



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky AM Agenda with Kieran Gilbert
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E&OE

Subjects: Trade portfolio, Government and Opposition Front Benches,
Foreign Minister's trip to the UN, Newspoll, Opposition costings.

GILBERT: Joining me this morning to discuss this and the other elements of the new-look front bench, one of the new Cabinet Ministers, the Minister for Trade, Craig Emerson. Good morning Craig.

EMERSON: Good morning, Kieran.

GILBERT: And joining me from Brisbane we've got the Shadow Attorney General, Senator George Brandis. Senator Brandis, thank you for your time. I want to start with the new Cabinet Minister here, Craig Emerson, a big day for you, congratulations.

EMERSON: Yeah, look I was absolutely thrilled when Julia told me on Friday. It's an enormous honour to be invited to be a Cabinet Minister, so every day it is a delight for me – but more importantly, it's for Australia, for the Australian people. It was Labor Governments that fashioned the open, competitive economy that really, for more than ... almost 20 years, actually, has helped keep us out of recession as an economy because we are so resilient and so robust. If we get shocks from the rest of the world we're used to dealing with them because we are open, we are competitive. But we've got to keep that up, particularly in the context of a mining boom, which is a good thing but it forces the exchange rate up and you need your other industries, therefore, to be really competitive at that high exchange rate.

GILBERT: So it's obviously been a very surreal time for you. Obviously it's something you're interested in but the Government went so close, as close as it gets, to being ousted: 50/50 – the vote was split down the middle – and now you find yourself in Cabinet. Must have been a surreal couple of months for you personally?

EMERSON: Well, it's you know, right on the edge and you just don't know from day to day what's going to happen. But that was the way the Australian

people expressed their views. They found it difficult to split the Coalition and Labor at the election. But the fact is that Julia Gillard was able to build from 72 seats to get the support of those Independents to get 76. Now the Coalition is saying 'well, we got 73'. They claim 73, which is incorrect because Mr Crook said he is still definitely sitting on the cross benches. And Tony Abbott's basically saying 'well, why aren't I Prime Minister'. Well the reason is 72 is less than half of 150, and Mr Abbott didn't do the work that Julia did to form a Government, and that's where we are now.

GILBERT: Let's go to Senator Brandis. Now Senator, as we see the Gillard Ministry set to be sworn in today, it must be a fairly bitter taste for the Coalition front benches who were just so close to forming Government and securing the Treasury benches.

BRANDIS: Well, bitterness is not something ... an emotion I ever feel. I feel... I think the Opposition is very enthusiastic to provide an effective opposition that will hold the Government to account. Before I go on, Kieran, I would like to, if I may, join you in congratulating Craig on being promoted to Cabinet.

EMERSON: Thanks, George, I appreciate that.

BRANDIS: Craig and I have sparred on both radio and television for a while, but I think on occasions like this it's appropriate for me to offer congratulations. I didn't understand why Craig wasn't in Cabinet before, and I'm glad for his sake that he is now. Having said that, I can't let him get away with a piece of egregious spin, when he said the Labor Governments over 20 years are responsible for Australia's open and competitive economy, I think most fair commentators, including people like ...

EMERSON: I didn't actually say that, George ...

BRANDIS: ... including people like Paul Kelly and George Megalogenis, share the honours equally between the Hawke-Keating Government and the Howard Government. But those honours certainly can't be offered to the Rudd-Gillard Government, particularly in view of this appalling attack on tertiary education that we have seen in this ham-fisted reshuffle.

GILBERT: But let's ... I want to get to that in a moment, the tertiary education issue, which has been tweaked this morning. This first one I want to touch on though, before we get on to the job titles and the focus on education and so on, as I say, we will get to that ... I want to look at Kevin Rudd and his visit to New York later in the week. Senator Brandis, the new Foreign Minister's going to be attending the UN General Assembly. Now surely Australia does have to be represented at such an occasion and the Prime Minister can hardly do that in the first week, in the first days as she's trying to bed things down. So isn't it appropriate that the Foreign Minister do that?

BRANDIS: Look, at the Annual Session of the United Nations General Assembly in September nations are usually represented by their heads of government, or in the absence of the Head of Government, by the Foreign

Minister. But I just ... I don't criticise Mr Rudd for going, but I do make the observation I think that the punters would think 'well, here we go again, the first thing Kevin Rudd does as soon as he's appointed, is jump on board the 747'. Now look, on this particular occasion, it might be appropriate for Mr Rudd to go but I think the optics of it are bad.

GILBERT: And, are the optics bad Craig, when it comes to the fact that this is the former Prime Minister mixing it with other world leaders, when really it's an opportunity, or should be an opportunity for the new Prime Minister to do that. Is it not a good look, strategically?

EMERSON: Not at all, not at all. I mean, I think George would actually accept that, and he alluded to it there, that foreign ministers do travel. What a strange set up Australia would have if we didn't have our Foreign Minister travelling reasonably often. And, by the way, as Trade Minister, I've got to break this to you, I'll be travelling too. And I think Australians expect their Foreign Minister and their Trade Minister and Defence Minister to travel. We will be doing that, and I'll be doing it not as an indulgence but very much as needed, as will Kevin. I mean, Kevin has a big role to contribute in that portfolio, both overseas and back here in Australia. And I think George, that you're really making a point, I understand you're not criticising Kevin directly and you're saying the voters might. I think they understand foreign ministers do travel and they do need to travel.

GILBERT: Okay let's...

BRANDIS: I'm just going to make the point, one of the problems this Government's going to face is Mr Rudd's ... the ... it's irresistible for Mr Rudd to draw the attention away from Julia Gillard onto him. And we saw that as recently as when the Ministry was announced. What was Mr Rudd doing? He had set up a media opportunity strolling around Lake Burley Griffin with the American Ambassador so that he'd jockey for attention on the evening news with his own Prime Minister. This isn't going to go away you know, Kieran. I'm sure Craig wishes it would go away, but it won't. It's not in Mr Rudd's nature to...

EMERSON: It shows the strength of the alliance, and I think that's perfectly sensible. And I think, George, your side of politics too, if it had formed a Government, would have reaffirmed the strength of the alliance with the United States.

BRANDIS: We would have, we would have. But I tell you what wouldn't have happened. Julie Bishop wouldn't have drawn the attention away from Tony Abbott by sashaying around Lake Burley Griffin with the American Ambassador on the very morning that the new Prime Minister was holding the first press conference to announce the Ministry.

EMERSON: You're actually right about that, George, because Julie Bishop would be having an argument with Ian Macfarlane and Andrew Robb about who's going to get what portfolio.

BRANDIS: Oh, sure.

GILBERT: I do like the word 'sashay' I've got to say, thanks for ...

EMERSON: George is good on big words. That's a shorter word, but a very fancy one. I like it too. Word of the day!

GILBERT: [Cross to David Lipson at Government House]

GILBERT: Craig Emerson, why were there those omissions? Tertiary education, there was no reference to education in any of their titles. It does seem like a bit of a, a sloppy blunder.

EMERSON: Look, if improvements can be made, improvements will be made and that's what Julia has demonstrated. It doesn't change the responsibilities. The responsibilities were already established amongst Chris Evans, Peter Garrett, and also Kim Carr who has responsibility for post-graduate university education.

GILBERT: Indigenous health wasn't in there, it's been returned ...

EMERSON: No, I was answering the first part ...

GILBERT: But it does look sloppy, there are a couple of important areas, Indigenous health and education.

EMERSON: Well, obviously Indigenous health would fall within, and does fall within, the Health Minister's portfolio. But what Julia has done is responded to valid points that have been made to her, about 'well let's continue with the dedicated Minister for Indigenous Health.' That's what we've done. I think it actually shows that she's responsive – responsive to points that are made if they're points that have got merit. Well then, let's respond to them. And I think more generally in the coming three years – and I hope and expect it will be three years – we need to be responsive to particular circumstances, arguments that are put forward, that's what's happened here. I think it's actually a tribute to Julia to respond.

GILBERT: Senator Brandis, what do you think, does it show that the Government is being, you know, consultative and listening?

BRANDIS: I know Craig well enough that he would have to be deeply embarrassed by this. The fact is ...

EMERSON: George, I'm not.

BRANDIS: Well you should be. You absolutely should be. The fact is that tertiary education and Indigenous health were both an afterthought for this Government. It's appalling. Julia Gillard had three weeks to get this right. She certainly had, after the Independents cast their lot on Tuesday, she certainly had about five days to get it right. And you're telling us that this oversight not to have a Minister dedicated to Indigenous health, not to have a Minister responsible for tertiary education is something that can just be improved

because somebody came along with the good idea 'oh, by the way what about universities? Oh, by the way what about Indigenous health?' What it shows, and we saw this throughout the Rudd and first Gillard Governments, is a complete mismatch between the big talk, and the heroic rhetoric and the real priorities. We heard about the Education Revolution. Well it was a great revolution; it was such a great revolution it got rid of the Department of Education. We heard about how much the Government was concerned about Indigenous ...

EMERSON: George, you've taken your angry pills this morning! Settle down.

BRANDIS: The Indigenous ... We heard about how much the Government was concerned about Indigenous health, so much so that when the new Government was about to be sworn in somebody had to tap Julia Gillard on the shoulder and say 'oh, by the way you forgot about Indigenous health'. Just as, another one that hasn't been corrected – we don't any more have a Minister for Consumer Affairs. This is worse than oversight. This shows the mismatch between the rhetoric and the reality, and it shows where the Government's real priorities – or lack of priorities – lies.

EMERSON: George is trying ...

GILBERT: Let me ask you though, why would someone not have picked up a couple of those oversights? Because even though the Government says, okay, on this education issue yesterday we had Vice Chancellors out, their representatives saying this is messy, they're mystified by the omission of education. You've got three Ministers, why doesn't one of them have the word education?

EMERSON: George has misrepresented the situation. There has not been a reallocation of responsibilities amongst the three Ministers who have overall coverage of education. There have been changes in the titles. Now, George has said 'oh, they forgot about tertiary education'. We did not forget about tertiary education. We've simply modified the name of the portfolio. The responsibilities were already laid down, and they haven't changed.

GILBERT: Senator Brandis, your response?

BRANDIS: Well, yeah. But, but ... a Government communicates its priorities by the way in which it chooses to designate its Ministers. The functions of Government go on. But a new Prime Minister – and Julia Gillard is a newly-instated Prime Minister – in deciding the shape and structure of her Government sends a message. And the message this sends to universities is that you are so far down on the pecking order that you don't even rate a mention in a Ministerial title or a department. It sends a message to Indigenous health to the same effect. And to the consumers of Australia when the cost of living was made so much of the in the federal election campaign, no longer to have a Minister for Consumer Affairs equally sends all the wrong messages. But it is revealing. It shows where your priorities are.

GILBERT: We've got to take a quick break. We'll be right back on AM Agenda. Stay with us.

[Commercial break]

GILBERT: Welcome back to AM Agenda. With me shortly our panel, we'll continue our discussion with Craig Emerson and Senator George Brandis. First though, joining me from our Sky News Centre, the Newspoll chief Martin O'Shannessy.

[Cross to studio]

GILBERT: Craig Emerson, what do you make of that last point there, that Martin suggested that most people don't think it will last three years – a majority don't. But about 50 per cent think it was right for Labor to form Government. Do you feel vindicated by that number?

EMERSON: Well, I'm going to have put in this caveat that I've put in every time that we discuss polls. It's not really my role to analyse polls. It's the role of you, and Martin who conducts them, and others. In relation to the overall sentiment that the right decision was made, that's encouraging. That is that the Independents went the right way. Obviously that's heartening for Labor. In terms of the duration of the Parliament, that will depend ultimately on the good will of everyone, of Labor – obviously we want to run the full parliamentary term – of the Independents, but importantly of the Coalition. And I thought around the middle of last week, when Coalition Shadow Ministers, including George, were dispatched to make statements such as 'the Labor Government has all the legitimacy of the Pakistani cricket team' boded very badly for the Coalition's attitude. Now, the question is: are the Coalition parties going to be wreckers and try to bring down the Government and not observe the will of the Parliament and the Australian people? Or are they going to do what a Coalition or an Opposition should do and, of course, hold a Government to account? But not just go out of their way to try to block everything and to thwart the will of the Parliament.

GILBERT: Senator Brandis, what do you make of those numbers that we saw there from Martin O'Shannessy: 48 per cent say Labor should have formed Government – that the Independents did get it right?

BRANDIS: I think, like Craig I'm not here to be an analyst, but I must say I think the most important figure in that poll is the two party preferred figure, and that shows that the country is – as Mr O'Shannessy said – split 50/50 between favourability for the Coalition and favourability for the Labor Party. The other thing you quoted, I very much suspect reflects relief that it's all over and people have given the plaudits with the way the Independents went. But the underlying preference – a 50/50 split – hasn't changed. Now, can I come back to something Craig said, and I think we are going to see a lot of this in coming months and perhaps years Kieran, and that's every time the Opposition does its job and holds the Government to account we will be accused of being wreckers. Well, we're not going to be wreckers. As many

people; in fact 700,000 more people actually voted for us than voted for the Labor Party, but on two party preferred terms it's line-ball.

EMERSON: You've changed your tune on that, George.

BRANDIS: No, not at all. We will be ...

EMERSON: You said last week that the Coalition was ahead on two-party preferred.

BRANDIS: Well, it was at the time. At the time I said that it was.

EMERSON: And I said 'let the count continue'.

BRANDIS: And I haven't checked the figures this morning.

EMERSON: You won't be happy if you do.

BRANDIS: Every time, every time the Opposition does its job we will hear these weasel words from the Government: 'oh, shock horror, you're being wreckers'. Well, we won't be sweet talked out of doing our job and holding the Government to account – just as we did in the last Parliament and exposed the school halls rorts scandal and the pink batts scandal – by that sort of language from the Labor Party.

GILBERT: Senator Brandis, let me ask you about the Tony Abbott team now. He's expected to announce it either today or tomorrow. There have been some tensions, even though you did get close in this election, tensions already with Andrew Robb mounting a botched attempt to challenge Julie Bishop – really to get Joe Hockey. It didn't take long for those tensions to re-emerge did it?

BRANDIS: Well, I think that was all tea room gossip. There was ... this ... the fact is that the Coalition leadership in the House of Representatives – and I might say in the Senate – were re-elected unanimously and without opposition. One difference between this Parliament and the last Parliament, Kieran, is that whereas in the last Parliament there were divisions and tensions around the Liberal Party's leadership, reflected in the fact that we had three leaders in the one Parliament. You often get that when a party has recently gone into opposition. In this Parliament, there is nothing but unity behind Tony Abbott and a firm commitment to do our job as an Opposition as well as we possibly can.

GILBERT: But Ian Macfarlane went to Julie Bishop to say that Andrew Robb was going to challenge. It's not really tea room gossip, it's ... that was on.

BRANDIS: Well, I think that's ... no it wasn't on Kieran. And you know there are always these inspired stories put around, usually by either side's political enemies, at the time of these arrangements. The proof of the pudding is in the eating – the fact is that every Opposition leadership position was re-elected without opposition, and in effect by acclamation. The one story you journalists

– I'm sorry to say – will not be able to run in this Parliament is stories about Liberal Party disunity or leadership tensions.

EMERSON: George, why on earth – and how on earth – would Labor leak that story? How would we know? You're saying your political opponents leaked it. How would we know whether Ian Macfarlane went to see Julie Bishop? It's anything but happy families on the Coalition side, I can tell you.

BRANDIS: What I am saying is it was ... it's obviously a made up story – by whom I don't know.

EMERSON: By that nasty Sydney Morning Herald?

BRANDIS: It is happy families, I am pleased to say. After winning 16 seats from the Labor Party and coming within a whisker of forming a Government ...

EMERSON: Missed it by that much!

BRANDIS: I have never seen the Liberal Party happier and more united in the ten years that I have been in Parliament.

EMERSON: Kieran, the more important consideration here is the fact that Mr Hockey revealed in the media yesterday that he was unaware of any of the details of the costings that have led to this black hole from the Coalition – estimated at up to \$11 billion – until five minutes before he had a joint press conference with Andrew Robb.

BRANDIS: Keep trying Craig, keep trying.

GILBERT: Thanks gentlemen. Great to chat, as always. Appreciate it. It has been fun.

BRANDIS: You're flogging a dead horse on that one, Craig, I'm sorry to say.

EMERSON: When does the Budget return to surplus under Tony Abbott, George?

GILBERT: Unfortunately we're out of time. Happy families here as well.

EMERSON: Thanks very much.

BRANDIS: Thanks very much.

GILBERT: Appreciate it. That's all for the program, I'm Kieran Gilbert.