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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: State LNP walkout, Queensland opposition, Newspoll, tobacco tax, mining taxes, election date, cost of keeping a dog.

KING: Senator George Brandis is Opposition Attorney-General and recently got a promotion. Good morning Senator.

BRANDIS: Morning Madonna.

KING: First time since the 1950s that a Queenslander has held the role of Deputy Leader in the Senate.

BRANDIS: Well in fact it's the first time since 1958 that a Queenslander has held one of the four leadership positions in the Federal Liberal Party so it has been a long time between drinks. But now my colleagues were good enough to elect me as Deputy Opposition Leader in the Senate on Monday and we now have in the Senate two of the three leaders; that is, the Opposition Leader Senator Abetz, myself and the Leader of the Nationals Senator Barnaby Joyce. Two of the three leaders in the Opposition side are from Queensland.

KING: All right. And Dr Craig Emerson, Minister in the Rudd Government good morning. No promotion for you this week?

EMERSON: No, I'm very happy doing what I am. But I will congratulate George. He's obviously consulted the Guinness Book of Records to learn of these historic achievements. I don't know though whether he's the LNP Deputy Leader of the Opposition, the Liberal Leader of the Opposition in the Senate...

KING: All right. Well let me ask this question and put you on the spot Senator George Brandis. Here, this fallout of the LNP crisis in Queensland, two MPs walking out of the Party and going to ground this morning. They will speak after ten. A third rumoured to be joining them; certainly a third was planning to march in the Labour Day march on Monday. We've just heard John Paul Langbroek talk to me; he's saying that it was like a 'boil that needed lancing', 'pleased they're gone because they kept speaking out against the Party'. How do you, as a Federal Leader of the Party, deal with something like this?

BRANDIS: I'm sorry to disappoint you Madonna but I don't know anything about this. The first I heard, I'm in Canberra at the moment, I've come in from Sydney this morning. The first I heard of it was a few minutes ago, I gather two of state members have resigned from the LNP and declared their independence.

KING: Don't feel out of it. Most LNP colleagues got a 'Dear John' text this morning saying that Aiden McLindon and Rob Messenger would be Independents. That they were leaving the party, that they're unhappy with the party, that they will give a press conference at 10 o'clock this morning. They didn't tell their leader.

EMERSON: Some got an apology last night by way of text. Apologised for something before you do it.

KING: This is on the day, well it's two days after the Labour Day march in which Paul Lucas received a dreadful criticism from marchers. It's also on the day that hospital workers find out whether their pay is correct or not. And some of them calling through saying it's not. And the focus this morning is on the LNP George Brandis.

BRANDIS: It's obviously not a good situation and I can't begin to imagine what possessed these two people to do what you tell me they've done, particularly at a time when the State Labor Government in Queensland continues to be very unpopular. I think John-Paul Langbroek has been doing a very good job as the Leader of the LNP.

KING: Should he have known though that two of his MPs were going to walk out?

BRANDIS: As I say Madonna this is something I've only become aware of very recently. And it's not something I know anything about. So how can you expect me to commentate about it?

EMERSON: Madonna it does raise this issue; and it's a serious issue. Is George a member of the LNP here in Canberra? Are the other Federal Coalition colleagues here in Canberra running for the LNP at the next election, or the National Party, the Liberal Party or as Independents? I think the Australian people, and certainly the people of Queensland, need to know. Now George has been a passionate advocate of the Liberal Party and I respect that. I haven't heard him passionately advocate on behalf of the LNP because he was opposed to the merger. And I think the question's now alive is whether George is presenting himself and other Liberals as members of a dysfunctional political party, or whether he'll do the right thing and say in truth 'I have been, and always will be a Liberal and the LNP can go to hell.'

BRANDIS: Craig I can understand why for political reasons, the most base transparent political reasons...

EMERSON: I didn't ask Adrian McLindon to resign mate. And if I did he wouldn't have taken any notice of me...

BRANDIS: ...You're trying to make mischief here. It's as simple as can be; the LNP is a party that exists in Queensland. It's the state division of the Liberal Party, it's also an affiliate of the National Party. It's a fused organisation, you know that Craig. You also know that in Canberra the Liberals sit as Liberals and the National Party people sit as Nationals. And we have a successful and harmonious Coalition which is in the business of holding the Rudd Government to account, disposing of catastrophe after catastrophe.

KING: So answer this question for me Senator Brandis: during the campaign which is coming up, will you be under an LNP banner, or a Liberal Party banner?

BRANDIS: In Queensland, all Coalition candidates will be under the banner of the Liberal National Party.

KING: All right. Can I come back to the central issue here because we're digressing a little bit. George Brandis, do you think there is an effective Opposition to the ALP in Queensland?

BRANDIS: Yes I do. I said a few moments ago I think John-Paul Langbroek and his front bench have been doing a particularly good job. And that's reflected in the opinion polls which show that the Opposition would win a State election if it were held today in canter, and that John-Paul Langbroek is the preferred Premier.

KING: Craig Emerson?

EMERSON: Well they wouldn't know who to vote for would they?

BRANDIS: Yes, they'd vote for John-Paul Langbroek.

EMERSON: What, as the Liberal Leader or an LNP Leader? What happens at the Tweed River? Do you just ditch your LNP jacket, get on the plane or drive down and put on your Liberal Party jacket when you walk in. This is high farce. This is ridiculous and you need to start declaring your beliefs George. And your belief is that you are a Liberal first, second and third and you hate the LNP...

BRANDIS: ...I don't hate the LNP, I'm a member of it.

EMERSON: Well you have to be, because you wouldn't have got Senate pre-selection if you'd stood on your digs, stood on principle and said 'I'm a Liberal'.

BRANDIS: Craig, I can understand why you'd be very tempted to use this ruse to direct attention away from the Rudd Government. You're a Federal Labor Minister in a catastrophic Government and I think it's time we put you on the mat because the performance we've seen from your Government in recent times, including the Prime Minister not having the spine to stand up for what only months ago he called 'the greatest moral issue of our time'.

EMERSON: And which you said you'd vote for in the Senate.

BRANDIS: It really reveals the lack of character of the man.

KING: All right. Let's come to that though. Let's move on from the Queensland issues and I'll continue to take your calls on this. I know it's an issue you're very interested in this morning. Craig Emerson, just that Newspoll yesterday. Is your boss that much on the nose, recording the biggest short-term drop in support in Newspoll history. Do you put this down to the deferral of the ETS?

EMERSON: This is a matter for commentators, it's not our job to dissect polls...

KING: But you must have a view...

EMERSON: My view is this; when you make hard decisions then sometimes there is an impact in a poll.

BRANDIS: A hard decision to run away from your own policy? That's not a hard decision. That's a gutless decision.

EMERSON: A policy that you pulled the plug on George. A policy you said you'd support when Malcolm Turnbull was leader.

BRANDIS: ...When Tony Abbott...

EMERSON: ...Yeah when Tony Abbott rolled him and you were supporting Malcolm Turnbull. Then you adopt it...

BRANDIS: ...Craig, I don't think Madonna's listeners want to hear politicians abuse each other. The fact of the matter is...

EMERSON: ...I'm not abusing you, I'm having a robust debate.

BRANDIS: You've just characterised Kevin Rudd running away from what months ago he described as 'the greatest moral issue of our time' as being a strong decision. It was a weak and gutless decision. When did John Howard ever fail to defend in public an unpopular policy? Whether it was the guns buy-back, whether it was the GST, whether it was the Iraq war, whether it was the East Timor intervention. John Howard had the character and spine to defend unpopular policies in public. Your leader Mr Rudd doesn't have the courage or the spine to do so.

KING: All right. George Brandis can I get you to take a breath and let Craig Emerson talk here for just a moment. Craig Emerson, is there a sense that your party, your leader, when things get to the too hard basket he does defer them, and that is affecting his popularity?

EMERSON: I didn't notice Kevin Rudd deferring an increase in taxes on cigarettes. This is actually what I was referring to when I was talking about hard decisions. This is an unpopular decision among smokers. He did it to help fund a major health reform.

KING: What percentage of the electors are smokers?

EMERSON: I don't know. I imagine it'd be around 20 per cent, and it'd be higher in my own electorate.

BRANDIS: I think it's about 16 per cent.

EMERSON: It'd be higher in my own electorate, or certainly in parts of it. It would be an unpopular decision, no doubt about it, among smokers. And that's what I was referring to about making hard decisions to fund a very substantial health reform. And at the same time to reduce the incidence of smoking, which does kill people in this country. I call that a hard decision and know this. If we're going to talk about the polls, then the drop in the Labor vote didn't go to the Greens, which suggests to me that it's as much about that hard decision in relation to increasing tobacco tax as anything else.

KING: So you're saying his decision on the tobacco tax contributed to that big drop in support.

EMERSON: Well I don't know, because I don't have a basis for analysing polls, and frankly I don't have the time to analyse polls. I'm saying though, that when governments make hard decisions that usually does not increase their standing in the polls in the short term. It reduces their standing. I'm just making a general observation. And a very hard decision that was made recently was to increase tax on tobacco and I think it was a good policy even though it probably will...

KING: ...All right. What about this mining tax? Is he going to back down on that mining tax now? Talk of that this morning after he met mining bosses last night.

EMERSON: We've got a resource super profits tax which is 40 per cent tax on the higher profits of mining companies. Now let me just point out this: I know and respect mining industry chief executives, or at least most of them, perhaps not Clive Palmer who just runs a political agenda. But Marius Kloppers, the CEOs of the major mining companies around Australia, I have enormous regard for them. I will remind your listeners though, that 27 years ago as a junior staffer I was given the job with Senator Peter Walsh to introduce a 40 per per cent super profits tax on petroleum development in this country. And the industry said that will stop petroleum development and exploration in its tracks. Under that PRRT, set at the same rate of 40 cents in the dollar on profits, we now have the Gorgon project and the Pluto project going ahead. A tax that's been in for 27 years and lots of exploration and development going on.

BRANDIS: Well the Labor Party of course loves introducing new taxes. Thanks for giving me another example of your disposition to do so. The fact is Madonna that this tax, if it were to be introduced, an extra 40 per cent on top of the company tax these companies already pay would be like a wrecking ball through the economies of the two great resource states, Queensland and Western Australia. What on earth are the Labor Party thinking about? This is the industry that represents a third of our exports. Every one of your listeners who is in a superannuation fund knows that the big superannuation funds are heavily weighted to the mining sector. Over the last two days \$16 billion of wealth has been wiped off the stock market as a result of this stupid policy. What is the Labor Party thinking of?

KING: It's okay to criticise from the sidelines George Brandis, but how would you make that money up?

BRANDIS: The way in which the Coalition would make the money up is through savings to try and pare back the \$150 billion of debt in which the Rudd Government has brought Australia in less than two and a half years.

KING: Savings is a pretty broad word. What savings George Brandis?

BRANDIS: We will be announcing those savings in the course of the election campaign, as Oppositions always do.

EMERSON: Madonna, the speech that George just gave is the sort of speech John Howard used to give about the petroleum resource rent tax, set at the rate of 40 cents in the dollar. He had the opportunity to abolish that, which is what George is saying. John Howard had the opportunity to abolish the petroleum resource rent tax which he voted against in the Senate, campaigned against it. No he didn't abolish it, he didn't abolish it. Instead he collected \$16 billion from it. I did the calculations yesterday: \$16 billion from a tax that he said he hated. And if Tony Abbott were to win this election there would be a resources tax because he'd say 'we'll abolish it' then they'll say 'oh we had a look in the cupboard and it was bare, we're going to have to keep it'.

BRANDIS: That's nonsense. We've announced we will not be supporting this new tax. You talk about \$16 billion; \$16 billion is the amount of wealth that has been lost in two days on the stock market from these companies. Most of which whose investments are held by the superannuation funds that support the retirement incomes of your listeners.

KING: All right. I want to stop there and ask you this question: Does the Opposition have to support this in Parliament for it to become law?

EMERSON: Yes it does. And there goes the small business tax break that we announced, because this super profits tax is funding the small business tax break? A reduction in the rate from 30 cents to 28 cents. And the immediate write-off of assets worth up to \$5000.

KING: Both of you stop for one moment. So, what you're saying Craig Emerson, the Opposition are going to not pass this which means small business will not get the tax cut promised to them too. In that case what about the Henry Review? Are you able to implement?

EMERSON: I don't think there'd be a lot that the Government would be able to implement through the tax system...

BRANDIS: ...there are 138 recommendations and you ignored all but about eight of them.

EMERSON: There's not a lot that we could implement through the tax system if the Coalition continues with this vandalistic approach of opposing everything. They are now opposing tax reform, small business tax breaks. They've already said they're opposed to the increase in superannuation payments for working Australians. They have always opposed, John Howard always opposed it and cancelled the increase from 9 to 12 per cent that was budgeted by Paul Keating. And here we are, about 15 years later we're finally increasing it from 9 to 12 per cent. What do we get from George Brandis and Tony Abbott? Total opposition to the increasing of superannuation benefits for working Australians. Typical Liberal Party.

BRANDIS: We will not be supporting a measure that will cost thousands upon thousands of jobs in the great resource states of Queensland and Western Australia. Which has already wiped \$16 billion off the value of the Australian Stock Exchange and reduced the superannuation funds on which your listeners depend Madonna.

KING: All right. Both of you have had a fair go there. I want to ask you, there's a view in the community going on, a few calls I've had that this is the Government clearing their decks for the election and we'll be going to the polls sooner rather than later. Is that your expectation George Brandis?

BRANDIS: I have no idea when Kevin Rudd will go to an election. What we know is we've got a spineless Prime Minister who's running scared. How he'll react under pressure who can say?

EMERSON: I can reveal this Madonna. Kerry O'Brien has the flu. That's why he wasn't on the 7:30 Report.

KING: [Laughs] Yes. He's not on holidays, I was leaving that for a little bit later. But yes Kerry O'Brien isn't on holidays, he's got the flu so there goes Mark's theory of an election around the corner. One final issue, because we like to leave on a lighter note, and perhaps a nicer note. News this morning of how much dog owners spend on average on their pooches over their lifetime. This doesn't include the initial purchase price. But how much do you think meals, accessories, maybe beauty treatments for your dog. How much over a lifetime would that cost an owner? A guess.

BRANDIS: Oh, I guess it'd be thousands?

EMERSON: I think it probably would. And if they have to go to the vet add another couple of thousand to that. Could I as a Consumer Affairs Minister ask people to compare and look at the home brands for dog and cat food? Because they're about half the price.

BRANDIS: [Laughs]

KING: You've got to laugh. But no, give me a figure. I'll give you three...

EMERSON: How long is this dog going to live?

KING: It's on average. You understand maths, it's a median.

BRANDIS: You're an economist Craig.

EMERSON: Seven dog years is about 81 human years. Discounted cash flow analysis I'd reckon for a dog, it'd probably cost about, all of that, without the cost of the dog, my guess would be about three grand.

KING: Three thousand dollars. George Brandis?

BRANDIS: I'd say it'd be more than that. I'd say it'd be more than ten grand.

KING: Twenty-five thousand dollars. George Brandis, you're the one with the finger on the pulse this morning.

BRANDIS: I used to own two Bassett Hounds called Winston and Jemima and I know how much they used to cost me...

EMERSON: [Laughs]

KING: You called your dogs Winston and Jemima?

BRANDIS: I did.

EMERSON: You're a cruel man George.

KING: We're going to be talking about that more next week. Gentlemen thank you. Look forward to talking to you again next week.

BRANDIS: Thanks Madonna, bye.

EMERSON: Righty-o.

KING: It's always good to have a laugh at the end isn't it. That's Senator George Brandis, Opposition Attorney General and new Deputy Leader of the LNP in the Senate. Dr Craig Emerson, Minister in the Rudd Government.

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