



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC 612 Mornings with Madonna King

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E&OE

Subjects: Newspoll, Nicola Roxon, mining tax, Dalai Lama, PM's private life, online shopping, State of Origin.

MADONNA KING:

Let's try and start, first with, I guess this poll out this morning. Dr Emerson, only one in three voters are now satisfied with the way Julia Gillard is doing her job?

How do you turn that around?

CRAIG EMERSON:

Obviously, the carbon-pricing initiative of government, the carbon tax, is not popular.

I was reminded by the commentary on this that neither was the GST when it was first announced by John Howard.

KING:

Yes.

EMERSON:

And, for those who say that it's all very dire for Labor, John Howard announced that GST and

went on to ... stayed the Prime Minister for nine years, so ...

KING: All right, but ...

EMERSON: ...I wouldn't be chuckling or chortling if I were those who want to see an end to the Labor Government ...

KING: All right, but...

EMERSON: ... because there's a long way to go.

KING: Her support is now lower than Kevin Rudd's rating just before he was dumped. At what point does the support the Prime Minister has become an issue for the party?

EMERSON: Well, I think it is very much related to the fact that we have, on the books, a proposal to introduce a carbon tax. And the support for the leader, the support for the party, reflects that fact, just as it did with the GST. And indeed, now Julia Gillard as Prime Minister remains more popular than Tony Abbott as Opposition Leader.

At a comparable time with the GST, the Opposition Leader, Kim Beazley, was far more popular than the Prime Minister, John Howard, and he went on to remain Prime Minister for another nine years.

KING: All right. So you're not particularly worried? You're saying that the carbon tax is the right thing to do. It may be an unpopular thing to do, but so was the GST?

EMERSON: Well, indeed. And the carbon tax is a tiny proportion of the impact of the GST.

KING: All right, then.

George Brandis, briefly: you would agree with that? John Howard at one stage, I think, had support of 19 per cent, didn't he?

GEORGE BRANDIS: That was in the 1980s, long before he was the prime minister and proposed a GST.

Of course there's one very, very big difference between the carbon tax and the GST, and that is John Howard took the GST to an election.

They ... Gillard and Howard were both politicians who at one point had said ... had ruled out this particular tax.

KING: Yes.

BRANDIS: Howard said, in about 1990, after the 1993 election, that a GST was off the agenda. Julia Gillard ...

EMERSON: Well actually, he said 'never, ever'.

BRANDIS: ... said six days before the 2010 election: "there will be no carbon tax under the government I lead".

KING: All right. We know, we know that ...

BRANDIS: And the ... and the diff... I know you know it.

KING: Are you saying ...

BRANDIS: You asked, you asked me a question, Madonna, and I'm simply responding with the facts.

EMERSON: George is a bit toey this morning.

BRANDIS: With the facts.

KING: But, but, so ...

BRANDIS: And the difference is that Howard didn't break his promise. He said to the people: "I have reconsidered the matter, but because I made this commitment years ago, I won't introduce a GST unless you give me your mandate to do so at an election".

KING: All right, now. I'm jumping in here. I'm jumping in here. I mean, you're simply saying that John Howard took his unpopular promise to an election. Julia Gillard didn't.

BRANDIS: Well it's not as easy ...

EMERSON: And John Howard actually said there would never, ever be a GST.

BRANDIS: Excuse me Craig. Excuse me. Excuse me Craig.

Can I have a go, please?

EMERSON: I thought you just did, George.

BRANDIS: Can I have a go?

EMERSON: You just did. There was someone here talking. I thought it was you.

BRANDIS: Can I have a go, please Craig, and can I have a roughly equivalent time?

KING: Well I think you have.

EMERSON: Oh, gee...

KING: I think you have.

EMERSON: ... this is a bad morning for the Liberals.

BRANDIS: Yeah, terrible morning. I was ...

EMERSON: Yeah. Yeah.

BRANDIS: I was reading in this morning's paper ...

EMERSON: Very toey.

BRANDIS: ...Craig.

EMERSON: Very toey.

KING: All right. I think we've finished that issue and we're going to actually go onto another issue. And this is on Nicola Roxon, who on AM, the Federal Opposition has branded her a hypocrite for seeking financial support from tobacco manufacturer Phillip Morris in 2005, almost a year after her then-leader - that was

Mark Latham - had banned tobacco industry donations to the Labor Party.

George Brandis, how serious a problem is this? Should it cost her her job?

BRANDIS:

Well, the tradition is that if a minister lies to the Parliament, they should resign.

Now, this morning, within the last half-hour, the Labor Party actually used its numbers to close down a debate on this in the House of Representatives.

The fact is that Nicola Roxon has been going around the country for a long time now scolding the Liberal Party for taking money from tobacco companies. And now we find that she, herself, was soliciting money for the Labor Party from tobacco companies.

KING:

All right, so ...

BRANDIS:

It couldn't be a ... there couldn't be a clearer case of hypocrisy and dishonesty ...

KING:

All right, but...

BRANDIS:

... by a minister.

KING:

But my question to you was, should she lose her job over it?

Yes or no.

BRANDIS:

Well, traditionally...

KING: I'm asking you. Forget tradition.

George Brandis, do you think that she should lose her job over this?

BRANDIS: Well I haven't seen what Mr Dutton, the health spokesman, has said in the House of Representatives in the last half an hour, but I'm merely pointing out ...

KING: Yes.

BRANDIS: ...that traditionally a minister who is exposed for...

KING: Yes, you've explained that.

BRANDIS: ...lying to Parliament ought to resign.

EMERSON: Yes, well let me...

KING: All right. Craig, no, no Craig Emerson - let me ask you a specific question. I mean, this is the Health Minister of Australia. She's admitted very strongly this morning it was a mistake, but she did it. Should she remain the Health Minister?

EMERSON: Yes, she should and I resent strongly George's assertion that Nicola Roxon lied to the Parliament. She did not. She did not. And so ...

BRANDIS: She said the Labor Party doesn't take money from tobacco companies.

EMERSON: ...as a barrister or a QC equivalent, to say that she lied to the Parliament, knowing that she didn't, is highly irresponsible and reckless.

BRANDIS: Well, sorry...

EMERSON: She did not lie to the Parliament. Now George, you just asked for me to give you a go after you had a good run at it; let me now respond to this. Nicola is embarrassed about this. I will point out to your listeners that no such donations were ever made ... were ever made, in contrast to the Coalition which freely accepts donations from the big tobacco companies.

KING: Yeah, but I'm asking about Nicola Roxon.

EMERSON: But she is embarrassed - yes, and I said she is embarrassed about it and she has indicated that she's embarrassed.

KING: All right. Can I move on slightly on this issue, but watching her on television this morning, she was very, very open. Whether you like Labor, dislike Labor, she said 'yes, it was a mistake'. She was questioned: 'well, did you not really know they were on the invitation?'. She was very clear. She said: 'no, no I knew it was a mistake'. And I'm just wondering, as a politician, is it refreshing to hear, or do we need more of you to come out when something is done - whether or not it costs your job - and say, 'look, I made a mistake. I got it wrong', and cop the consequences of that? Do we need to see a bit more of that?

EMERSON: Well, I think so. And I think the Australian public is very understanding, because most

members of the Australian public, at some time or other in their lives, also make mistakes. It actually has them, in a sense, understanding that people aren't perfect. Nicola wasn't perfect in this case and I think people do think a little bit of candour and directness is the right way to go on it.

KING: George Brandis, do you give her a pat on the back for openly admitting it and doing it in that way? Or do you think ...

BRANDIS: No, because ... no, I give her no pat on the back, because she's lying about it. This wasn't a mistake. This was an act of hypocrisy which she is now trying to air-brush away by saying, in effect, 'oh, look, we'll all human, I just made a mistake'. She did one thing quite deliberately and she said the opposite and she lied to the Parliament about it.

EMERSON: She did not lie to the Parliament about it.

KING: All right. Let George Brandis have his say, Craig Emerson.

So George Brandis, how does ... where does this go from here? The debate is being closed down. Is it over?

BRANDIS: Well, the debate was closed down by the Labor Party, so that Parliament could consider the matter half an hour ago. I wouldn't be surprised that it ... well, I'm sure that the issue will continue today. Because, I mean, there's a pattern of conduct here. You've got a Prime Minister who lies to the public about a carbon tax. You've got a Health Minister who lies to the public about tobacco advertising. I mean

that ... you wonder why the government is plummeting in the polls, because nobody can believe a word their ministers say.

KING:

All right. Now I want to move on to mining tax next and Craig Emerson, if I give this to you - there's asylum-seekers, there's the carbon tax that we've talked about. There's the mining tax. All huge policies; but the mining tax, where exactly is it? Where is it at?

EMERSON:

Well it's now in detailed legislative form and we are obviously pressing ahead with the mining tax. We said that we would and the benefits of the mining tax include tax breaks for small business and increasing people's superannuation entitlements from 9 per cent to 12 per cent.

KING:

All right. And at what level is the tax, or how is that determined?

EMERSON:

I think the effective rate is 22 per cent, but this has all been both announced, and then through a committee convened by leading businessman Don Argus.

KING:

Look, I understand that, but Andrew Forrest from Fortescue Metals, very upset. He was in Canberra again yesterday. Does he have a point that this might be okay for big miners, big companies, but it will hurt many of the smaller ones?

EMERSON:

Well, I'm not sure ... I mean I know Andrew well and I don't think he would actually say that he's a little miner. He's a big miner, too, and the fact is iron ore prices - mineral prices - are the highest in 140 years. And the general

public deserves a share of those extra profits and that share will be delivered in the form of extra infrastructure, tax breaks for small business, a small cut in the company tax rate and, importantly, increased superannuation savings for working Australians.

KING: Do you think - just before I go to George Brandis - do you think if this was put to the public, most people would say, 'look, they're big mining companies, they earn a lot of money and, yes, this is a good tax'? It would [indistinct]...

EMERSON: Look, I think that is right. And it was put to the public. It was put to the public before the last election because we said we would proceed with the mining tax. Tony Abbott said he would rescind the mining tax ...

KING: Yes.

EMERSON: ...and give the money back to the miners and deprive small businesses and working Australians of the superannuation and the tax breaks.

KING: George Brandis?

BRANDIS: Well, our position has not changed on this. We think the mining tax is a thoroughly bad idea. It will have a devastating effect on mining communities and though - particularly, of course, in Western Australia and Queensland - ..

And it's all very well for Craig to say, 'well, you know' - I mean, I don't want to put words in your mouth, Craig, but in effect, what Craig is

saying, well, the Government has done a sweetheart deal with the three big multinationals - BHP Billiton, Xstrata and Rio. But what about the rest of the mining sector, including Mr Forrest's Fortescue Metals?

KING: Yes.

BRANDIS: But there are literally thousands of small miners. There are hundreds of quite substantial what are called mid-cap miners.

KING: Yes.

BRANDIS: And they employ tens of thousands of people. There is no provision for them because the Government, in a corporatist way, has done a deal with the three biggest ...

KING: Or – no

BRANDIS: Correct.

EMERSON: Completely incorrect. This is a profits-based tax. The Western Australian Government just increased royalties, which the same Mr Forrest says is fine, which is not based on profits. If they're little miners and aren't profitable or not very profitable ...

KING: Yes.

EMERSON: ... they won't pay the tax.

KING: All right. Will it be impossible to roll back, though, George Brandis? Will it be too hard to do that?

BRANDIS: Well, that's the commitment we've made.

KING: All right. Let's go on to *Sixty Minutes*. Did either of you see that episode with Julia Gillard and Tim Mathieson?

BRANDIS: Yeah, I watched it.

EMERSON: And I didn't.

BRANDIS: I watched it.

KING: All right. Annabel Crabb on *The Drum* website yesterday wondered why people felt they could take such liberties with the Prime Minister. Tim Mathieson was asked whether he was in love with this woman. He said, 'yes, absolutely'. The Prime Minister was then asked did she love this man. She said, 'absolutely'. And Annabel Crabb said, 'is it because she's a woman that those questions can be asked' or, secondly, because she's somehow failed to assume the respect of the Prime Minister's office. Craig Emerson, what do you think?

EMERSON: I think people are entitled to ask questions in a democracy. It doesn't seem to me to be ... strike me as a particularly affronting sort of question, as to whether two people are in love. I mean ...

KING: Yeah. So you say in public office, no real question is ... a question like that is not off-bounds?

EMERSON: No, I don't think so.

KING: Yeah. What about you, George Brandis? Would you agree with that?

BRANDIS: Look, I ... not necessarily. I've got a rather more conservative view of these things. But, you know, understandably, people are interested in the personal stories of political leaders. I think that's fair enough. I don't think it's a gendered thing, though. And to the extent to which people lack respect for Julia Gillard, I don't think it's got anything to do with her personal life. It's got to do with the fact that she can't run a government competently, and that she lied to them.

KING: All right. From ...

EMERSON: Old George never misses a beat, does he?

BRANDIS: Well, that's the reason...

KING: Well, all right.

BRANDIS: That's my opinion, frankly. That's my opinion.

EMERSON: Here he goes again.

BRANDIS: I think people ...

EMERSON: There goes that poofle valve.

BRANDIS: ...don't respect Julia Gillard because she lied to them.

KING: All right. Let's go from Julia Gillard to Bob Katter. Do you think his party is making any inroads, yes or no?

EMERSON: Early days, I think. It's obviously a party of the conservative side of politics.

KING: All right.

EMERSON: I really just think it's too early to say, Madonna.

KING: And George Brandis?

BRANDIS: I suspect, like a lot of these parties built around, you know, one prominent personality, it will attract a bit of attention for a while. But I agree with Craig about this: I don't think it will go very far.

KING: Either of you want to meet the ...

EMERSON: I didn't say that [laughs].

KING: [Laughs]

BRANDIS: I thought that's where you were heading.

KING: [indistinct]...he was close enough.

EMERSON: He wanted to get around in front of me and lead me there.

KING: Do either of you want to meet the Dalai Lama?

EMERSON: Well, to be perfectly honest, I'm just flat chat. We've actually got a Filipino trade delegation today and tomorrow.

KING: All right. That's - okay. So you're saying you would, if the opportunity arose, or am I putting

words in your mouth? It's not something you're desperate to do?

EMERSON: Not desperate to do.

KING: All right. George Brandis?

BRANDIS: Look, I'm a bit like Craig here. I was invited to a function for the Dalai Lama yesterday. And it was in my diary, but I just got too busy to go.

KING: And you just didn't turn up?

BRANDIS: Well, I just wasn't able to.

EMERSON: Snubbed.

BRANDIS: So I sent an apology.

EMERSON: Fair enough.

KING: He might have thought you were a woman. Did you see where he thought Julia Gillard was a man till he was told? And just ... with such good humour.

BRANDIS: No comment.

KING: No?

BRANDIS: No comment.

EMERSON: Gorgeous George is not a woman.

KING: To this issue, very briefly. The Productivity Commission is looking at the retail sector and

this online shopping issue. Colorado Group are closing 142 stores; 1,042 people to lose their jobs. Retailers are saying it should consider dropping the \$1,000 GST-free threshold on buying goods online. CHOICE says that's not the answer. Many mark-ups are much higher than that. Do either of you do your shopping online, any shopping, for clothes or shoes?

EMERSON: No, I don't, but my kids all do.

KING: Yeah? And what about you, George Brandis?

EMERSON: And I think that's ... I think that is a trend.

KING: Yeah.

EMERSON: Kids just automatically think of online and they will compare a store price with an online price. And a lot of the online goods turn up within a week and that's pretty appealing to the kids. So, a challenge for retailers. I think people do want to touch and feel and ...

KING: All right.

EMERSON: ...look at items, but that's going to require a bit of change on the part of our traditional retailers.

KING: George Brandis, do you ever shop, your kids shop, online?

BRANDIS: My kids do. And I occasionally buy books online.

KING: So do you think there is an argument for that \$1,000 GST-free threshold to change, to be reduced?

BRANDIS: Well, I'm not here on your radio show to announce tax policy on behalf of the Coalition, am I?

KING: No, but ... so the Coalition doesn't have a view on this? Is that what you're saying?

BRANDIS: No, no. I'm saying I'm not here to announce tax policy on your radio show.

KING: No, well ... well, what is the Coalition's current policy on this?

BRANDIS: The Coalition's current policy is we don't favour increases in the tax rate.

KING: Okay.

EMERSON: That doesn't answer the question. No one is proposing increasing the GST rate.

BRANDIS: Or increasing the tax burden by shifting thresholds or whatever.

KING: Yes. Okay. And, Craig Emerson, what's your view?

EMERSON: Happy to see the Productivity Commission complete its report on this matter. And it is looking at this very issue, Madonna.

KING: Okay. Finally, State of Origin. Let's end on a note where you'll both agree. Who's going to win?

EMERSON: I actually think it will be very close. It's in Sydney. And New South Wales are now more competitive. There's no doubt about that, just based on the first State of Origin match. So, tipping Queensland because they seem to pull something out of the ... a little rabbit out of the hat in the last couple of minutes, just when New South Wales think they're across the line. So tipping Queensland, but fasten your seatbelts because it's going to be a real close one.

KING: And, George, you'd agree with that?

BRANDIS: Yes, I think Craig is a pretty good football commentator, I might say, so I'm prepared to adopt his predictions.

KING: Would you say a better football commentator than politician?

BRANDIS: No, I didn't say that.

KING: [Laughs] They're ending on a friendly note. George Brandis, thank you.

BRANDIS: Thank you.

KING: Craig Emerson, thank you.

EMERSON: Bye-bye, Madonna.

KING:

And we'll catch up with Senator George Brandis and Dr Craig Emerson at the same time next week.