consequence of rising interest rates. Interest rates are rising as a consequence of the strengthening of the economy. But interest rates I will point out are such that even on a \$300,000 mortgage the repayments are \$500 a month lower than they were before the global financial crisis hit.

**KING:** But can I also point out that on a \$300,000 mortgage since October, your interest rates have risen \$187 a month.

**EMERSON:** I'm saying that the interest rate rises are stretching the budgets of home buyers. There's no doubt about it and it is cold comfort to Australian home buyers that this is a consequence of the strengthening of the economy as indicated yesterday in the statement by the Governor of the Reserve Bank in explaining that they will be moving interest rates back from emergency lows towards normal levels.

**KING:** Are we supposed to feel good though that the economy is strengthening and the price of that is increased interest rates? You're coming into an election and interest rates are going up again and again.

**EMERSON:** I think most people would agree that a strengthening economy is a good thing but one consequence of the strengthening economy as indicated by the Reserve Bank is that they will return interest rates towards more normal levels from emergency lows.

**KING:** Do you have a view then to people listening, Saul Eslake says that we can expect them to go up a couple more times, is that the expectation of the government?

**EMERSON:** It's a hazard for politicians to start talking about what they think will happen with interest rates. What I can do is report to your listeners what the Reserve Bank indicated yesterday and that is as the economy has been strengthening they have been moving interest rates back from emergency lows towards more normal levels.

**BRANDIS:** I think the problem Craig, though, if I may say so, with that point is that people don't see it that way, people see interest rates

from the perspective of what they have themselves been paying and they've made their own financial arrangements on the basis of interest rates as they are at the moment and it's absolutely no use at all talking to people who are now really, really feeling the pinch that historically they may have been higher in years gone by. The fact is they are going up, they're going up sharply, people are suffering and they didn't need to go up this fast. If the economy is strengthening why don't you cut back all this spending that is overheating the economy causing the interest rates to rise faster than they need to ...

**EMERSON:** And the Governor of the Reserve Bank and the Secretary of the Treasury have indicated that the Government's budget position is not contributing to the decisions about interest rates. What is contributing is the strengthening of the economy. That's on the face of it, good news, but the downside is that interest rates are returning towards normal levels and that does stretch budgets, there's no doubt about it.

**KING:** All right, let's move onto another topic. It's 24 minutes to 10, you draw your own conclusions there, a strong economy, higher interest rates, is this the price we have to pay? I want to look at this internet filter, this proposed internet filter, and Senator George Brandis, the Coalition seems very coy about its position, do you support the proposed internet filter or not?

**BRANDIS:** Well, we're not being coy, what we're saying is that we're waiting to see the legislation. Now the legislation hasn't yet been tabled. When we look at the legislation then we'll make a judgement about it but we do have a concern about legislative over-reach. I don't think anybody would dispute that material that is prohibited in other forms ought to be prohibited on the internet but that's not what this debate is about. The debate is about whether in attempting to prohibit material that ought to be prohibited government is over-reaching and prohibiting other material as well. Until we see the legislation we won't be able to make a judgement about whether it's fit for purpose.

**KING:** But broadly on the idea of a proposed internet filter is this something that you support?

**BRANDIS:** Well it all depends on the structure of it and that's why I say, we can't indicate whether we support the legislation until we see it.

**KING:** But what structure would you support?

**BRANDIS:** Well, the structure that we would support is a structure in which we could be sure that the only material that would be filtered out

is material that is prohibited in other forms already and we're far from sure of that and we can't be certain where this debate will land until we see the legislation.

**KING:** Craig Emerson?

**EMERSON:** It is the intention of the government to filter out material that is illegal, that it would be a criminal offence to ...

**KING:** Pornography sites?

**EMERSON:** Oh absolutely ...

**KING:** What else?

**EMERSON:** Hard core pornography, lessons on how to build bombs, for example. Stuff that would be illegal to be sold in shops, in video stores, in adult book shops, and we, frankly, make no apology for saying that this should not be able to fall into the hands particularly of children. Some of these things are absolutely repugnant and disgusting. I've spoken to the Australian Federal Police about it. I take George's point, of course they need to look at the legislation but we are not seeking broad censorship, we seeking to ban stuff that is already criminal.

**KING:** But is this an argument between freedom of speech and people's right to choose and they can be charged with an illegal activity as they can be charged with being drunk in a public place?

**EMERSON:** Well, let's draw an analogy if you like, let's draw an analogy. You can say well look heroin use is illegal so why try to intercept heroin coming into this country?

**KING:** Fair point isn't that George Brandis?

**BRANDIS:** Well I think that is a fair point but the point I'd make and I don't think Craig and I are terribly far apart is that the onus of proof is always on those who want to ban stuff, who want to inhibit freedom of speech. On the other hand, we would all agree that there are certain things that should be prohibited. For example, Craig used the example of instructions on how to make a bomb or some other terrorist device. Now we'd agree that that should be prohibited. And it's a question of where you draw the line and the concern the Opposition expresses is that the legislation that the government has foreshadowed but not yet published, catches within its reach, material that shouldn't be banned. So,

we're fine on prohibiting in this form, material that is already banned in every other form. But our concern is that there may be over-reach.

**EMERSON:** And let's use the Senate processes to go through that, because it's not the government's intention to be Big Brother or a nanny state. We simply don't want kids inadvertently or even deliberately without their parents knowing, accessing...

**KING:** Yes...

**EMERSON:** ...absolutely, you know, criminal, pornographic, child abuse material.

**KING:** But the Greens have already signalled, have they not, that they'll argue against this. And so it will be up to, really, the Coalition and whether it carries or not. Have I got that right?

**EMERSON:** Yes you would have that right, yes.

**KING:** All right. Well let's move on from the internet filter. But it is something we will look at in more detail in coming days here at 612 ABC Brisbane.

To Tiger Woods. Taxpayers might have to give over \$1.5 million, this is in Victoria, to tempt the golfer back to Melbourne. Should we be doing that Craig Emerson? Good use of taxpayers' money?

**EMERSON:** Well fortunately, we're in Queensland and the proposition is not to use \$1.5 million of taxpayers' money to entice, so...

**KING:** Well it could be.

**EMERSON:** Well I think if it were in Queensland I'd probably have a stronger view but if the Victorian State Government wants to be answerable to its electors on this basis, then that's a decision that they can make.

**KING:** George Brandis, we shouldn't be judging his morals, should we? He could bring in all sorts of business to Australia on his golfing ability.

**BRANDIS:** Well, I'm not, I didn't think the question was about his morals as a matter of fact. But you know, if the Victorian Government

decides to spend this much money on attracting this celebrity, that's a matter for them.

**KING:** You call him a celebrity not a golfer?

**BRANDIS:** Well he's both.

**EMERSON:** He's a celebrity golfer.

**BRANDIS:** He's both really.

**KING:** He's gone from golfer to celebrity.

**BRANDIS:** Well I think he was a celebrity before he became infamous.

**KING:** Yes, that may be right.

Our last question this morning relates to our dilemma. And Helen has sent this in, in a response to it. I'm going to start with her email, and then ask you the dilemma but...

**EMERSON:** Always the hardest part.

**KING:** The dilemma is broadly on whether you teach your children to win, so that they can cope later in life. You win a job, you win a university place. Or whether it's about participating, and go out and have fun in the race.

And Helen says, 'We moved our daughter from the local Catholic primary school who practice outcomes-based education, because we felt that there was no encouragement to extend her, as each child was working at their expected level, so that no one felt they were not achieving. This system does not reflect how life is. Our daughter had a shocking first year at the new criteria-based education school, because she thought that everyone who did well in tests and assignments were just lucky. We resolved the situation by getting her IQ tested. And when she found out that it was in the very superior range, we've not told her exactly what it is, but she now knows that her brain is good enough. The smile on her face when she said 'So you mean I'm not stupid?', was heartbreaking. Because we felt that her first five years of education had done nothing to prepare her for life, or the higher years of education. She went from the bottom of the class to the top of her class in a term, just because she believed in herself and understood that everyone has different strengths and weaknesses. Life is all about competition and is not always fair and I think that we will be doing a better

job with our children if they learn to cope with competition, rather than let them believe that they can do anything, and then have to patch their ego and self-esteem, when they realise they can't.'

Craig Emerson, are we risking creating a generation of people who feel warm and fuzzy, but who will not be able to cope with a loss?

**EMERSON:** I can say that I agree with every word that was just read out of the mum in relation to her daughter. Healthy competition is good. Not cut-throat competition, unethical behaviour and so on. But let's have kids compete at school, try to improve themselves. When I was at school there was another girl in my class and we used to drive each other. And at the end of it, sometimes she'd beat me, sometimes I'd beat her. We'd congratulate each other. But it was a motivator and...

**KING:** So what is this force where schools are saying 'We don't compete, you don't know where...

**EMERSON:** Yeah, I don't like it...

**KING:** ...the next child is up on, into the maths classroom.'

**EMERSON:** ...I don't like that at all. And if I can go back to my electorate of Logan City, there are so many kids who have got such wonderful talents. But somehow, they are given the impression that they're just not that good. And they accept their lot in life. That is completely wrong. They are wonderfully talented kids, and the best teachers bring those talents out.

**KING:** George Brandis, do you agree or disagree with that view by Craig Emerson, which is probably a fairly politically incorrect view?

**BRANDIS:** No, I agree with it. And I agree with your listener. I think the problem is that for some years now, we've had this kind of faux-egalitarianism being adopted, in particular by teachers' unions, which deprives the kids who work hardest and do best, of the fruits of their efforts and the accolades that they justly deserve as a reward for being the best in the class.

**KING:** So these participatory medals, everyone gets a medal for competing.

**BRANDIS:** I think you have to draw a distinction between outcomes and attitude. I think that competitive outcomes ought to be justly

rewarded. That's not to say that others who don't do as well but who participate, shouldn't also be given...

**EMERSON:** Yeah, that's right. And they should be encouraged.

**BRANDIS:** ...encouragement, and it's a matter of attitude but we shouldn't allow the encouragement of a good attitude to both winning and losing, as an excuse to deprive the people who do the winning of the fruits of their victory.

**EMERSON:** That's right. Ordinariness should not be the aspiration.

**KING:** Ordinariness should not be the aspiration. We might end on that common note of agreement. George Brandis thank you.

**BRANDIS:** Thanks Madonna.

**KING:** That's Senator George Brandis, Opposition attorney-general and Dr Craig Emerson. Thank you for your time.

**EMERSON:** And thank you Madonna and see you George.

**BRANDIS:** See you Craig.

**KING:** That's Dr Craig Emerson, Senator George Brandis, Inside Canberra for this week. And their view on our dilemma is very interesting. Two politicians, two different sides of politics, with a view certainly not supported, you would think, by the school establishments, when in many schools you don't know where the child next to you is up to in their spelling or their maths. When there's a race, no one wins, no one comes last. Everyone participates and gets a medal. Is there an important reason why you support that, or do you see the point that Dr Craig Emerson's made and Senator George Brandis has supported, that are we making ordinariness here, the aspiration?

**ENDS**