



**THE HON DR EMERSON MP**  
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND  
THE SERVICE ECONOMY  
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS  
MINISTER ASSISTING THE MINISTER FOR FINANCE ON  
DEREGULATION

Transcript  
Inside Canberra, ABC 612 Brisbane with Madonna King  
Wednesday 9th June 2010

E&OE

---

*Subjects:*

---

**MADONNA:** Reports Kevin Rudd has held a private meeting with the head of BHP Billiton before heading off to Perth where the reception by all reports is going to be fairly frosty. Talk also this morning that some members of the Labor Party want Kevin Rudd to be more inclusive to broaden the advice he's receiving and that comes on top of one state still refusing to sign up over the health reforms. We'll talk more about that. Afghanistan do we have a plan there? How do our politicians answer these questions I guess. Let's go inside Canberra and find out. Dr Craig Emerson the Labor Government Minister, got an answer to all those?

**EMERSON:** I'll do my best Madonna as always.

**MADONNA:** And good morning to the Opposition's Senator George Brandis. Good morning, welcome.

**BRANDIS:** Morning Madonna. Morning Craig.

**EMERSON:** Hello George.

**MADONNA:** Let's just start with Afghanistan; do we have an exit plan here? Barack Obama's signalling mid next year isn't he?

**EMERSON:** Ah look I'm not a military expert and I don't feel that it would be responsible for me to go into that in great detail Madonna. I think it is worth reminding your listeners as to why we're there in the first place. It's nearly, as George pointed out yesterday, a decade since 9/11 of the World Trade Centre bombings. That

was Al-Qaeda and they had training facilities in Afghanistan. The Bali bombings in which so many Australian's lost their lives – Al-Qaeda training facilities in Afghanistan. So I don't think we have an easy option to just pull out or not go there in the first place. This is a matter of bipartisan support because it is a cradle of terrorism.

**MADONNA:** Well I'll come to that. I'll ask George Brandis that but is there an exit plan? It's not asking you an in-depth question I wouldn't have thought.

**EMERSON:** In my view announcing exit plans even if there were one and I can't comment –

**MADONNA:** But is there a publicly announced one?

**EMERSON:** Not that I know of and I wouldn't be talking about an exit plan anyway for this reason: because they'd just say 'well we'll see you off'. The Taliban would just say 'we'll see you off'.

**MADONNA:** But isn't that Barack Obama, isn't he saying the withdrawal will begin for the American troops in mid next year?

**BRANDIS:** Ah yes I think he has said that and I think that is something he's said to propitiate the domestic American opinion. Particularly since he has mid-term elections in about six months time or less than six months time. I agree with Craig, Madonna, you know this is a war. I mean it's a strange sort of war. It's not so much a battlefield war as a war against an insurgency or against deeply emplaced elements, guerrilla elements in a terrain where there is no clearly established government or – but it's a war of a form and you can't really say well the war will end on such and such a certain future because you don't know if you've won or not so I do ...

**MADONNA:** So is this a cross-party support for exactly what is happening? Is that what you're saying George Brandis?

**BRANDIS:** Well I'm going to beg off a little as Craig did because I'm not the Liberal Party's Defence spokesman but I want to affirm that the deployment to Afghanistan, which of course was begun by the Howard Government, does have bipartisan support, strong bipartisan support.

**EMERSON:** And I haven't heard, apart from a couple of things at the edges, I haven't heard either political party disagreeing with the other on this. I'm sure we'll get onto matters on which we disagree ...

**MADONNA:** Yes.

**EMERSON:** ... but I want to reassure your listeners that the Liberal and National Party and the Labor Party take these matters seriously and more often than not end in a bipartisan position.

**MADONNA:** And you know questions are going to be asked like this when a 21 year old and a 26 year old actually lose their life. They're just so young and we're doing things and you know we go to work and complain about little things and have bad days ...

**EMERSON:** That's right.

**MADONNA:** ... these are people who put their life on the line each day but do we know what numbers we have in Afghanistan?

**EMERSON:** No. I know that we have the largest non-NATO contingent. I just, I did know that number but we have the largest non-NATO contingent and we've sadly had 13 deaths in Afghanistan.

**MADONNA:** And when we decide to go into a place like this or to decide to commit troops, who makes that decision? Is it the government? Is that a bipartisan decision?

**EMERSON:** Not necessarily. I imagine there would be consultation at some point with the Opposition but this is usually made by a cabinet committee called the National Security Committee. Not automatically. There are times in the past, not under this government, where decisions have been made by an even smaller group than that. But they are solemn decisions and I think no one around parliament goes into a war you know just for the heck of it.

**MADONNA:** Yeah of course, of course.

**EMERSON:** And when these things happen and I know one of the poor men has got a young family and another one as young as still 21 and it's just horrible for them and horrible for their families and ...

**MADONNA:** Well your children aren't far off that age.

**EMERSON:** Well they're not. You know I've got a 19 year old who on the 1<sup>st</sup> of July will be 20 and he could just as easily be in Afghanistan if he'd gone down that course or back in the Vietnam War days he could have been conscripted.

**MADONNA:** Yeah.

**EMERSON:** He could have been over there. There was a reminder this morning that the last time we lost more than one person on one day was when we lost five in 1971 in Vietnam and that did include conscripts.

**MADONNA:** Before we move on George Brandis is there anything else on this issue you'd want to address?

**BRANDIS:** Not really. It struck me when you said 21 and 22 is very young, well yes it is but I don't think it's young for soldiers, you know, I mean you think back on the second world war, I think most of the casualties in much bigger conflict were people of around about that age and even younger and indeed ...

**MADONNA:** Still so young.

**BRANDIS:** Oh absolutely.

**EMERSON:** You know the name 'Infantry' is infant-try and that's from the old Roman days where they used to put the kids out in the front of the battleline. I'm not - we're not talking about 22 year olds, we're talking about children.

**MADONNA:** Yeah, no I understand.

**EMERSON:** That's what the infantry was about. They put the kids out in front. Horrible. War is horrible.

**MADONNA:** Yeah and of course our condolences go out to the families and friends of everyone concerned. A nation in grief over – grieving over what happened yesterday. Let's come closer to home. Reports this morning Kevin Rudd has privately met the head of BHP Billiton. Can you confirm that Craig Emerson?

**EMERSON:** No. I won't confirm it. I do know the answer but the reason that I won't confirm it is that, you know, we want a situation where company executives are able to meet the Prime Minister whether it's on the mining tax or anything else without a member of the government saying this did happen and this is what he or she said to whom.

**MADONNA:** George Brandis that's prompted a smirk on your face.

**BRANDIS:** I think everybody knows it happened and I don't think it's exactly a national secret Craig but – and it's apparently ...

**EMERSON:** It's just a little principle that I have George.

**BRANDIS:** ... apparently. Well I think that if the government has got itself into this sort of a mess by not consulting industry before it announced this big tax you could almost be trying to retrieve a little bit of public [inaudible] by saying at least we're talking to industry leaders now.

**EMERSON:** We are. We are.

**BRANDIS:** Okay. And apparently Mr Rudd's going to Western Australia to see Mr Forrest who yesterday described him as an economic moron so that'll be a pleasant meeting.

**MADONNA:** Well a frosty reception probably expected there from – with your boss.

**EMERSON:** Ah tax reform's hard. Tax reform is hard ...

**BRANDIS:** It is hard.

**EMERSON:** And ...

**BRANDIS:** Particularly if you screw it up.

**EMERSON:** ... going back to 1984 the Petroleum Resource Rent Tax – hard. I was actually going through some documents yesterday because I'm a bit of a bower bird and I collected and kept the documents ...

**MADONNA:** Ah this could be interesting Senator. Stay with us.

**EMERSON:** ... and those documents are full of publications, letters saying 'that's it, you know, you're a bunch of mongrels, we'll never invest in this country again'. Big documents produced by major corporations say there will be no more oil and gas exporation in this country, we're outsky. It's really fascinating reading because it's very similar to what's going on now.

**MADONNA:** Formidable enemy, the ....

**EMERSON:** There will be no – [inaudible] yeah and we pressed on ...

**MADONNA:** .. mining industry because of the money.

**EMERSON:** And we pressed on in 1984 and introduced a tax that's been in that place for that long and collected \$16 billion, by the way, under the Coalition government who didn't repeal it.

**MADONNA:** So but can I ask that, can we just take the politics away for a moment.

**EMERSON:** Yep okay happy to.

**MADONNA:** You're a senior leader in Australia. This is something that is really hurting your government. You would admit that. Wether it's the tax that's hurting, the proposed tax or the indecision

around it. Do you concede that there is damage being done economically until there is a decision being made.

**EMERSON:** Well it does appear, I can say at least in the polls, there seems to be an effect and we try not to comment on those. But yes there is a lot of industry opposition to this tax. But again if I can just remind your listeners in 1985 at the risk of ancient history but we can learn from history and must. In 1985 the Hawke and Keating government set about repairing all the rorts that were in the income tax system, to cut the top and second top rates of tax to give incentive to Australians. It was viciously opposed by business and, and I don't want to be too political, but very strongly opposed by John Howard and the Coalition.

**MADONNA:** So are you saying then you are going to plough on and if you are why are you meeting with these company to – bosses and even admit in doing it?

**EMERSON:** We have always said that we are happy to consult with them on some of the specific details of the design of the tax. Some of the companies, particularly Clive Palmer, don't want any changes to the tax regime and do want to change the government. Well that's his view but we won't be deterred by the Clive Palmers of the world.

**MADONNA:** But he's one person.

**EMERSON:** Yeah one very wealthy person who's spending hundreds of thousands of dollars in donations to the Liberal and National Parties to get his way.

**MADONNA:** All right can I come to George Brandis here. Kevin Rudd is over there meeting Mr Forrest. He presumably has met the head of BHP Billiton. Does the Coalition support any level of the mining industry paying increased tax?

**BRANDIS:** We are dead set opposed to this tax. We are not proposing alterations to the existing tax regime ...

**MADONNA:** So you ...

**BRANDIS:** ... for the mining industry but this is a black and white ...

**MADONNA:** So you'll vote against it?

**BRANDIS:** This is a black and white issue Madonna. This is a black and white issue. We think that this tax is as Tony Abbott has often said a dagger in the heart of Australia's prosperity. It's an attack on Australia's most prosperous industry, the industry that saw us through the Global Financial Crisis, an industry of which most

Australians I think are very proud and in which hundreds of thousands of Australian households have a financial stake through their own small share holdings and superannuation funds.

**MADONNA:** If you're not going to agree to it at any level, even a small increase, are you guys just doing a bit of a political dance and the rest of us are being treated by fools in a sense because it goes to parliament ...

**BRANDIS:** No.

**MADONNA:** You vote it down.

**BRANDIS:** No. No. I mean the government has announced a policy. It is a very radical policy. To increase the tax on the companies that comprise Australia's most prosperous industry by 40 per cent. Now that's an extraordinary ...

**EMERSON:** That's not right. That's not right.

**BRANDIS:** Well hang on Craig I listened to you with great lengths ...

**EMERSON:** Well don't say stuff that's not true.

**BRANDIS:** It's a 40 per cent Resource Super Profits Tax ...

**EMERSON:** We're removing royalties. You know that.

**BRANDIS:** ... and they've misrepresented the figures again and again for weeks on end. Both the Prime Minister and the Treasurer denied that it would produce an effective tax rate of 58 per cent and on Monday night on the ABC Four Corners program Wayne Swan admitted that it would produce an effective tax rate of 58 per cent. So we've had this propaganda campaign dressed up as an 'information campaign' and yet it took three weeks for the government even to concede what the effective tax rate would be. Now this has had a devastating or will have a potentially devastating effect on the entire Australian economy. Particularly in the mineral rich states of Western Australia and Queensland and people don't like it. That's why every sampling of public opinion that has been taken since has shown that the public is moving strongly against this tax.

**EMERSON:** Madonna if this – if a project doesn't make a profit this does not apply a tax rate at all. The tax rate is zero.

**BRANDIS:** [inaudible]

**MADONNA:** But it could be up to 58 per cent.

**EMERSON:** But royalties apply tax whether you're making a profit or not. We'll be reducing those – removing those. Now the point I think that is really important here, okay George and his party are opposing the Resource Super Profits Tax. In so doing they are opposing increasing superannuation for working Australians. They are opposing small business tax breaks. We think small business needs a tax break. And they are opposing investment in nation-building infrastructure and a reduction in the company tax rate for every company in Australia.

**BRANDIS:** Look Craig you're the party that drove the country into unparalleled peace time debt in less than two years so you can't say that because we oppose a great big new tax on the mining industry in a situation in which the country has no spare money because you blew it all with stupid decisions like pink batts and school halls that schools didn't want and sending \$900 cheques out to people by postal to buy ...

**EMERSON:** So that proves you're against stimulus altogether.

**BRANDIS:** ... plasma screen televisions. You've wasted this money. You've spent like drunken sailors for 2 ½ years. You cannot say that because we oppose a great big new tax that you're trying to claw out of an industry to get your budget back into more respectable shape, that we're against every other measure.

**MADONNA:** No but we've ...

**EMERSON:** You are. You've said you'd scrap them.

**MADONNA:** George Brandis ...

**EMERSON:** You said you'd scrap them. Joe Hockey said he'd scrap them.

**MADONNA:** ... the stimulus programs that you've just had a go at. They have been credited though with Australia having the strong position economically and other countries haven't.

**BRANDIS:** We've had this argument again and again and the point that I am at pains to make is that Australia was the only economy – western economy that didn't go into recession because we're the only economy that went into the GFC with no debt thanks to the Coalition.

**MADONNA:** All right ...

**EMERSON:** We've just had confirmed again that Tony Abbott and George Brandis oppose all of the stimulus spending. Now in parliament ...

**BRANDIS:** No I actually didn't say that I said – I said you wasted all this – Yes I said you wasted all that money ...

**EMERSON:** You did. You said \$900 cheques, building the educ – you went through each component.

**BRANDIS:** You – everybody – every listener knows how much money has been wasted ...

**EMERSON:** You went through each component.

**BRANDIS:** ... on each program. We don't say there shouldn't have been some stimulus but it should've been targeted, it should've been ...

**EMERSON:** Rubbish.

**BRANDIS:** ... more carefully financially controlled. It was a wasteful spend and billions and billions of dollars was wasted through rorts, through over spending ...

**MADONNA:** But, but, it's ...

**BRANDIS:** ... through bad administration ...

**MADONNA:** And that has been proved in many of those cases. But it's okay there to sit in opposition isn't it and say 'well this has been wasted, this has been wasted, and we would have targeted it.'

**BRANDIS:** Yes we would've.

**MADONNA:** It's pretty easy to do that in opposition without saying how you would have targeted it, where it would have gone.

**BRANDIS:** Christopher Pine, for example, the Liberal Party's education spokesman has at great lengths ...

**EMERSON:** He did. That's true.

**BRANDIS:** ... gone through the ways in which we'd consider the money spent on ...

**EMERSON:** He'd said they'd spend \$3 billion on schools.

**BRANDIS:** ... spent on, spend on schools. Would have been better spent...

**EMERSON:** He said they'd spend \$3 billion. We will have spent 16 so ...

**BRANDIS:** Yeah but how much of that \$16 billion did you waste Craig?  
That's the point.

**EMERSON:** This is my point. You have gone through each element of the stimulus package and said it's a complete waste of money but they don't oppose stimulus. That is a typical Tony Abbott, George Brandis position: 'we oppose all components but we don't actually oppose the stimulus.'

**MADONNA:** All right.

**EMERSON:** It's saved 200,000 jobs.

**BRANDIS:** I think your listeners will understand what I mean when I say it's all right in theory to have a stimulus ...

**EMERSON:** [inaudible]

**BRANDIS:** ... package but if you have one you should be careful with the money you spend.

**MADONNA:** All right it's 7 minutes to 10. A couple of other issues I want to get through so can we move on. The Chinese government is refusing to believe that the Prime Minister Kevin Rudd could've accused of all sorts of things, which I won't repeat on air but a term I've had to explain to a few people. His temper does regularly come up as an issue Craig Emerson. Have you been on the receiving end of it? Is a temper necessarily a bad thing or can it be impetus to get things done?

**EMERSON:** I haven't been on the receiving end of this alleged temper on the part of the Prime Minister and ...

**MADONNA:** Hand on heart you've never seen it.

**EMERSON:** Hand on heart and I have known Kevin Rudd since 1989. Now I'm not saying that he has never sworn. I will not say that.

**MADONNA:** Because he does swear doesn't he?

**EMERSON:** Because he does swear and so do I and there you go true confessions. I've sworn, Kevin Rudd has sworn. Whether that means you've got a temper is a different matter. I've known the guy for 21 years. That's a pretty long time and in that time I have never seen him with bad temper.

**MADONNA:** George Brandis?

**BRANDIS:** Well I don't know Kevin Rudd very well but I read the essay that David Marr who as we all know a very well regarded left wing

analyst of left wing sympathies published in Quarterly Essay over the weekend. And the stories he relates I think are credible and ...

**MADONNA:** But is there a fair point there that Craig Emerson says that a lot of people swear. That swearing ...

**BRANDIS:** It's not a question of swearing. It's a question of ...

**MADONNA:** ... is not necessarily a temper.

**BRANDIS:** ... being out of control. It's not a question of swearing. A lot of people particularly blokes swear in Australia and as part of the slang almost. That's not the point. The point is losing control of yourself.

**EMERSON:** That's what Tony Abbott confessed he does in the heat of the moment.

**BRANDIS:** Losing control of yourself as Kevin Rudd is notorious for doing and as David Marr and his essay reports happened to him during an interview about that very essay. When he told Kevin Rudd some of the things he was going to write and the Prime Minister lost control of himself and evidently went into meltdown.

**MADONNA:** To be fair though just to pick p Craig Emerson's point is that any different really from Tony Abbott saying look in the heat of the moment ...

**EMERSON:** 'I'll say anything'

**MADONNA:** ... you say something that ...

**BRANDIS:** No it's very different. Tony Abbott who I do know very well does not have a bad temper but, and what Tony Abbott said in the notorious 7:30 Report interview was that on occasions politicians at the heat of the moment go to [inaudible]. It's not about losing control of yourself, not about being ...

**EMERSON:** We're not saying anything about a temper.

**BRANDIS:** But you see this is the allegation about Mr Rudd.

**EMERSON:** Yeah and ...

**BRANDIS:** It's what Madonna put to you, it's what David Marr says, it's what many other people say. And in parti ...

**MADONNA:** But if then as Craig Emerson is saying in 21 years he has never seen it.

**BRANDIS:** Okay well ...

**EMERSON:** And I'm saying that Tony Abbott out of his own mouth he said under pressure if it's in the heat of the moment he says things that he doesn't really mean and then later has a right to repeal them. Well I think that's not handling pressure very well.

**BRANDIS:** That's a very big difference. I mean the ...

**EMERSON:** He says only Gospel truth if it's written down and scripted for him, for him.

**BRANDIS:** Craig, Craig, please, please I think anyone who saw that interview would know that only a very honest person would have been so candid.

**EMERSON:** They were horrified.

**MADONNA:** So this just leads me onto the last issue and that's the difference between your public persona and your private persona, how big that image is. And it's not just in relation to Kevin Rudd. There's a story I think it's in The Age this morning where a singing instructor has looked at all your voices and it doesn't have either of you but it will be in there. They go through everyone about what it means and Kevin Rudd has an edgy resonance that's unpleasant to the ear. Tony Abbott should stop soundlessly opening his mouth because it makes him look as though he's struggling for words. Julia Gillard get's really [inaudible] she can go through an entire interview without a stumble. But they go through everyone from Bill Shorten to Peter Garrett to Greg Combet to Lindsay Tanner to Greg Hunt and Barnaby Joyce. It goes on and on and on. Now I just wonder how different your public persona is to your private persona. Is the George Brandis each Wednesday we're here exactly what you're like at home?

**BRANDIS:** Um yes I think so.

**MADONNA:** Pretty much the same. You speak in the same way ...

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

**MADONNA:** If you go to the shops you would dress like that?

**BRANDIS:** Unlike Kevin Rudd I'm not one person in public and a different person in private.

**MADONNA:** Craig Emerson would you go the shops like that? Do you speak slightly differently at home?

**EMERSON:** Uh I think I'm pretty much the same. I probably swear a bit more because this is the ABC. George I can tell you ...

**MADONNA:** Pleased about that.

**EMERSON:** ... is a very nice man in private.

**BRANDIS:** And public.

**EMERSON:** I didn't say that.

[laughter]

**MADONNA:** And we're gonna leave it at exactly that point. Senator George Brandis thank you.

**BRANDIS:** Thank you very much Madonna. Thank you Craig.

**MADONNA:** And Dr Craig Emerson. Talk to you again next week.

**EMERSON:** Righto Madonna Thanks.

**ENDS**