

INSIDE CANBERRA
WEDNESDAY, 30 APRIL 2008

HON CRAIG EMERSON MP

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

BEGLEY: It's Teri Begley here with you, sitting in for Madonna King, she is having a bit of a break away from the radio, but she will be back in about three days time. So, never fear, she will be back here come Monday.

Now, it's time to take a look *Inside Canberra*, our weekly dose of what's happening in politics and a few issues to talk about today but firstly I guess we should introduce the guests, opposition Attorney-General, Senator George Brandis, and also Rudd Government Minister, Dr Craig Emerson. Good morning to you both.

BRANDIS: Good morning Teri.

EMERSON: Hi Teri.

BEGLEY: Good to have you in here, fresh looking, in the studio, it's always nice.

EMERSON: It's a beautiful day.

BEGLEY: Now, I guess one of the talking topics of the week, it started off I guess last week ended on a sombre note and we began the week this week in politics on a sombre note, there's the news of this death of an Australian soldier in Afghanistan on Sunday. Queensland born Lance Corporal Jason Marks. He left behind two children and he's also the fifth Australian soldier to die in Afghanistan in the last six years. The Prime Minister this week said we can expect more bloodshed, it won't end here and we are in Afghanistan for the long-haul. Craig Emerson, firstly, are we making enough progress in Afghanistan to justify keeping our troops there long-term?

EMERSON: We're well and truly justified in maintaining that presence in Afghanistan and I think you'll find that there is bipartisan support for that position. Let's not forget the bombing of the World Trade Centre on 9/11/2001. That was directly linked to Afghanistan, that is to the Taliban. We, on the Labor side of politics, have always supported a military presence by Australia and other countries in Afghanistan. A lot of the work that's being done is reconstruction work: building schools and civil works and, yes, there is military engagement to, it is very, very dangerous. Our hearts go out to the wife and children of Lance Corporal Marks, it's another tragedy.

BEGLEY: And on that point, there has been talk this week, criticism that the troops, where this soldier died, were engaging with the Taliban in a very

risky area in the southern part of Afghanistan and that there should perhaps be more of a focus on rebuilding rather than engagement.

EMERSON: The problem with that analysis, I think, is that this engagement is necessary. The military engagement is necessary and Australia has never shirked a fight and if we were to park our military presence there in the safest parts of Afghanistan and expect other members of the Coalition forces to do that risky work, I think that wouldn't do our reputation any good and we wouldn't be pulling our weight. It is so terribly tragic that we lose young men the way we do, but it is an integral part of the war on terror.

BEGLEY: Senator George Brandis, a military analyst said this week that, speaking of Kevin Rudd saying it's going to be a long-term operation, we're not about to pull troops out, as we might in Iraq, in any short-term measure, one analyst said that this could go for another ten years. Should we be committing our troops for that long in Afghanistan?

BRANDIS: Well, there are different assessments of how long this will be and I don't think it's particularly useful to nominate a year, as it were, as a benchmark. But it's certainly right to say, as both Mr Rudd has said and as John Howard always said, that this is a long struggle. I mean, you know, we have to appreciate what we are dealing with here. This is not war by conventional means. This is not war between State actors with conventional armies. This is a war and it's not a metaphor to say that this is a war. This is a war upon terrorists and a very dedicated, sophisticated and malevolent network, the Taliban, who are quite openly determined to destroy western liberal democratic civilisation and, you know, that's not an exaggeration if you read what the Taliban and Al-Qaeda and the other Islamic fundamentalist groups have said, they are very serious about this and we saw that in Bali. We saw it at the time of the World Trade Centre. We saw it at the time of the London bombings. We saw it at the time of the Madrid train bombing. This is not to be made light of.

BEGLEY: No, well it certainly isn't for the family of that soldier who died earlier this week. He's the sixth in, I beg your pardon, the fifth Australian soldier to die in six years. Do you think the numbers, if they, if the Prime Minister is correct in saying we can expect more bloodshed, that public support might start to fade behind this campaign in Afghanistan?

BRANDIS: Well, I hope that doesn't happen. Of course we hope that there are not more losses of Australian life. But I think the Prime Minister was making a fair observation to say that, you know, there is, it's entirely possible that will happen. This is one of the most dangerous places in the world and, what I hope Australian public opinion does is both to appreciate the gravity of the situation and also to appreciate the service and sacrifice of our personnel.

BEGLEY: Now, gentlemen, speaking about service and sacrifice of our personnel, one measure of that is when a digger who comes back from war wears their medals on special occasions, including ANZAC Day, which was only four days ago. This morning, quite a lot of response from listeners and

the RSL to news overnight that a fashion label used facsimiles of actual medals on their models. They were worn on the catwalk overnight, even one model with an Australian flag draped over their shoulder with medals attached to it. Craig Emerson, what's your response to that? Should fashion cross-over with military garb?

EMERSON: It's a completely boof-headed thing to do and I feel very strongly about this. George was involved, as most Australians were in the ANZAC Day Services, and they are bigger than ever and the little kids are coming out and they're asking their parents to take them to Dawn Services. I went to a Dawn Service, which was the biggest, at Greenbank RSL, ever by a long way. So our young people understand the sacrifice. They understand what this is all about. I have to say I don't think the fashion people responsible for this decision do. It's not funny, it's boof-headed and they should apologise and I fully support the RSL on this.

BEGLEY: George Brandis, a fashion faux pas that will be forgotten in a weeks time or is it something more serious than that?

BRANDIS: Well I think it's something that shouldn't have happened. I think it's in very poor taste and I think it's, the people who were responsible for this obviously don't appreciate the importance to most Australians, almost all Australians, of the ceremonial recognition of the service of not only our current, but previous generations of Australian service personnel. Can I just say, Craig's not wrong about how big this ANZAC Day was. I was talking to my colleague, Ian McFarlane, the Member for Groom, based on Toowoomba, only yesterday and he told me that in Toowoomba, which is a city of only about 100,000 people, there were 7,000 people turned out to the ANZAC Day ceremony which was almost twice as many as had ever turned out before and the anecdotal evidence from across the country was that this year's ANZAC Day observances were the biggest by a very long way, that people can remember.

EMERSON: That's right.

BEGLEY: And probably expecting them to grow each year and beyond.

EMERSON: Well, they're teaching it a lot more in the schools and the day before ANZAC Day, I couldn't get to all the services in the schools. There used to be one in Logan City, now there's, oh, there'd be about eight or ten schools who have a service and the kids love it.

BRANDIS: Well, I think that's right. I mean my kids, you know, had the lessons about ANZAC Day and Simpson and his donkey and I do remember, I don't want to make a party political point, but I do remember when Brendan Nelson as Minister for Education introduced those measures and generally the Howard Government, through a succession of Education Ministers introduced programs to re-emphasise pride in Australian history and pride, in particular, in the ANZACs in Australian schools. There were many in the Labor Party, I'm not saying Craig was one of them, but there were many in the

Labor Party who mocked the former Government for that and I think we're now seeing it's beneficial outcomes.

EMERSON: I also won't make a political point but I will acknowledge the role of Con Sciacca in the *Australian Remembers* campaign which led to a quantum shift in community attitudes. Con was the Veterans' Affairs Minister, went all around Australia, enormous pride came out of Con's hard work there and I think that was...I remember my dad was in the Second World War and I remember a time several years before that where the marches were really dwindling.

BEGLEY: Yes.

EMERSON: And now they've grown ever since and I acknowledge the dedication and application of the Coalition too in this whole exercise too. I think it is fantastic for this country.

BEGLEY: This morning you're listening to Dr Craig Emerson, a Rudd Government Minister, and Senator George Brandis, the Opposition Attorney-General and we're going *Inside Canberra* here on 612 ABC Brisbane.

Moving away onto another issue and that being taxes. We can always talk taxes and talk this week on increasing, Minister Emerson, you're Government looking at increasing the tax take on beer and wine by up to 300 per cent. This is part of the strategy to tackle health related issues to alcohol abuse. We had lot of response from our talkback callers yesterday on this one and many of them saying it won't make a lick of difference whether you pay 63 more cents for each beer you consume. It's not going to cut down on problem drinkers. Your response?

EMERSON: This was a tax announced on alcopops, that is quite high alcohol content soft drinks, if you like, mixer drinks.

BEGLEY: That was announced over the weekend but I'm talking about talk of increasing...making it more equitable, the tax system on beer and wine as far as alcoholic volume and this has come around in the last couple of days that beer and wine could go, a tax increase of up to 300 per cent.

EMERSON: Yeah, well let's see what happens...

BEGLEY: It's a proposal.

EMERSON: Yeah, that's right and what I am saying is how about we wait for the Budget on this particular issue, as on many of the issues that obviously will come up for discussion in the next few days in advance of the Budget. But in relation to the alcopops which actually led to the debate on this being triggered, and then health experts saying well then what about beer and what about wine, there will be a response. That is, young people and the alcopops we know are consumed a bit more proportionately by young teenage girls. They are pretty price sensitive and so increasing the price of those products

will lead, according to all our estimates and the health advice to a reduction. We do need to do something about binge drinking in this country. It is a health measure. It was a recommended health measure and we've announced it ahead of the Budget so that's already actually coming into force.

BEGLEY: On this 70 per cent tax increase on alcopops we've had response from the industry, the alcohol and beverages industry, and the Distilled Spirits Industry Council said this week that the claim that this would raise \$2 billion from this new tax, over four years, showed the Government itself didn't believe consumption would fall. If it's still factoring in this equivalent increase in the tax take, the money that comes into the coffers.

EMERSON: Yes, well that's the result after taking into account the response by teenagers to the increase in the price. The increase in the price will lead to a very substantial response. We've never said that it will stop the sale and consumption of alcopops, but it does show you really how much of this particular type of alcohol is being consumed.

BEGLEY: Senator Brandis?

BRANDIS: Well, hang on, Craig I think you've um, you're not getting this right with respect. What Nicola Roxon said is, in announcing this measure, she announced there would be a 70 per cent increase in the excise on alcopops. She then said that over four years this would raise \$2 billion. Now, the current annual excise from this type of drink is \$800 million. A 70 per cent increase increases that by about \$560 million a year. So I think the point made by the Distilled Spirits Council is right. You can't, on the one hand, say well we're going to have this public health measure which is going to attack binge drinking and then on your own figures say but it's going to raise \$2 billion in revenue because that assumes that there will not be an abatement of use.

BEGLEY: Senator Brandis how would you, if you were in Government, approach this problem?

BRANDIS: Well I think the whole approach to the taxation of alcohol in this country has to be done in a holistic basis. Now, you know, and by that I mean we have a different regime for the taxation of low alcohol beer from the taxation of wine and spirits. Now we have this particular measure which is said to be designed to target binge drinking concerning mixed spirits drinks. Now, if you're going to be serious about this, I think what you need to do is re-assess alcohol taxation across the board, across all the different varieties of alcoholic beverages.

EMERSON: Well, I'll make the obvious point here, Teri, and that is the previous Government had 11 years to do this and didn't do it and it is a serious problem. Binge drinking is a serious problem. I think Brendan Nelson acknowledges that and it's alright to stand on the sidelines criticising Government measures that are designed to curb binge drinking and then talk about the arithmetic, the arithmetic is done by the Australian Treasury. It's not done by me or anyone else and we don't apologise for trying to take on this.

We will use proceeds from this to do more to lift health standards in this country. So it's revenue will be put to good use as well.

BEGLEY: Yes, well proof will happen in time as they say. Promises are one thing, we've got to see those statistics on binge drinking go down and the increased health benefits from policies like this go up. We'll just take a break for a moment. We've got time for some news headlines.

You're listening to 612 ABC Brisbane and we're *Inside Canberra* this morning. Madonna out of the chair, I'm in the hot seat, talking to our two regular guests, Dr Craig Emerson, from the Government, and Senator George Brandis. It's good to have your company. Let's move on. Away from taxes now and to this War Cabinet on addressing Aboriginal disadvantage. There have been calls from the Liberals for Mal Brough to be included in Kevin Rudd's Indigenous War Cabinet. Why would this be a good idea Senator Brandis?

BRANDIS: Well, it would be not only a very good idea, but essential to the success of this measure. Now the Prime Minister, nearly three months ago now, said that he wanted to establish a bipartisan War Cabinet to deal with Indigenous disadvantage and he invited the Opposition to suggest some names. We proposed, among others, the name of Mal Brough, the former Indigenous Affairs Minister, and Mr Rudd said no, we won't have Mr Brough. Now, can I just make the point, and I'm sure Teri your listeners would accept this that very, very few people have brought about a more dramatic change in Aboriginal policy than Mal Brough did when he was Minister for Aboriginal Affairs and when the Northern Territory intervention was announced last year by Mr Brough, then in his capacity as the Minister, it was applauded through the length and breadth of Australia and it was given support by the then Opposition, now the Government. So Mal Brough, more than anyone else in this country, is the person who has made the weather on Aboriginal Affairs policy in this country. You'd have to go back many years to find somebody whose made a bigger difference and yet Kevin Rudd, promising bipartisanship, knocks back the most obvious person to be a participant in this process because he's the former Liberal Minister.

BEGLEY: Craig Emerson, is that a no go? Have we actually heard that Prime Minister Kevin Rudd won't have Mal Brough on this?

EMERSON: Well, I'm advised that there are ongoing discussions between the Prime Minister's office and the Opposition Leader's office on this matter. It is important that we have an overall bipartisan commitment to this issue.

BEGLEY: And you'd have to agree Mal Brough does have track record experience in this area.

EMERSON: Well I was one of the many Labor people, in fact I think the whole Party, the whole Opposition formally supported the intervention in the Northern Territory.

BRANDIS: That's the position you ultimately came to over the heated resistance of some of your own Left Craig.

EMERSON: Well actually George I gave a note to Mal Brough the moment that John Howard stood up in the Parliament and announced that intervention.

BRANDIS: No, no I'm not questioning your good faith.

EMERSON: And I do strongly support it. I would also say, though, that Jenny Macklin's doing a great job. I think this is an issue upon which we should strike agreement. We cannot have Indigenous people...

BEGLEY: It's a bipartisan issue. It shouldn't be about politics, it should be the best people for the job.

EMERSON: Absolutely, that's right, exactly and I just want to say that Jenny has been doing really good work at the Cape. She's just announced a very big housing package in the Northern Territory and I think the Coalition, this is going to be one of these discussions where we agree on most things, backing Jenny Macklin because she is doing a good job.

BEGLEY: Yes.

BRANDIS: Can we make a bit of history here perhaps, Craig, and can I pin you down, I mean, do you support the idea that Mal Brough should be included in the bipartisan War Cabinet.

EMERSON: Well, I'll say in response to that, that it won't be me who makes that decision.

BRANDIS: Yes, but you're the one in the hot seat at the moment.

EMERSON: That's right.

BRANDIS: I'm going to press you on this issue.

EMERSON: And I am able to say that those discussions are ongoing.

BEGLEY: When are we likely to find out?

EMERSON: I'm not sure. I'm sure they're in very robust and vigorous discussion about the whole composition of this War Cabinet and I will also say in a very positive way that I thought Brendan Nelson's response in the apology debate. It was a liberal speech, it wasn't exactly the speech that I would make, but I thought it was a very good liberal speech and it showed a level of bipartisanship that has long been missing in this very important area.

BEGLEY: Ok, finally gentlemen, speaking of speeches and the man that has to give a lot of them and make sense to people who are listening to them is Kevin Rudd, our Prime Minister. A bit of flak in recent times at various

speaking events. He's been known to not only confuse the common person, but even us journalists. Perhaps we're even more easily confused than the common person. They're calling it Rudd-ise when the Prime Minister comes out with some words, they do exist in the dictionary, but are not very commonly used. The most recent example was the 7:30 Report last Monday night. He said to Kerry O'Brien, he described a musician as a musicologist.

EMERSON: I think that was probably a joke.

BRANDIS: I don't think it was because Mr Rudd, as we both know Craig, doesn't have a sense of humour.

BEGLEY: Well, I mean if I was a journalist and writing copy I would be rapped over the knuckles severely until they bled if I confused the listeners before the end of the 20 seconds of the point that I was trying to make. What can we do about this? Does the Prime Minister need to simplify? He wants to sell the message but he doesn't want looks of confusion around the room when he delivers it.

EMERSON: Well Kevin has spoken the same way for as long as I've known him, which is the early 1990s. He was very successful in the year following his ascension to the Leadership. He was voted in quite strongly by the Australian people. I think his ratings are doing pretty well. So I think the Australian people aren't as hung up on this as journalists. I mean, George, you shouldn't talk about this. I mean when you talk you sound as if you've swallowed a dictionary, so, you know.

BRANDIS: Craig you can't hide behind the predictable honeymoon period opinion ratings. The fact is that, you know as well as I do, that in heart and soul, Kevin Rudd is a bloodless bureaucrat.

EMERSON: Oh!

BRANDIS: Now Craig, you used to be a bureaucrat too. I mean both you and Mr Rudd at one stage were running Departments of the Goss Government here in Queensland in the early 1990s, but you're not a bloodless bureaucrat. You sound like a normal Australian where Mr Rudd in his heart and soul is a bloodless bureaucrat.

BEGLEY: Well, he was a top diplomat and it does sound a lot like diplomatic speech when he does open his mouth. That's the criticism. So perhaps a few plain speaking lessons might be called for. Are you about to suggest them to the Prime Minister?

EMERSON: I personally think that Kevin is Kevin and any sort of attempt to change the way he speaks would be seen for what it is, you know, the minders controlling him and so on. Let him be who he is, which is Kevin Rudd. I'll say when I first came from the country, George, and went to Sydney people used to walk away while I was still talking because I spoke so slow.

My mates in Barradine were Moose, ?, Duck, Peel, Buster, Dav (what the ??????????).

BRANDIS: That's all very well but you expect the Prime Minister to sound like Jim Hack and not Sir Humphrey Appleby.

EMERSON: The Chairman didn't come from Barraldine.

BEGLEY: Well this is true.

BRANDIS: That's pretty obvious.

BEGLEY: All right well we might have to work on that one then, in conjunction with the Prime Minister sitting down and make things a little bit clearer for us all. Thank you very much for your time both of you this morning gentlemen.

EMERSON: Thanks Terry. All the best.