



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
ABC 612 Mornings with Madonna King

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E&OE

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*Subjects: Leadership, gambling reforms, tax summit, WorkChoices, gaffes.*

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MADONNA KING: Now, talk of a three-way contest for a Labor leader in Canberra, despite publicly Labor MPs supporting Julia Gillard in the top job.

Talk today that to stop Kevin Rudd getting back in there might be a push for Stephen Smith to take over. And right or wrong, this leadership question is not going away.

Let's go *Inside Canberra* with Dr Craig Emerson, one of Julia Gillard's Ministers.

Dr Emerson, good morning.

CRAIG EMERSON: Good morning to you, Madonna.

KING: Good to see you. I haven't seen you for a couple of weeks.

EMERSON: No. We've been on the cable network, I suppose, from afar. But it's good to be in the studio.

KING: And Eric Abetz - Senator Abetz - who is sitting in for Senator George Brandis this morning. Good morning.

ERIC ABETZ: Good morning. Good to be on the program and good to hear Craig's voice.

EMERSON: Hello Eric.

KING: Do you really mean that, or are you just being polite?

EMERSON: Oh he does.

ABETZ: Yes, yep, yes I do. Craig and I don't know why, but we seem to debate each other from time to time, be it on - am I allowed to use ...

EMERSON: No, no ... don't mention...

ABETZ: ... the name of Sky?

EMERSON: ...the other station.

KING: No, can you. Of course you can.

ABETZ: Yes, yeah, the other station.

KING: But can I say you're not Robinson Crusoe. Everyone seems to be always debating Craig Emerson.

EMERSON: That's right. It's good fun.

ABETZ: Well, why don't you run for leadership Craig?

EMERSON: I'm ...

ABETZ: You seem to be the go-to man.

EMERSON: ... perfectly contented doing what I'm doing...

KING: You're the only ...

EMERSON: ... beating away the Barbarians from the gate.

KING: So do you get a bit disappointed, though, that your name's not appearing as one of the contenders?

EMERSON: Not at all. I love what I'm doing. I love my job. And it's a great honour actually being a Minister, and especially being Trade Minister for Australia.

KING: All right. Senator Abetz is from Tasmania. He's the Leader of the Opposition in this Senate and the Opposition spokesman for employment and workplace relations. That's right, isn't it Senator?

ABETZ: That is absolutely right.

KING: And I see where Peter Costello is giving you a hard time, or your boss a hard time over WorkChoices. We'll get to that in just a moment.

But Craig Emerson, you can't say it's not a problem when everyone's talking about Julia Gillard, and whether Kevin Rudd is making a play for his job.

Do you think he is playing a job ... playing ... making a play for it?

EMERSON: No I don't. And, look, I understand why the media gets fascinated with these sorts of things. They get equally fascinated with polls. You know, we've got polls out every second day and we're supposed to diagnose and psycho-analyse opinion polls and so on.

But I can say that in my own electorate, Madonna, people don't talk about polls and all this sort of stuff.

KING: They don't talk about polls, but you say ... you conveniently pass it on to the media. But ...

EMERSON: Yeah, I'm not blaming the media. I'm just saying it's ... this is the reality.

KING: But your colleagues are talking about it, too. You know that.

EMERSON: Well, what I know, from colleagues, is I'll tell you: in the case of one, a friend of ours - he had five phone calls from the media on one day, and he told every media outlet that he fully supports the Prime Minister, Julia Gillard. Well, of course, that didn't get a run, because that's not a story.

KING: Are you saying, then, that there is no support brewing for Kevin Rudd in the Caucus then?

EMERSON: That's right.

KING: You're saying none?

EMERSON: No. I'm saying that there is extremely strong support for Prime Minister Julia Gillard and, I suspect, it's similar in the

case of Mr Abbott. Now the reason I make this comparison is that would it be the case that Mr Abbott has not one detractor within the Coalition? Of course it wouldn't.

KING: No but...

EMERSON: That doesn't mean that there's a leadership challenge on.

KING: No. But you're saying Julia Gillard has one or two detractors.

EMERSON: Well I don't know. I'm just saying ...

KING: But you said she has support and now you're saying you don't know. Which is it?

EMERSON: No. I'm saying she does have very, very strong support, as any leader does; as Bob Hawke had very, very strong support. But it doesn't mean that there wasn't ever anyone who said anything negative about Bob Hawke; same thing with John Howard.

And, so because someone may or may not have something negative to say about a leader doesn't mean that there's a leadership challenge. I don't know if there are such people. I'm making a broader point.

KING: But no-one has approached you at all?

EMERSON: No.

KING: And you can't see any circumstances where Kevin Rudd would be put back as leader of the Labor Party?

EMERSON: No I can't.

KING: And you...

EMERSON: And for good reason: and that is that we have a perfectly good leader. We're not interested in merry-go-rounds; that's sort of the New South Wales ... remember the New South Wales formula?

KING: Except it was ... well, and I want you to be honest - and Senator Abetz I'm not ignoring you; I'll come to you in just a moment. But I know you voted for Kevin Rudd; you supported ...

EMERSON: Well it didn't come to a vote, but yeah, you're right.

KING: No, but you supported him...

EMERSON: That's right, yeah.

KING: ... and because he was the leader at the time. You have now served in a senior capacity under Kevin Rudd and Julia Gillard. Who makes the better leader?

EMERSON: Well, I think Julia Gillard is a great leader. And I have worked very, very well with her and look forward to continue to working well with her on the issues that really matter to the Australian people, such as cost of living, jobs and health and education. And that's what I'll continue to do.

KING: One listener asked me what would change if a leadership changed. Would the position on pokie reform change? Would the position on the Malaysian solution change?

EMERSON: Well, I'm not talking about leadership changes. And so people can engage in hypotheticals if they want. Similarly, they could say 'well, what's the difference between Tony

Abbott's policy on WorkChoices and Malcolm Turnbull's policy on WorkChoices?',...

KING: And we're going to come to that ...

EMERSON: ...for example.

KING: We're going to come to that...

EMERSON: You can have those discussions. But I'm not actually suggesting that by having a discussion about the differences between Tony Abbott and Malcolm Turnbull that means that Malcolm Turnbull's challenging Tony Abbott. Although, I thought I would put out a press release saying senior Liberal sources have told me this, and then I'd expect to get a front page story.

KING: All right. Senator Eric Abetz, over to you. And Craig Emerson, let Senator have his say.

Do you ... is this a media beat-up, and you think Julia Gillard is very strongly in the position?

ABETZ: The Labor Party are the architects of their own problems here. As for the leadership, that is for the Labor Party to determine ...

KING: [Interrupts] Yeah, but that's not my question.

ABETZ: But their real difficulty is their policy positions. And they change Julia Gillard for Kevin Rudd. And when you ask Labor 'why did you do it', they say, 'well, we lost direction in three areas: border protection, carbon tax and the mining tax'.

Now, has the border protection been a great success under Julia Gillard? The carbon tax; mining tax? Absolutely no. So they changed leader without a change in policy direction, and that is why Labor is languishing in the polls.

They can have a succession of leaders, but until they get their policy settings right they will continue to have these problems.

KING: That's an interesting point that Senator Abetz makes in terms of no ... a leadership change but no policy change, Craig Emerson. Is that ... is there a sense of a lack of direction in Labor? Or what do you attribute the low poll showing to?

EMERSON: Well, to address Eric's three points there: on border protection, we have a piece of legislation that simply empowers the government of the day.

KING: We know that, yes.

EMERSON: Right? Now, that's a very reasonable piece of legislation and it is being opposed by Mr Abbott.

On the carbon pricing mechanism - carbon tax, whatever you will - there will be a vote on that very soon. And I don't think Eric Abetz will then be able to say that hasn't been resolved, because it will be resolved and we do have the necessary support in the Parliament.

And on the mining tax, similarly what we've done is develop the legislation to the nth degree of detail and that too will pass to Parliament.

KING: Okay. Just on that. Do you think voters will see something different when that carbon tax passes; that this is what Labor

has done? This is something concrete it has done in the last year? And your fortunes will turn around? I mean, is that the expectation?

EMERSON: Well, it's not just the carbon tax: it's the National Broadband Network that's being rolled out; it's fundamental health reform; it's three rounds of tax cuts; it's tax reform, tripling the tax-free threshold.

KING: But none of that seems to be sticking in the electorate, does it?

EMERSON: Well, all you can do is do the policy work and implement the policy work. And in the end I think that the carbon pricing issue is one that is not popular. That doesn't require a genius. I think they're questioning whether a particle can travel faster than the speed of light, and whether Einstein was wrong. You don't need to be an Einstein to work out that the carbon pricing stuff is not popular. But it's necessary.

KING: All right. Let's just move on to another issue that neither of you touched on, and one certainly important to my listeners. And that's poker ... pokies reform.

Eric Abetz, to you here first: what is going to happen here? How do you see this unfolding?

ABETZ: First of all, if I may quickly backtrack, Madonna. Craig needs to explain, as does the whole Labor Party, why they went to the last election saying 'there will be no carbon tax'?

KING: Well, we've moved on ... we've done that. We can't do it.

EMERSON: And I'd be happy to do it again.

KING: But not on my time, and not on my listeners' time.

EMERSON: Exactly.

KING: But on poker ... poker machine reform, Eric Abetz, this is coming up. Will ... are the Coalition going to support the mandatory pre-set limits?

ABETZ: No. One, because it won't work and it will be devastating to a whole lot of community organisations throughout, especially, if I might say, Queensland and New South Wales.

KING: Yes.

ABETZ: But it will also have an impact in other states. Now, I've had a look at the research at Nova Scotia in Canada, in Norway, and where they've tried the pre-commitment and researched it. It has not been a success because of the limited nature of it.

If you actually want it to work, you would need a biometric system. I don't think Australians want a biometric system.

KING: Okay. Well let's just go through the politics here, then. If Julia Gillard backs down on this, the poker machine reform won't get through. If Andrew Wilkie withdraws his support, under no circumstances is the Coalition going to support the poker reform ... poker machine reform either.

So can we say today that it will not go ahead under any circumstances? How will it go ahead?

EMERSON: Well, we'll push ahead with poker machine reform. And in fact it was the result of a Productivity Commission report - and people say, 'oh it's all about Andrew Wilkie'. That report

was released, at least in draft form, well before the last election.

And I've heard the Coalition claim that mandatory pre-commitment will stop ordinary gamblers in their tracks. Why? All you do is say, 'this is the limit that I'm prepared to lose'. And then that gets lodged and that's that. I mean why would ...

KING: But some people are saying and...

EMERSON: Why would it...

KING: ... some people have called in and...

EMERSON: ...why would an ordinary gambler then say, 'oh well, actually I want to lose much, much more than that ...

KING: No, they're saying...

EMERSON: ... and I'm really frustrated.'?

KING: ... 'look, I'm an ordinary gambler'.

EMERSON: Yes.

KING: 'Do I have to go and register for this? Isn't this, you know, a curtailment of my freedoms? I don't have a problem.' Just going on what some people have said, that's their opposition.

EMERSON: Well, Clubs Australia actually supports voluntary pre-commitment.

KING: Yes.

EMERSON: And that means that they support putting the technology in all of the machines over time. And so the difference, as I can see it, anyway from my point of view, is between voluntary pre-commitment and mandatory pre-commitment. But you nominate, in the cold, hard light of the day your own level. Now that doesn't seem to be Draconian.

And why would we do this? Just to be unpopular? It is estimated that 40 per cent of the revenue gained from poker machines is from problem gamblers. Now I'm sure Clubs Australia and others will dispute that.

KING: They do disagree, but that is Reverend Tim Costello's figure.

EMERSON: Okay. But I'm just saying it comes out of the Productivity Commission.

KING: Yes.

EMERSON: But more worrying is the fact that on average, problem gamblers lose \$21,000 a year. It's a big social problem.

KING: All right. But clubs in your electorate, I presume this money is very important to them. Have they been lobbying you ...,

EMERSON: Yes, they have.

KING: ...saying, 'Craig Emerson, don't do this'?

EMERSON: Yeah. Greenbank RSL has. But what I'm saying is, 'look, let's adopt a constructive approach to this rather than, yes, no, black, white. I mean, we need to have reform in this area.

And we believe, based on the Productivity Commission's report, that mandatory pre-commitment is the way to do it.

KING: Okay. And so are you going to go and vote for this legislation, even though the club in your electorate is pleading with you not to? Presumably, other Labor MPs are getting the same lobbying.

EMERSON: Well, that's right. And I will vote for the legislation that is developed. I think that we should have the sorts of discussions that we're having on radio now. We are with the clubs. I've had that with Greenbank RSL. MPs all around Australia are in these sorts of discussions.

But what I cannot understand, and I'll finish with this, is the Coalition saying that because you need to nominate an amount that you're prepared to lose then people will no longer use poker machines.

KING: All right.

EMERSON: It's just ridiculous.

KING: Senator Eric Abetz, how do you answer that?

ABETZ: Well, first of all, it is about Andrew Wilkie and the Coalition that ...

KING: No, no. That last question.

ABETZ: ... Julia Gillard got together because pre-commitment was not part of Labor's policy at the last election.

ING: No, but that's not the question.

ABETZ: It was only adopted in response to...

KING: Yeah, but that's...

ABETZ: ... Andrew Wilkie.

KING: That's not the question I'm asking.

ABETZ: Yes. In relation ... well, with respect, you gave Craig a very fair go. I'm just answering a few of the issues that he's raised.

Now, in relation to the pre-commitment, do we honestly believe that if somebody's got a gambling problem that the only evil in gambling is poker machines. The roulette wheels, blackjack tables, the horse races, the Kenos, the internet gambling: none of those are a social problem? None of those ...

EMERSON: Who said that?

ABETZ: ... require a pre-commitment. So ...

KING: So you are saying ...

ABETZ: ...why is it ... so why is it that the Government is only singling out poker machines? And ...

KING: So, you're saying someone who has a mandatory commitment, they may go in there; they get to the limit there, then they're just going to go home and log onto the internet or go to the local TAB or whatever and it doesn't solve the problem?

ABETZ: Madonna, you see, it's a bit like if you've got a problem with alcohol. The first step is recognising that you've got a problem.

EMERSON: Hear! Hear!

ABETZ: And once you've got that problem, then you can deal with it. And that is why voluntary pre-commitment is an important thing. But to make everybody go into a mandatory situation ... and for most people, they might slide a few loose dollars through the machines when they leave a function or whatever. If they need a pre-commitment card before, they just won't do it, as a result of which the clubs will lose a lot of money. And those clubs, if I might say, on the other side of the ledger do a lot of social good.

KING: All right. Let me go onto the next issue now. That's Senator Eric Abetz from Tasmania this morning, in *Inside Canberra* with Dr Craig Emerson. And we've been talking a little bit about Labor leadership. To the Coalition leadership now.

And I see, Eric Abetz, I think it was in *The Sydney Morning Herald*, Peter Costello has called on Tony Abbott to embrace IR deregulation, and takes issue with his promise not to reintroduce individual workplace agreements. What is your argument, or your leader's argument, against reintroducing those agreements?

ABETZ: Peter Costello was at the vanguard of workplace relations reform. And I remember when he was in that vanguard, people like Bob Hawke called him an economic troglodyte, etcetera. A lot of what Peter Costello was advocating for ultimately got accepted by Paul Keating and by John Howard. And we have seen, if I might say, a lot of the benefits.

In relation to the mistakes the Coalition made after the 2004 election, we have levelled with the Australian people and said we accept we overreached. We did not have a mandate for this. And it was not acceptable to the community. And we have ...

KING: So what do you say to Peter Costello?

ABETZ: ... learnt our lesson.

KING: Has Peter Costello not learnt the lesson?

ABETZ: Peter Costello now has the opportunity of providing input, but no longer from within the parliamentary sphere.

KING: Yeah.

ABETZ: And those of us that are in the parliamentary sphere have to ensure that the policy mix we put before the electorate before the next election is a policy mix which is dealing with practical problems and providing practical solutions. And to demand or suggest that one particular area is going to be the ultimate policy fix is not the road that we're going to go down as a Coalition.

KING: All right. What about the advice you would give - speaking about individual policies - the tax summit next week? The industry group, Australian Industry Group, this morning, along with others, say, 'look, should we include the GST in this discussion?'. Should the GST be increased or looked at as part of next week's tax summit? Senator Abetz?

ABETZ: The Coalition believes in lower taxes, so we are never attracted to new taxes or bigger taxes. And, clearly, the Labor Party, when they see something that moves, they want to tax it.

KING: Now hold on. Now let me just ask you that question again. I'm saying, should the GST be increased at the expense of other taxes, other taxes then cut? Is that a worthwhile argument having in this tax summit?

ABETZ: The Coalition does not countenance the possibility of increasing the GST. We believe that 10 per cent is the right figure. But it is interesting that once again at this tax summit, it was one of these huge headlines from the Labor Party that 'we are going to look, root and branch, at tax reform. But we're now going to keep the GST out of it'.

KING: But you were just saying you don't want the GST in it.

EMERSON: I'm finding it hard to follow, too.

KING: Should the GST...

ABETZ: Madonna, it's pretty easy.

KING: ...be part...

ABETZ: We did not ...Madonna, one thing you haven't quite gotten hold of is that we have not called for this.

KING: No. But businesses are involved. A whole lot is involved. Isn't this an opportunity for the Coalition to have a say and say, 'well, look, we don't want the GST changed at all. We want this change to be part, to be part of the participation program'?

ABETZ: What we are saying as a Coalition, we are the party for lower taxes. But it just seems quite bizarre to me that the Labor Party would call for a tax summit and then say that 'we won't talk GST; we're going to legislate the carbon tax separately; we're going to legislate the mining tax separately'.

KING: All right. Craig Emerson, is that a fair call there? Why wouldn't you put the GST as part of this? Why are you partitioning off? Is that political rather than...

EMERSON: We indicated prior to the commissioning of the Henry Review that the GST was not on the table. Tax reform is not shifting the burden of tax from the shoulders of business to the shoulders of households. And that's why we do not support, and will not be changing the GST. It's as simple as that.

KING: All right. What about...

EMERSON: Tax reform is not just moving the burden from one lot of people – business - to individuals, to households. Now Eric says that they are - that is the Coalition - for lower taxes. They were the highest-taxing Government in Australia's history.

KING: All right, but I'm asking the questions here. One thing is I know that the Government, your Government's under a bit of pressure from the Greens and Independents to expand the coverage of its proposed mining tax to gold. What's the argument against that?

EMERSON: We won't be doing that. We've settled ...

KING: Why?

EMERSON: ... the arrangements. We have negotiated the arrangements with industry. We have converted those arrangements into legislation. That legislation is going to go before the Parliament. And the Greens will be able to express their views on that legislation in the Parliament. We have different views to the Greens.

But the last thing I'll say is that you asked Eric about statutory individual contracts. He's the Shadow Industrial Relations Minister, and is a great supporter of statutory individual contracts which Peter Costello is advocating.

KING: But you were saying absolutely not come the election, Senator Abetz. Yes or no?

ABETZ: Absolutely no.

KING: All right. Okay. I want to move onto the next issue then. I make mistakes all along ... all the time. So this is a matter of the pot calling the kettle. But it was Kevin Rudd's turn yesterday, wasn't it?

[Audio: previously recorded interview]

KEVIN RUDD: You know something, I'm a very happy little Vegemite being Prime Minister ... being Foreign Minister of Australia. Your question was about being prime minister: there you've caught me, getting off the plane - jetlag. And as for the Prime Minister, as I said before and said in the United States, I fully support the Prime Minister.

[End of audio]

KING: Now Kevin Rudd put that down to jetlag. What's been your biggest *faux pas*, Craig Emerson? And Senator Abetz, I'm coming your way shortly.

EMERSON: Yes. I'm just trying to think whether I've done a real gaffe. I remember Laurie Oakes didn't think it was brilliant that I started singing songs from *Casablanca* on television. But, then, Mark Riley thought it was hilarious. So ...

KING: So all...

EMERSON: ... you can't keep everyone happy.

KING: Can you give us a line?

EMERSON: No. I'm not allowed to sing any more.

KING: Yeah, well, Laurie Oakes doesn't run this program.

EMERSON: No, I know...

KING: I'm giving you permission. Or was it Julia Gillard who said you can't sing.

EMERSON: No, no. Oh no, Julia Gillard reckons I can't sing - and she's right.

KING: So, just prove that.

EMERSON: My children reckon I can't sing.

KING: Prove it.

EMERSON: [Raps] Madonna, Madonna, she runs a show. She asks the questions, yes or no.

KING: Stop now.

EMERSON: A-ha.

KING: Stop now. Senator Abetz.

EMERSON: We did that last year. Remember?

KING: Senator Abetz, your biggest gaffe?

ABETZ: Oh look, I'll allow other people to comment on that. I won't add to any criticisms that people might seek to make of myself.

KING: Why not?

EMERSON: I'll Google it: "Eric's gaffes". I'm sure there'll be a very long list of them, Eric.

KING: Have you got one you'd like to offer of Craig's.

ABETZ: Oh no. No, look, I don't want to engage in those sort of things. Suffice to say that we are all human. We all make mistakes, and clearly what Kevin did was embarrassing. But I wouldn't read too much into it.

KING: And yet there was...

ABETZ: Other than from a political point of view you'd say, 'yeah, sure, it was a Freudian slip'. But, you know, other than that, you...

EMERSON: Leave Graham Freudenberg out of this.

ABETZ: It is one of those things that happens from time to time. But Craig, I agree with you: you can't sing, but nor can I.

EMERSON: My mother was Welsh. So that doubles the shame on my family.

KING: Senator Eric Abetz, thank you.

ABETZ: Thanks a lot.

EMERSON: Bye-bye, Eric.

KING: That's Senator Eric Abetz and Dr Craig Emerson. Look forward to talking to you again next week.

EMERSON: Bye bye, Madonna.

KING: That's Craig Emerson and Senator Eric Abetz, stepping in for Senator George Brandis, who will be back with us at the same time next week.