



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
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E&OE

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KING: Let's catch up with what's going on inside Canberra. Dr Craig Emerson, Julia Gillard's Trade Minister, good morning.

EMERSON: Hello, Madonna.

KING: And Senator George Brandis, Opposition Legal Affairs Spokesman. Good morning to you, Senator, too.

BRANDIS: Good morning to you too, Madonna, and to you, Craig.

EMERSON: And to you, George.

KING: And welcome back, Dr Emerson.

EMERSON: Thank you very much.

KING: Penny Wong did a very good job filling in.

EMERSON: I understand that. I'm very nervous.

KING: You're very nervous?

BRANDIS: She wasn't as funny as Craig, though.

KING: Well maybe from your perspective. Maybe from ours she was. It may depend on your perspective, Senator.

BRANDIS: Well, it always does.

KING: It does, it does. Let's start with the NBN this morning. Last night, the Independents supported the Government and that will allow a break up of Telstra. Is that right Dr Craig Emerson?

EMERSON: Yes, it is. That's called structural separation and we were pleased to have the support of the Independents on that. I think Malcolm Turnbull moved a whole bevy of amendments, but none of those was successful.

KING: So this means that the NBN will now use Telstra's infrastructure to roll out the network. Is that right?

EMERSON: Yes, Telstra is in a cooperative arrangement with the Government to do what we said we'd do well before the election and during the election campaign. And now we're doing it after the election, fulfilling our commitment.

KING: And George Brandis, what was Malcolm Turnbull's main beef with this?

BRANDIS: Well our, I'm not familiar with the specific amendments Mr Turnbull moved in the House of Representatives, but our main beef with the whole project is that it is a vast expenditure of public money which hasn't been properly thought through. Now your listeners should think about this, Madonna. The Government says that the NBN will cost \$43 billion. There are credible experts in the industry who say that it could cost more than twice that, but let's take the Government's figures for starters – \$43 billion. That figure was arrived at without a business plan, without published costings. And the Opposition says 'well, before you spend \$43 billion of public money' – that's six times in present values the cost of the Snowy Mountains Hydro-electric Scheme. It's 100 times in present values more than the cost of the Sydney Opera House – 'you should do a cost benefit analysis to show that it's good value for money' and the Government refuses.

KING: Alright. But can I just come in here? Isn't the point that voters went to an election and they knew it would cost \$43 billion? They knew it was a big difference, perhaps the principal difference between the two parties and voters elected Labor believing they would get a \$43 billion NBN.

BRANDIS: Well they didn't actually elect Labor. They gave Labor a minority of seats in the Parliament and the Labor Party governs because...

EMERSON: And you've been sulking ever since.

BRANDIS: ...two of the Independents – I'm just pointing out a fact – two of the Independents sided with the Labor Party. So, I mean, if ever there

was a Government that couldn't claim a mandate for anything, it's this one.

EMERSON: But we are getting the support of the Independents on this. We're fulfilling that election commitment. And George is just talking about 'well, it's more expensive than the Opera House'. He's just saying that there should have been a cost benefit analysis.

KING: Alright. Well can I ask you, though, Dr Craig Emerson, to pick up Senator Brandis' point, what are you afraid of? Why not put this through a proper cost benefit analysis in the hope it doesn't cost \$43 billion?

EMERSON: Well a cost benefit analysis won't change the cost. It'll just involve a delay.

BRANDIS: It'll tell you what the cost is, though.

EMERSON: What it'll do is to involve a delay and the Coalition's attitude to this is why put off til tomorrow what you can put off forever? George says 'oh well, if it' – I think he's inferring – 'if it scrubbed up in the cost benefit analysis, they may support it'. Not true. Tony Abbott has said that they will never support a National Broadband Network, not under any circumstances. Malcolm Turnbull said 'oh well, a cost benefit analysis might be persuasive'. The truth is the Coalition is in every possible way philosophically, economically, totally opposed to the National Broadband Network.

BRANDIS: Well yeah, you're half right there, Craig. We are philosophically opposed to Australia becoming the only Western democracy in which you have a nationalised telecommunications system. And I know you, Craig, have written with great persuasiveness in the past about the importance of markets and of deregulation. And yet your Government is going back to the 1950s with a nationalised industry for one of the most dynamic sectors of the economy.

KING: Senator George Brandis, if I can stop you there because we've gone over the merits or not of the NBN previously. But just so that my listeners know, this is still to get through the Senate. And is it right that Family First Senator Steve Fielding is likely to hold the balance of power there?

BRANDIS: That, look, I'm not sure about that, Madonna. I haven't discussed the matter with Senator Fielding, but you'll, so I'm not sure what will happen in the Senate, but it may. You're certainly right when you say it has to get through the Senate.

KING: Alright, well let's, we'll keep an eye on that and you might have a view at home and let me know. Dr Craig Emerson, can I pick up something

you've just said. You just said you put off until tomorrow what you can put off altogether.

EMERSON: No, I'm saying the Coalition's attitude is why put off until tomorrow what you can put off forever.

KING: Alright. Can I ask you then, is that your attitude with gay marriage?

EMERSON: There'll be no doubt a discussion of gay marriage at the next National Conference and that is not forever away. That is in a year or two. At the last National Conference there was a discussion of gay marriage and the position that was adopted by the National Conference is that marriage is a union between a man and a woman as set out in the Marriage Act.

KING: Okay. As much as you both possibly can, I would love to strip the politics off this and try and understand how this became almost the highest priority on the agenda. This is what people are talking about today. George Brandis, is this to do with a Labor deal with the Greens or is this how policy happens – that someone says something, and a Labor person has said something, Mark Arbib, and then it's jumped on? And it's like a ripple through a pond. It just gets bigger and bigger and bigger.

BRANDIS: Well, Madonna, yes. Thanks, Madonna. I don't think this is the highest priority issue on most people's agenda. In fact, I think it's a very marginal issue. The highest priority on those people's agenda is the cost of living – the rise of interest rates, the rise in electricity prices as a result of the carbon tax, the day to day pressures of living which is now more expensive than it ever was before, even though this Government promised to get them down.

KING: So why is this getting so much airplay?

BRANDIS: Because at the time of the Labor Greens alliance – and it is an alliance, it's actually an alliance that was signed off on on a formal document. Senator Brown indicated that this was an issue that he was going to pursue as one of the Greens' principal priorities and is dragging the Labor Party along with it.

EMERSON: Senator Brown would pursue this issue regardless of any document.

BRANDIS: Yeah, but you're allowing yourself to be dragged along.

EMERSON: There is no document in existence which says that the Labor Party will adopt the Green Party's position on gay marriage.

KING: No, but Craig Emerson is there a point there in that because of the alliance you have with the Greens, it's something that you need to be careful how you handle?

EMERSON: We have our own policy-making processes. The Greens have a member of the House of Representatives and they have seven, I think coming up seven members of the Senate. Therefore, they...

BRANDIS: Nine.

EMERSON: Nine coming up. So that's after 1 July. Therefore, in the Senate and in the House of Representatives, they can move motions and resolutions. That is democracy.

KING: So why don't they?

BRANDIS: And they are. They do.

EMERSON: That's exactly what's happening.

BRANDIS: But your point is dead right, Madonna. And what Craig's just said is also true. The Greens have been pursuing this issue for years. It's one of their top priorities, but it's always been a marginal issue. It's only come to the centre of the stage since the Labor Greens alliance.

KING: Alright, can I ask...

EMERSON: It's come to the centre of the stage because the Greens have moved motions in the Parliament and therefore...

BRANDIS: Which you supported.

EMERSON: ...and it therefore does become a matter of debate.

KING: Alright. That's a fair point that Craig Emerson makes there, but can I ask you this? You keep calling it a marginal issue, George Brandis. How do you gauge that? The Greens want MPs to gauge the views of their constituents on the issue. What do you think they would say, George Brandis?

BRANDIS: I don't know what they'd say. I'm sure everybody has, or a lot of people have opinions about this but...

KING: So you're saying it's a marginal issue. Why do you think?

BRANDIS: Well marginal by comparison with the cost of living, the pressures on interest rates and electricity prices and the carbon tax and the issues that really go to the day to day lives of people in suburban and regional Australia.

KING: And do you agree with that, Dr Craig Emerson?

EMERSON: In fact I made that very point yesterday. And from my perspective, from the Government's perspective, we want to get on with the key

issues of dealing with cost of living pressures and dealing with the banks and dealing with the impact of what's called the two-speed economy.

KING: Alright, we'll come to that in just a moment. But so there's, is this Parliamentary motion on this, moved by Adam Bandt from the Greens, will this now come up for debate? And it will have to be decided whether Labor support it, whether the Coalition doesn't? Is that right?

EMERSON: It does and it comes up, I understand, tomorrow. And the resolution simply says, as a result of changes that Labor put, that MPs should discuss this matter with their constituents. We see nothing particularly wrong with discussing this matter, or any other matter, with their constituents. Labor, therefore, will support this resolution now that it has been amended and Tony Abbott and the Liberals won't. Why? Because they don't believe they should discuss it.

KING: Alright, a final question

BRANDIS: That's a silly thing to say Craig. You don't need a motion in the House of Representatives to tell Members of Parliament to speak to their constituents. You do it. I do it. We all do it – every day.

EMERSON: You're going to oppose that.

BRANDIS: No, no.

EMERSON: You are.

BRANDIS: Because you've been around politics long enough Craig Emerson to know that this motion is designed to elevate this issue on the agenda because you're under pressure from the Greens to follow their lead.

KING: But why not do it? But why not do it Senator George Brandis? Why not go to your constituents or the Coalition can go their constituents. Because wouldn't it settle it once and for all – it's either an issue or it's not an issue?

BRANDIS: But we do. I mean I had a number of email exchanges...

EMERSON: Therefore, they are going to oppose it.

BRANDIS: ...from constituents only yesterday. They sent me emails on this very issue.

EMERSON: Yeah.

BRANDIS: We do, that's our daily life.

KING: Alright. Just before I go on from that, when it comes to a vote on the issue of gay marriage, is that automatically a conscience vote?

EMERSON: No, not on our side of politics. Greg Hunt was saying yesterday that he believed it should be a conscience vote on the part of the Coalition. We'll see if that happens. Indeed we'll see if that happens tomorrow evening. If that's when the, this particular resolution is debated because Tony Abbott has said all Coalition members, or the Coalition, will oppose this resolution which, as we've just discussed, is about consulting with the community. Greg Hunt should put his vote where his mouth is and cross the floor and join with Labor in supporting that resolution.

BRANDIS: Well I haven't seen Mr Hunt's statement.

EMERSON: He used your name too George. He said you had the same view.

BRANDIS: I would be most surprised if Mr Hunt said what you say he said.

EMERSON: He did.

BRANDIS: Because the position of the Party room, the Coalition Party room yesterday was unanimous. Unanimous on this, that the Coalition sticks steadfastly to the view that marriage is between a man and a woman.

EMERSON: Well Mr Hunt wanted a conscience vote in both your name as well, saying you supported gay marriage.

KING: Alright. You two can fight about that after we get off air. Let me move onto the next issue and we'll keep an eye on the gay marriage and what happens with that motion by Adam Bandt from the Greens. On to the banks and you've both referred to the economy and the banks. The bosses of Australia's big four banks earn more than \$40 million, I think \$44 million, between them each year. Just in a word, how would you describe that?

EMERSON: Staggering.

KING: George Brandis, can you beat staggering?

BRANDIS: I think it's a very great deal of money. But I also think that the remuneration of bank executives isn't the key issue here. The key issue is competition between the banks and that is the issue that Joe Hockey has taken the lead on, while poor Mr Swan has been following along in his wake playing catch up.

KING: Well, there's certainly no competition between what the bosses of Australia's big four banks earn and what the rest of Australians earn.

BRANDIS: Well, look, I'm not here to defend bankers' remuneration. But I think the relevant comparison is between the salaries of the CEOs of other very large Australian companies like the big mining companies, the big retailers and so on. But that's not the point. The point is there is less competition in the Australian banking sector today than there has ever been and this government, with a very weak and ineffective Treasurer, has just stood by and watched that happen.

KING: Alright. You say that, but the Reserve Bank, in its minutes of the last meeting, said it predicted the extra bank hikes. It seems to have sided with the banks. Does that destroy the political argument you're making George Brandis but also that Labor is making?

BRANDIS: Well I, look I haven't read the Reserve Bank's...

KING: You can't keep saying that, 'I haven't read this, I don't know what they have said.'

BRANDIS: Well I haven't read the...

EMERSON: I have.

BRANDIS: Well I haven't.

EMERSON: If it gets a bit uncomfortable...

BRANDIS: I haven't read the Reserve Bank's document. But I've read a report of it in this morning's Australian newspaper – so I don't want to get into commentary on a detailed document. But, can I just make this point, it doesn't pass the commonsense test that when the RBA increases interest rates by one quarter of a per cent, or 25 basis points, the banks then go out and increase their interest rates by almost twice as much.

EMERSON: We believe very strongly that they shouldn't have done that. But to answer your question, which George failed to do because he never reads anything that's not in his interest to read, the Reserve Bank did, as you said Madonna, say that they expected that the banks would increase interest rates beyond the quarter of a percentage point. Now we don't believe that that's necessary. We believe that the margin is more than adequate. And I think passing the test of the Australian community opinion on this, obviously the banks are doing very well, and they didn't need to do this.

BRANDIS: But you see the problem for you, Craig, is that – and if that's all the Reserve Bank report says then you know that's fine – but the problem for you is that this seldom happened under the Coalition Government. I'm not saying it never happened, but it seldom happened and it never happened to this degree. Now we do know that post the global financial crisis – which occurred more than two years ago, at its most

acute phase – the cost of funds is, that is the money that the banks have to raise so that they can lend them to borrowers, the cost of funds to banks is back where it was before the global financial crisis. On the bond markets and therefore – and the capital markets, I should say – therefore, there is no warrant for the banks doing this and the GFC excuse doesn't work for them anymore. But this Government has been completely ineffective in keeping interest rates down, largely because it keeps putting upward pressure on them by borrowing \$100 million a day.

EMERSON: 'Poor old banks, they had to do it' says George. The truth is Joe Hockey put out a press release. He said he's got legislation. This is very closely guarded legislation, I haven't seen the legislation.

BRANDIS: Well I've seen it. In fact I helped draft it.

EMERSON: Oh good well...

KING: Yeah, alright. George Brandis...

EMERSON: ...I look forward to reading it.

KING: ...can you just let Craig Emerson have a say?

BRANDIS: You can't keep saying you haven't read it Craig.

EMERSON: Well give it to me.

BRANDIS: You'll see it.

KING: Alright let's move on, very briefly, to the My School website. It is to be changed again and people are really split in the community, teachers don't like this, some parents like it, some don't. But Craig Emerson it's about to be added to quite substantially?

EMERSON: Yes, one of the improvements to the My School website and I'd assert that the majority, a clear majority...

KING: Just tell us what the changes are.

EMERSON: ...of teachers would, do like this.

KING: Well can I say, just on my response here, I think I am yet to find one teacher who has...

EMERSON: No, no.

KING: ...called to strongly support it.

EMERSON: No, I said parents actually. But we're not arguing against each other, you're saying teachers don't like it, I'm saying...

KING: Well I'm not saying that. I'm saying my response on radio to people calling in.

EMERSON: Okay. I'm simply saying that I believe parents, parents do like it. One of the big improvements here is that it will be possible to track the improvement in the student's performances and this is one of the issues that was raised by schools. They might get a cohort of students from other areas, bring them in and then improve their performance. But in the first year, in which they bring them in, they might not perform well.

KING: Yes.

EMERSON: Now if the improvement is not recognised, what it would show is that school, for that cohort of kids, say Year 5 or Year 7, hasn't done well.

KING: Yes.

EMERSON: Schools legitimately made this point some considerable time ago, that they would want recognition for getting a group of kids who may not do well, but improving them over time. And that's what this website will allow.

KING: Alright. Just before I let you, I've got one last question for you both. Just in breaking news this garbage strike in Brisbane. Southside and northside garbage collectors have voted to go home. There's a meeting at 5 o'clock tomorrow to decide whether or not they will collect uncollected garbage in Brisbane on Thursday. But the garbage collectors, on both the south side and the north side, are not collecting your garbage today and we will talk to the Union at 10:30 this morning, so stay with me. George Brandis, Craig Emerson. George Brandis, you're a Monarchist?

BRANDIS: I am.

KING: Are you excited this morning?

BRANDIS: I am rather excited. I think the news of the engagement of Prince William and Kate Middleton is a great event in the life of a nation. Everybody, of course, has goodwill to a newly engaged couple. But there is no denying that the Monarchy has a particular significance for most Australians and a very special place in the hearts of most Australians and I think it's a wonderful thing.

KING: Craig Emerson, you're a Republican aren't you?

EMERSON: Yes, but not an anxious Republican.

KING: No, no.

EMERSON: It's something that I think will happen.

KING: But one debate we had this morning, or not debate, the Australian Monarchist and the Republicans disagreed on whether most Australians are actually supportive of the Monarchy or would like a Republic.

BRANDIS: Well I can tell you the answer to that Madonna, because there was an opinion poll published quite recently on this and for the first time in about 20 years, sorry about 15 years, support for the retention of the Constitutional Monarchy in Australia was higher than support for a Republic.

EMERSON: I would think too, that even amongst Republicans there would be plenty of people who think that this is really good news.

KING: Of course, of course.

EMERSON: That you know it will – what I am absolutely sure it will – do is dominate the news for the next couple of days.

KING: What should we send them? What should Australia send them as a present, Craig Emerson?

EMERSON: I haven't given much thought to that. I don't think we could send them a live koala, could we?

KING: No.

BRANDIS: No.

EMERSON: That probably would breach all sorts of rules.

BRANDIS: That would breach all sorts of export rules of live ...

EMERSON: Yes. George would have the relevant statute out and slap it on the desk here.

KING: George Brandis, have you got any ideas?

BRANDIS: Look not off the top of my head, it's something I would want to think about. But I think, I don't want to be flippant about this either. I think Australia should use this opportunity to make a significant statement about the continuing importance to this country of the symbolic and historical constitutional connection between us and the United Kingdom.

KING: Alright, and after...

EMERSON: If I could say Madonna, Kate Middleton, I think, said she would have loved to have met William's mother. Well I did meet William's mother.

KING: Did you?

EMERSON: Yeah, and she was an absolutely striking, stunning woman. And a very important figure on the international stage and what she was doing on landmines and these sorts of things. And I think there's an opportunity to remember Diana, because I thought she was a wonderful human being.

KING: You know you went so long on answering that. I was going to say that John Winston Howard is my guest after 10 do you have question for him, but we've run out of time. Gentlemen, thank you.

BRANDIS: Thanks a lot.

EMERSON: Thanks very much Madonna.

BRANDIS: Good bye.

KING: That's Senator George Brandis and Dr Craig Emerson, Inside Canberra.

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