

INSIDE CANBERRA
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HON CRAIG EMERSON MP

MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND
THE SERVICE ECONOMY
MINISTER ASSISTING THE MINISTER FOR FINANCE ON
DEREGULATION

KING: Kevin Rudd's first big overseas trip continues, but he's left people in Washington wondering. He gave a speech at the Bookings Institute and he included such phrases as conceptual synthesis and natural complementarity I think. And the US and Chinese analysts are reaching for the dictionaries trying to work out what it means. I wonder if you think politicians do that on purpose. Use this jargon that the rest of us might not understand or is it part of some politicians make up? Is that just how Kevin Rudd talks? We'll find out in one of the issues we'll talk to this morning as we go *Inside Canberra* with Rudd Government Minister, Craig Emerson. He's Small Business Minister in the Rudd Government. Good morning.

EMERSON: Hi Madonna.

KING: And Senator George Brandis, Opposition Attorney-General. Good morning Senator.

BRANDIS: Good morning Madonna. Good morning Craig.

KING: First up with the truants. You just heard what Catherine from Kenmore said. The New South Wales Government are introducing these laws which allow a parent to be gaoled if they continue to skip school. Are they going in the right direction Craig Emerson?

EMERSON: I think so. This comes from the Blair Government's Respect agenda. The Blair Government just got desperate in the UK about the level of chronic truancy and they realised that some parents, a minority, but some parents just didn't care whether their kids were at school or not.

KING: So can you be gaoled in Britain if you children don't attend school?

EMERSON: Yes, you could and there were definitely fines and they were obliged to appear before some sort of Tribunal.

KING: You say you support it, but, and you have children yourself, sometimes no matter what a parent does they can't make their children do the right thing.

EMERSON: That's true, but there are other parents who know that their kids are not going to school and are not interested in doing anything about it and the reason I say that is that in Logan City, my electorate, there's been some research on this. Three hundred kids in the Logan Beaudesert area and are in year seven missed more than 20 per cent of the year.

KING: Three hundred children?

EMERSON: Three hundred children missed more than 20 per cent of the year.

KING: That's one day a week!

EMERSON: One day a week. Now you cannot get a proper education in those circumstances. Even more disturbing than that, it was found that 65 per cent of those absences were condoned by parents. Now, I am pretty tough on this. If a parent can't cope, if there's a single mother who's at home and depressed and feels that they need one of the children at home, I can understand it. It's not great for the kid, but at least you can understand and you try to support that person, the mum and the kid. Where parents just say, "I never had a good education and it never did me no bloody harm and I don't care if my kids don't go to school", that's where we do need to get tough.

KING: Senator George Brandis?

BRANDIS: I agree with the legislation you've described. I think there's an important distinction. It came out in your last caller, between kids wagging school, which all kids do, you know, at some stage or another, and parents actually, to use Craig's words, condoning serial non-attendance at school and in the case of parents like that, I think if criminal sanctions need to be applied in appropriate cases then they ought to be. Can I also quickly make the point too that we tend, when we talk about a sanctions regime, always to pick the maximum penalty. I mean when we talk about \$10,000 fines and gaol terms, now this proposal as I understand it is for a punishment regime up to those maximum in the most extreme cases.

KING: Yes. I've talked to you many, many Wednesdays and for the first time I'm floored. That both of you would actually agree that gaoling parents as a last resort, and I say that, we spoke to the Parents and Friends Association this morning, who thought that it was too big of a stick. We spoke to the Queensland Government who said, you know we'd rather work with parents and you're not ruling that out. What you're saying is that it comes to fix truancy, you think the parents must be held accountable.

EMERSON: There is an obligation on the system to support those parents and those children who for all sorts of reasons can't get to school – emotional reasons, depression, even drug addiction on the part of parents, but I am just saying that I know there are circumstances where parents don't care and will not do anything about it. The one case that I recall in the UK was where this had already all happened. Once, and the parent was brought in and

everything else, and the parent then still would do nothing about it. Now, when we talk about rights, children have rights too. They have a right to a good education and I think it is wrong that a parent says that's not important for my child. Let's give the chance in life to the kid and let's respect the rights of the child.

KING: You're listening at home. You've heard that Rudd Government Minister Craig Emerson, Senator George Brandis, both saying that parents should be able to be gaoled as a last resort in cases of chronic truancy. Does that mean the Queensland Government's out of step? Does it mean the Parents and Citizens groups we've talked to this morning are out of step? Let me know this morning from your point of view? Perhaps you're like Catherine from Kenmore. She was a chronic truant at school and something like this would have stopped her doing that. 1300 222 612 is my number.

Gentlemen, from that to overseas and Kevin Rudd. I'll start with you again Craig Emerson. We'll give you a go first in just a moment Senator Brandis, but I'm going to ask you Craig Emerson could you translate for us your Leader's commentary over night – conceptual synthesis and natural complementarity.

EMERSON: Well I can certainly do the second one. Natural complementarity is a phrase and it actually means where two countries trade because, and the classic case is China, where Australia has minerals and China needs minerals for its economic development. Another country such as Luxemburg doesn't need minerals and so we wouldn't have natural complementarity with Luxemburg.

KING: Conceptual synthesis?

EMERSON: Ah, that's a goodie.

KING: And you're going to take that on notice?

EMERSON: Yeah, I mean I think it would be a reference, well synthesis is bringing things together in some sort of conceptual way.

KING: Take Kevin Rudd out of the equation. When you're sitting down to write a speech, both of you, and your staff help you in that process too, how much do you work on using language that everyone understands or do you think, no I'm George Brandis, this is the way I talk, this is the way I write, this is the way I deliver it?

BRANDIS: Well I think it's actually quite a very important art that you have to learn as a politician. In my case, as you know I was a lawyer and I know Craig was an economist before we respectively entered Parliament...

EMERSON: And we can still talk to each other.

BRANDIS: Indeed and you do tend when you, you know practice a profession, which uses a lot of technical language to revert to that language

as almost by second nature But in politics in representative politics you are in the business of communicating and advocating and trying to persuade people and it is something that you do have to do to try and avoid the technical language. And can I say this about Mr Rudd. I mean Mr Rudd is a bureaucrat. That's his background and you said earlier on this morning in the program is that just the way he talks. Well, it is the way he talks and I think one of the misgivings people have about Mr Rudd is that there is just too much gobbledegook. There's too much bureaucratise and conversely when Mr Rudd tries to sound like a regular guy, he's phoney and synthetic.

KING: All on the same trip he talked about getting on the phone to Barack Obama and having a good yack. What I'm wondering though, do people think, you're saying he doesn't sound like a person speaking to voters George Brandis, he sounds like, you're saying, a policy wonk?

BRANDIS: Well, he is a policy wonk and that's not a bad thing. But I think I'm trying to make a broader point and that is that the way in which Mr Rudd approaches the world. He's from a bureaucrat's point of view rather than from the point of view of somebody who understands ordinary people.

KING: But I'm wondering if you're out listening at home or in your car, you're thinking that's a good thing that he doesn't sound like a politician, he doesn't speak in that political speak, that political jargon, he speaks in words perhaps we don't always understand, but he seems to know what he's talking about.

EMERSON: Well George's criticism seems to be that when Kevin uses colloquial terms he's not fair dinkum and when he uses sophisticated terms people can't understand him. I don't think you can have it both ways.

BRANDIS: Well I think you can quite frankly Craig and I think that is the problem with Kevin Rudd and it's manifested in things other than his choice of language too. I mean the way in which he handles himself in Question Time in the House of Representatives. There is a very distinct lack of rapport or empathy with ordinary people by Kevin Rudd. By contrast with Dr Nelson who has been in Brisbane as recently as yesterday who you only have to spend a few minutes with Brendan Nelson, as I did yesterday afternoon, and you could see that he has a very genuine, sincere rapport with ordinary people.

KING: But is that coming through given the poll ratings?

EMERSON: I wasn't going to mention the poll word.

BRANDIS: Well, I'm not afraid of the polls. I mean, not at all, because you know give him a go, give him a go. Nobody expected him, very few people expected him to be the Leader of the Opposition if the Liberal Party lost the last election. People are still getting his measure and that is my point - that there is a sincerity gap between Kevin Rudd and Brendan Nelson. Brendan Nelson is a much more sincere and genuine sort of bloke.

EMERSON: And my point is that the Australian people want to know and do know, with Kevin, that you've got someone who's a very serious politician, a very serious policy maker because after all, who is best to develop policies for Australia's future.

BRANDIS: Well Craig if that's true why has Kevin Rudd made so many blunders on this overseas trip? Whether it's the snubbing of Japan, our biggest trading partner, endorsing one of the candidates in the American Presidential election campaign which, you know, politics 101 would tell you that's not what an Australian Prime Minister ought to do.

KING: All right, you've had your turn on that issue George Brandis. Can I have a right of reply Craig Emerson?

EMERSON: It's been, already, a very successful trip. Kevin is doing very well on that overseas trip and he is representing Australia very well indeed.

KING: *Inside Canberra* this morning with Rudd Government Minister Craig Emerson, Minister for Small Business, Opposition Attorney-General, Senator George Brandis. In the next five minutes I want to get through a few issues. So can we start with the ACCC? The ACCC inquiry into grocery prices is underway. I think it's here in Brisbane tomorrow. Can anything be done? I read this morning where Woolworths and Coles control 80 per cent of the market, whether or not that's good or bad, but food prices have risen by 44 per cent since 1986.

EMERSON: The reason that the Government is having the inquiry is to ensure that there is competition in this market.

KING: Is there?

EMERSON: Well that's why we're having the inquiry. I think it is a little bit superficial to say Coles and Woolworths have 80 per cent of the market. That is of a sub-component of the grocery retail market. I'm not defending Coles and Woolworths; let's see what comes out of the Inquiry. There are also some really big international factors here. I'll be very quick on this. The US has got an ethanol policy and a lot of its grain is going into making ethanol as part of the climate change response and fuel security. That's forcing up world grain prices which then forces up all sorts of other food prices; bread and so on. The Chinese are developing at an enormous rate and they are eating a lot of meat at their stage of development. That's forcing up world meat prices. So I'm saying there are international factors here that we can't control but if there is a lack of competition in the market that's something that governments can do something about and that's why we're having the inquiry.

KING: They didn't have much luck with petrol. Do you think they will have any luck with groceries George Brandis?

BRANDIS: Well look I just sit here shaking my head in wonderment when I hear Craig say that because this is, he represents the Party that before the

federal election decided to make an issue of grocery prices and decided to make an issue of petrol prices and they, and if you look very closely at the words they used they actually didn't promise to bring petrol prices down or grocery prices down but that's the impression that they very deliberately fostered in the community. That if you elect a Labor Government we will do something about the price of petrol, we will do something about the price of groceries and all they've done is had a series of inquiries. I think that the people who heard Wayne Swan, for example, debating this issue with me in this studio as recently as last November are entitled to feel that they were led down the garden path by Wayne Swan's then promises that a Rudd Government would do something meaningful, not just have an inquiry, but do something meaningful about petrol prices and grocery prices.

EMERSON: We announced pre-election that we would have these inquiries. We are implementing them on time, in full. I do remember very well Peter Costello ridiculing the idea of us trying to put some downward pressure, through competition, on grocery prices. How out of touch is that? And George, I've got to say, you're out of touch if you think that this is just some sort of going through the motions. It's very important for consumers that there be competition in markets.

KING: So do you think that food prices rising by 44 per cent since 1986 is fair Craig Emerson?

EMERSON: It's not so much whether it's far. I do know that it is putting a lot of pressure on families. There's no doubt about that. Some things...

KING: Can you fix that?

EMERSON: Some things, as I said a little earlier, what's happening in the US, what's happening in China, do influence prices. These products are sold around the world nowadays Madonna. They do influence these prices. But competition is the key.

BRANDIS: Yeah, but it's all very well to say that Craig and perhaps you're right, but you know, it's not fair of the Labor Party to have gone into the last federal election making an issue of grocery prices and petrol prices and putting the message out there, you elect us and we will do something to stop those prices going up.

EMERSON: Well, it's pretty clear George when your former Leader said working families have never been better off, that you guys have no understanding of the pressure that families are under.

BRANDIS: Well mate, you won the election, it's your responsibility now to deliver on these promises.

EMERSON: We'll do what we said we'd do.

BRANDIS: You put it out there you'd do something about petrol prices and grocery prices and you've done nothing but set up inquiries.

EMERSON: We are implementing our commitments.

KING: And we will try and talk to the ACCC tomorrow on the program about this inquiry which is set to hold here in Brisbane tomorrow. From the ACCC to swimming. Big issue is this case of Nick D'Arcy. Short answer, should he or should he not go to Beijing? Let's start with George Brandis on this one.

BRANDIS: Look, I'm not going to pre-judge. Can I just say that you know that there are finely balanced considerations on both sides here. You've got the importance of a person being punished for behaviour like this and you've got the reputation issue of Australian swimming. Australian swimming has as I, last year when I was the Minister for Sport, has a wonderful reputation. They are a fabulous outfit. They impose very, very strict discipline on their team members and, as a result, they, very seldom do you see the Australian swimmers get into trouble. So there's that on the one side. On the other side, you know, he's a young man, he's done something very wrong and his entire career as a sportsman is now in peril so I think these are finely balanced considerations.

KING: Are you going to join George Brandis on the fence there Craig Emerson?

EMERSON: I will agree with the observations that George has made but I would say that it would be awful, Madonna, for politicians to sit in judgement on this. We've got plenty of roles, but one role is not to be the adjudicator in such a tough and sensitive issue as this.

KING: What about on this issue and fairly short answers if that's ok. But I read this morning where the Federal Government is examining whether we should introduce paid maternity leave. Often we hear our politicians talk and social demographers talk about the important role of the fathers, the need for them to be involved. Should we also be talking about paid paternity leave if we're talking about paid maternity leave?

EMERSON: I think that if businesses themselves can do this, and they are doing it, it was announced just last week.

KING: But should mothers be favoured over fathers or should it be parental leave?

EMERSON: I think it should be parental leave, but there'd be a presumption that the mother, you know, would more likely take up that option. I know, and I think it's fantastic, that there's stay at home dads as well. But in those very early months, for obvious reasons, breast-feeding and that early care, it's likely to be the mum. In a tight labour market, and that's going to remain the case for the foreseeable future, more and more businesses are offering it. I

think that's great. I wouldn't like to see this imposed on small businesses by government.

KING: But the Federal Government is examining whether they should introduce paid maternity leave. Taxpayers would fund that wouldn't they, not the employers?

EMERSON: That's right. That would be the case. We do have a genuine Productivity Commission Review on this that will report early next year. And on this part of this whole, this is not just about mums and dads, it's about retaining good staff in a population where there's going to be so few working people to support the people who are too old or too young to work.

KING: Last word George Brandis?

BRANDIS: Well we'll look at the Productivity Commission report. I mean the issue with this is, of course, always the issue of cost. This would be an extremely expensive measure at a time when the Government has told us that they are looking rein in expenditure. Then one wonders whether it's realistic to talk about embarking on an extremely expensive new social policy niche. The Opposition has an open mind on this and we'll look at it.

KING: Perhaps you have a view on that this morning too. 1300 222 612. Or anything else raised this morning by Senator George Brandis, the Opposition Attorney-General, and Craig Emerson, the Federal Small Business Minister. 1300 222 612. Look forward to talking to you both again next week.

BRANDIS: Thanks Madonna.

EMERSON: Thank you Madonna and George. We'll see you again soon.