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E&OE

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KING: There's little lies, isn't there? There's white lies and there's big ones. Is there a political lie, do you think? Is that different to what you or I might see as gilding the lily?

Tony Abbott's admission that he doesn't always tell, or people don't always or politicians don't always tell, the absolute one hundred per cent truth, or they may go a step too far, has certainly divided you and I think yesterday fairly evenly, almost down the middle.

So how do our politicians see it? Senator George Brandis good morning?

BRANDIS: Good morning, Madonna.

KING: And thank you for a present, your electorate newsletter. I can't wait to get home and read it.

BRANDIS: No? It's fantastic.

KING: I just can't wait. I wonder if I could take the next hour off so that I could just start reading it early?

BRANDIS: Lots of very good reading including that very list of Labor broken promises.

KING: There's a picture of my back in it and...

EMERSON: [Laughs] And there's a picture of me in it. It's all within entitlements.

KING: Yeah, from Inside Canberra and the only issue is you spelt my name wrongly.

BRANDIS: Hey, what?

KING: You spelt my name wrongly.

BRANDIS: I'm sorry.

EMERSON: Oh no, pulp them! Pulp them, start again [laughs].

KING: Yeah, we might try and get - we'll get to our NAPLAN tests in just a moment. Dr Craig Emerson, good morning to you too.

EMERSON: Good morning, Madonna.

KING: Let me start with you, Craig Emerson. You just heard Steve on the email. Wasn't Tony Abbott just saying the obvious and politicians do this all the time?

EMERSON: He was creating for himself an escape route which is that he is making two sorts of promises. One is a gospel truth promise and another is a heat of the moment promise. And if it was a heat of the moment promise, in retrospect, he reserves the right to not adhere to it.

KING: So if I can take Steve's example, if Julia Gillard ever does become Prime Minister do we paint her promises she won't this week as lies?

EMERSON: Well, I think if people talk about their own views on matters, or whether I like George or George likes me, and so on, that's in a sense not of the greatest concern to the people.

What is of concern to the people is when you are making promises that you're going to spend money on something, that you're going to implement a particular policy that affects the people, I think that's what's really important in all this.

And what Tony Abbott is saying is that he will reserve the right to repudiate, go back on his promises, if he made them in the heat of the moment.

KING: All right, what about Kevin Rudd? He's promised this resource rent tax, or he calls it a super profits tax. We now understand the Government is in negotiations for a compromise. If your government comes out and changes that in any way, was the announcement of that policy a lie, a bit of a porkie?

EMERSON: Not at all. We set out the consultation process. In the paper that was a response to the Henry Review we said there were three different phases to that consultation process and we're going through exactly what we said that we were going through. But you know what Tony Abbott also revealed the other day? That is that he is saying that he can't handle pressure – that he would make statements in the heat of the moment that he didn't really mean.

Well, what does that say about Mr Abbott as an alternative Prime Minister? That he melts down under pressure and makes statements that he doesn't mean. How would he go in the G20 or in discussions with world leaders?

KING: Well, let's come to both those issues. George Brandis, your leader admitted he said one thing and then changed it. Is that good enough to be a leader? Why isn't that a lie?

BRANDIS: Now, I watched Tony Abbott's interview on The 7.30 Report and I thought it was fascinating. And I can well understand why, after having seen that interview, a vast number of your listeners and listeners to other talkback shows had a very favourable impression of Tony Abbott because he was being honest.

He was being absolutely - more honest than it's politically correct to be because what he – all he said was that sometimes politicians in the heat of the moment go too far but when it comes to solid policy commitments what speaks with more authority are the carefully considered, or to use the phrase he used, scripted remarks.

Now, I think that is both honest and truthful and, as a matter of fact, very much commonsense. I mean...

KING: Has his honesty...

BRANDIS: I don't think his integrity is in question.

KING: No, but do you think it's hurt him a little bit? What you say is his honesty that he should have as one commentator said this morning, shut up, thought that but not said it?

BRANDIS: Well, look, the problem - the thing about Tony Abbott - and it's a problem for the media, I think they really don't know how to handle him - is he's not a cardboard cut-out politician. He doesn't speak from the talking points.

He's not a practitioner of political spin. Sometimes he says things that no public relations consultant would advise him to say because he's fair dinkum. He's a real person. Sometimes he

actually says things that are self-critical. Now, I've known Tony Abbott for nearly 30 years, Madonna.

I've known him - I first met him when we were students together overseas in the 1980s and I can absolutely promise you that Tony Abbott is a very honest and very ethical person.

KING: Is he a little bit politically incorrect at times?

BRANDIS: I think he is a bit politically incorrect at times, and good on him. I think that's one of the things people like about him because he's authentic, because he doesn't spin, because unlike Kevin Rudd not everything that comes out of his lips is a massaged, media-tested statement.

EMERSON: He said in relation to heat of the moment promises, he used the example of no new taxes or no increased taxes. This wasn't a little story about himself and his childhood or his political incorrectness. That's one thing but...

KING: That's a good point, isn't it, that [indistinct]?

EMERSON: ...he's actually made a promise...

KING: Relating to tax.

EMERSON: ...of no new taxes and no increased taxes in the heat of the moment.

BRANDIS: Well, no, just a moment. I mean, what he said was that the Liberal Party was not going to impose any new taxes, right.

EMERSON: Or increase taxes.

BRANDIS: Now - or increase taxes and that is our track record. As you know, Craig...

EMERSON: But he broke it a month later.

BRANDIS: ...during the last Liberal Government we reduced taxes in seven consecutive budgets but...

EMERSON: That's not correct. That's not true.

BRANDIS: ...when Kerry O'Brien put that proposition to him the kind of politically correct out of the spin doctor's manual answer would have been to say - to try and weasel out and say, it wasn't a tax, it was a levy. Or he could have said, well you know, we always reserve...

EMERSON: Come on, George.

BRANDIS: ...we always reserve the right to change our minds. That was merely a declaration of intent but he didn't weasel out, that's the whole point.

EMERSON: He broke that promise.

BRANDIS: The whole point, he didn't weasel out but...

EMERSON: He broke that promise.

BRANDIS: ...he said, that what I said was something that I was - that I deviated from a month later, and he was frank about it. He fessed up to it.

EMERSON: He broke the promise.

KING: But Craig Emerson, it is true that politicians of all colours break promises routinely.

EMERSON: But what he has now done, he broke that promise of no new taxes and no increased taxes, and said: the reason I broke that promise is that I made that promise in the heat of the moment. Now, the Australian people...

KING: But isn't it better to break a promise made in the heat of the moment than break a promise made in the cold light of day?

EMERSON: Well, how will we know which Tony is speaking? Will it be the heat of the moment Tony, or the gospel truth Tony? And we will only know after the election when Tony Abbott says, I won't bring back WorkChoices but only the phrase WorkChoices is dead.

He may well say, I was talking to Madonna King on the program and I made that statement in the heat of the moment, we have brought back WorkChoices, therefore it's not a broken promise.

KING: But just this heat of the moment compared to the cold light of day, what about your insulation program or what about changes to the schools program? What about the 2020 Summit when a thousand bright Australians came and there were going to be promises to do this, this or this and overall Australia to be this bright, you know, whatever?

You remember the promises and the pledges made at the time and we haven't seen much of that or some of that's been changed.

EMERSON: I don't agree. I don't agree that we haven't seen much and if you want to extend the program by half an hour I can go through the commitments that we have made...

KING: Please, no.

BRANDIS: It will take half an hour to go through the broken promises.

EMERSON: ...and we have kept but we have said for those - and it is a minority - that we have not been able to keep - we accept that we're held to account for that. What Tony...

KING: So aren't you just saying that Tony Abbott is being held...

EMERSON: No, what I'm saying - no, Tony Abbott is saying, I do not accept that I will be held to account because it was made...

BRANDIS: No, he didn't say that.

EMERSON: ...in the heat of the moment.

BRANDIS: On your definition of a lie, Craig, you're lying...

EMERSON: No.

BRANDIS: ...because he didn't say that and you know he didn't say it.

EMERSON: He did. He said...

BRANDIS: Those in glass houses shouldn't throw stones.

EMERSON: George, give me a go here. He said that if he makes a promise such as no new taxes or increased taxes in the heat of the moment it doesn't count.

BRANDIS: He did not say that.

EMERSON: He did. He did.

BRANDIS: He did not say that.

KING: Can I just get you to put your earphones on? This is what Tony Abbott said.

[Excerpt from interview]

ABBOTT: I know politicians are going to be judged on everything they say, but sometimes in the heat of discussion you go a little bit further than you would if it was an absolutely calm, considered, prepared, scripted remark which is one of the reasons why the statements that need to be taken absolutely as gospel truth is those carefully prepared, scripted remarks.

[End of excerpt]

BRANDIS: So you see, Craig, he didn't say what you've just attributed to him and what he said seems to me to be perfect commonsense.

We know in our own lives and in our dealings with other people that every now and again some - you do toss something off, you do overstate a proposition, you do go too far.

You do that on this program all the time. So do I. So does everybody. But there is a plain difference that anybody with any commonsense can see between a casual and perhaps not carefully considered remark and something that is carefully thought through...

EMERSON: It's not true.

BRANDIS: ...and scripted and speaks with authority.

KING: But do you concede that your boss actually backed down on a promise, broke a promise, of no new taxes?

BRANDIS: Well, you know, if you look at what he said what he said was that a Liberal government would not increase taxes and that is a basic philosophical value of the Liberal Party.

EMERSON: What about the great big new tax on everything you buy?

BRANDIS: We don't increase taxes.

EMERSON: You have.

BRANDIS: Unlike the great big new tax on the mining industry, by the way, but...

EMERSON: George, listen to yourself.

BRANDIS: ...we departed from that.

EMERSON: We don't but we departed from it?

BRANDIS: We departed from that.

EMERSON: That sounds like a broken promise.

BRANDIS: We departed from that a month later by imposing a 1.7 per cent tax...

EMERSON: [Laughs] That's a broken promise. George, listen to yourself.

BRANDIS: It follows from what you're saying Craig, that a political party can never change its mind about anything ever.

EMERSON: You just said, we don't increase taxes...

BRANDIS: No.

EMERSON: It's just that a month later we announce that we would.

KING: Boys, but do you...

EMERSON: We made an exception to that general rule ...

KING: Craig Emerson...

EMERSON: ...we don't do it except when we do do it.

KING: Can a government or an opposition justifiably change its mind?

EMERSON: Of course it can.

KING: So, how does it do that?

EMERSON: Well, it can make a - there are two different things. One is George is trying to confuse...

KING: No. Just answer my question.

EMERSON: George is trying to confuse...

BRANDIS: I'm just taking you back to what Tony actually said.

EMERSON: General statements aside. When you make a specific statement such as no new taxes or increased taxes, you will be held to account for that. If you break the promise the Australian people are entitled to say that is a broken promise.

Tony Abbott is saying it wasn't a broken promise; I only made it in the heat of the moment, therefore, it wasn't a broken promise.

KING: All right, let's not go any further on this issue because I think you at home have a view on this and yesterday it was fairly much evenly split, with a third contingent of people saying basically that you voted along party lines.

But there was an ad on yesterday afternoon. I saw for the first time, perhaps even earlier, pointing out Tony Abbott doing this. Can you put an ad on air within 12 hours?

EMERSON: Well, apparently so, apparently so. I haven't...

KING: Were you aware it was going to air?

EMERSON: No. I haven't seen the ad but what the ad is saying is that...

KING: Yes, I know what the...

EMERSON: ...there is a big problem post-election of any promise that Tony Abbott's made because we won't know whether...

KING: But do you have space permanently booked?

EMERSON: No. Well...

KING: So how are - I was just intrigued. I was on the running machine and there it pops up.

BRANDIS: It seems to me that when you've got a government that's entirely run by spin doctors and PR agents you'd expect there'd be a high level of technical skill.

KING: No, but it made me wonder, are we really in this election campaign now? Has it started in a sense?

BRANDIS: Well I wish Mr Rudd would call it frankly but, of course, he's chickened out of the idea, just as he chickened out of the CPRS because he's a person who doesn't stand for any...

EMERSON: But if he were to call an election you'll say he's called an early election, oh my God, he said he'd go the full term! That's a broken promise [laughs].

KING: Do you think George Brandis sounds like that?

[Laughter]

KING: Can I just move on to this super tax, because we're running out of time. But Craig Emerson, this resource rental tax, is it going ahead as announced or not?

EMERSON: It is going ahead. It is a resource super profits tax. It's going ahead on the basis that we said it would. But there is a consultation process set out about specific design features and transitional arrangements...

BRANDIS: Blah, blah, blah.

EMERSON: ...that we are going through.

KING: But excuse me, specific design features...

EMERSON: ...which is exactly what happened last time...

BRANDIS: Blah, blah, blah.

EMERSON: Listen George, this is what happened 25 years ago when we did this with the petroleum resource rent tax. We put out...

BRANDIS: I know...

EMERSON: ...a tax and then we worked on some of the specific design features back then in exactly the same process.

KING: Why not do that before you announce it?

EMERSON: This is what happened 25 years ago. You set out...

BRANDIS: It was in the glory days when you were a young Lochinvar in the Hawke government.

EMERSON: I'm still a young Lochinvar, you know that.

BRANDIS: [Laughs]

EMERSON: I'm just saying, if you set out a proposition that this is a tax that we're going to implement - we are going to implement this tax, we've said before we - at the time of the announcement this is the consultation process. This is exactly what happened 25 years ago.

KING: But if you compromise on it, and it looks as though you will compromise on some of the design features you call them - but that's probably the level at which it kicks in - won't that leave a hole in your budget? Because other promises are predicated on raising this money.

EMERSON: Well, as I say, there will be a resource super profits tax. It'll be set at the rate of 40 per cent. It will apply to existing projects and...

KING: But will it kick in at the long term bond rate at six per cent?

EMERSON: Well let's let the discussions go ahead. They - that's exactly why...

KING: You're telling me there's a compromise...

EMERSON: No. I'm not going to tell you...

BRANDIS: It sounds surprisingly like a broken promise here.

EMERSON: There's no broken promise.

BRANDIS: You said you were going to kick it at six per cent. Now you're saying maybe it won't.

EMERSON: I'm not going to...

KING: No and I've moved on...

EMERSON: ...going to pre-empt the discussions that are going on with 80 different mining companies in this country. They are serious discussions and it would not be appropriate for me to say what the outcomes of those discussions are going to be.

KING: But, as a government, don't you have an obligation to lock this in, to consult and give some security to the markets to people who own mining shares?

EMERSON: Well hold on, isn't that a contradiction? You just said don't we have an obligation to lock this in and consult.

KING: Well, to consult and then lock it in.

EMERSON: Well...

BRANDIS: That's the problem, they didn't consult.

EMERSON: We did consult.

BRANDIS: No you didn't. Well, you talked to the miners over the - the biggest resources conference in Australia...

EMERSON: We know...

BRANDIS: ...that's happening in Brisbane right now as we speak. The Prime Minister...

EMERSON: Are you denying any discussions occurred with the mining industry, George?

BRANDIS: ... the Prime Minister didn't bother going.

EMERSON: Now that is a lie.

BRANDIS: The Prime Minister didn't bother going there. The Treasurer didn't bother going there. I've just come from it where Tony Abbott has just addressed it.

EMERSON: The Resources and Energy Minister was there.

BRANDIS: Several - the Resources and Energy Minister arrived and left. Last night at the conference dinner there wasn't a single Labor federal politician...

EMERSON: You do arrive and leave [laughs].

BRANDIS: ...and Craig...

EMERSON: What did you think? He should sleep there overnight?

BRANDIS: But Craig, if I may say so I had literally half a dozen conversations with senior executives in the mining industry yesterday and last night and what they all said to me was what we are particularly annoyed about is there was no consultation.

EMERSON: Well, that is incorrect. It may...

BRANDIS: Well...

EMERSON: I'm not saying there was consultation with 80 or 100 or 200 companies. There was a consultation...

BRANDIS: You don't know the industry, Craig.

KING: That's Dr Craig Emerson...

EMERSON: Well, you don't know what happened in the consultation.

KING: ...and Senator George Brandis this morning on Inside Canberra.

Moving onto another topic, Joe Hockey, the Federal Shadow Treasurer, will today attempt, I guess, to build the Coalition's economic credibility by outlining more than 40 savings a Coalition government would make.

How much is riding on this and how specific will he be, George Brandis?

BRANDIS: Well, look, I haven't seen an advance copy of Mr Hockey's speech so I'm not going to commentate on a speech that is not yet delivered and...

EMERSON: Will it be gospel truth?

BRANDIS: ...for another three hours. But, you know, Joe Hockey is a class act. He's one of the most economically articulate members of parliament and I think he'll put in a fine performance. But I'm not going to commentate on something that hasn't been said yet.

EMERSON: Let's look at the twin commitments. They have said that they will bring the Budget to surplus within less than three years, because in the Budget we announced it would happen in three years' time, which is three years early. That's the first.

Second, they have nearly \$16 billion of unfunded commitments. Now, when Mr Hockey outlines these so called 40 - say 40 different savings - he not only has to bring the Budget into surplus, he has to fund the \$16 billion of unfunded commitments.

KING: But you say that, not knowing how much your resources rent tax will get in because we don't know what you will compromise on and what not.

EMERSON: We've got the Budget. We've got the Forward Estimates. We are in those negotiations. We've just covered that. We will collect the revenue that we've said that it will collect. That's what's going to happen in the...

KING: But can you say that? Doesn't that depend on what point it does kick in, whether it is the long term bond rate? You've said the 40 per cent won't change and that it will apply to existing projects. I understand that.

EMERSON: Yeah.

KING: But couldn't there be a difference in how much you collect, depending on when companies are required to pay it? That is, whether it's the long term bond rate or the long term bond rate, plus?

EMERSON: There's a lot of existing mining activity and it will apply...

BRANDIS: What's that got to do with the price of eggs?

EMERSON: Well, you don't understand basic economics. There is existing mining activity...

BRANDIS: Mate, mate, you're all over the place on this. You can't even...

EMERSON: Well, I can't even finish. I can't finish.

BRANDIS: ...explain why when there are variables like you've now said, mate that won't [indistinct]...

EMERSON: You don't know diddly-squat...

BRANDIS: [Indistinct] long term bond rate [indistinct]...

KING: George Brandis?

EMERSON: You do not know diddly-squat about the design of the tax system. You know nothing about it. At least I did a PhD on it George, so please don't give me lectures on designing the resource rent tax.

KING: No, but I don't - I do not understand how you can...

BRANDIS: I'm sorry Dr Emerson, I didn't realise the entire country's economic prosperity was riding on your PhD.

EMERSON: I'm just simply saying that you're talking out of your bum.

BRANDIS: Why did Kevin Rudd kick you out of Cabinet and leave you as a junior minister...

EMERSON: You are talking out of your bum...

BRANDIS: ...if you're so economically literate?

EMERSON: ...that's the problem George.

KING: And now - all right we're moving on. We're moving on to Gough Whitlam. Australia's longest living former Prime Minister has moved into an aged care facility at the age of 93, and everyone I've spoken to this morning has had a little bit of a comment on this. So there's a time they met Gough Whitlam, what he and his wife have meant to Australia. When was the last time you saw him Craig Emerson?

EMERSON: It would be actually about a year ago now and we had a good chat but he isn't anywhere near as mobile as he was. I think he's pretty much permanently getting around in a wheelchair. But always enjoyable to talk to, very articulate and, if I might say, very funny, very humorous. And not always complimentary of his political foes [laughs]. But I think he's probably got fairly philosophical these days.

BRANDIS: I love Gough Whitlam, a lovely man, terrible Prime Minister. But lovely man. I had a great experience with Gough about five or six years ago. My son was doing a project on a famous Australian and we decided he'd do Gough Whitlam. So through a mutual friend in the Labor Party we arranged to have an interview with Mr Whitlam at his Sydney office.

So I took my boy down to Sydney and the person who organised the interview said to us well, look, he has good days and bad days. If it's a good day you might get three or four minutes with him, if it's a bad day, perhaps just a photo opportunity.

So it was a good day. We were ushered into the presence and three hours later [laughs] after the most fascinating conversation between my son and Gough Whitlam we left. It was a delightful occasion.

KING: And is he the longest living former Prime Minister?

BRANDIS: He's the oldest - yes, he's the ...

EMERSON: Yes.

BRANDIS: He's the oldest former Prime Minister, yes.

KING: The oldest former Prime Minister.

EMERSON: That's right, 93.

KING: And just a completely random question to end Inside Canberra with this morning, Craig Emerson, what are the birth dates of your children? What day is their birthday?

EMERSON: Well, 1 July 1990, 22 February 1993 and 15 October 1996.

KING: George Brandis?

BRANDIS: 29 June 1992 and 27 March 1994.

KING: Really hoped I'd catch out on that
[Laughter]

EMERSON: No way.

KING: Gentlemen, thank you.

EMERSON: We love our children.

BRANDIS: Thank you, Madonna.

KING: That's George Brandis, Senator George Brandis and Craig Emerson, Dr Craig Emerson and they'll be back at the same time next week, when we go Inside Canberra.