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DEREGULATION

Interview with Terri Begley on *Inside Canberra*
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SUBJECTS: Economic Security Strategy; economic conditions; Newspoll;
Queensland election date; Parliament; Christmas gifts.

BEGLEY: For the last time, we're going *Inside Canberra* and good morning to Labor's Dr Craig Emerson, Small Business Minister in the Rudd Government.

EMERSON: Hello Terri.

BEGLEY: And also, good morning to you, Liberals George Brandis, the Opposition Attorney-General. Hello Senator.

BRANDIS: Morning Terri, morning Craig.

EMERSON: G'day George.

BEGLEY: Good to have you both in for the last time this year. We'll take a look back at the last 12 months and some highlights with you shortly but I guess what's happened in the last day or so, the beginning of the roll-out of these bonus payments from the Federal Government to try and boost the economy.

Craig Emerson, one of the discussion points that's come up amongst our listeners in the last couple of days, if the idea is to stimulate the economy now, what was the point of holding these bonus payments back to around 170,000 Australian families who get their FTB payments paid annually? They're now going to have to wait for these bonus payments at the end of the financial year.

EMERSON: Well the payment is available to people who are on Family Tax Benefit Part A. The total is \$10.4 billion and that's flowing right now, started on Monday. So we would expect consumers to respond to that later in this week, maybe early next week, you know, it is a massive stimulus package. It

works out at about one per cent of the size of the Australian economy flowing all within a couple of weeks, so that's a massive stimulus.

BEGLEY: But could there have been a provision for people who elect to have their Family Tax Benefit payments once a year to give them this one-off payment at the same time everyone else is getting it, instead of making them wait?

EMERSON: Sure, well it's an election that they make. I mean if they wanted to have it on a fortnightly basis they would have been able to so, you know, nothing's perfect in this world but we certainly don't take a backward step in our argument that this is an important stimulus, not only for, Terri, for the households, that is the pensioners and the parents with kids, but also directly benefiting small business because a lot of small businesses will be the recipients of the spending that goes on in this couple of weeks before Christmas.

BEGLEY: Senator George Brandis, almost \$10 billion is being handed out. Debate on whether people are spending it or putting it under the mattress. Will this work? Is it enough of a boost for the economy or is more needed?

BRANDIS: Look, I think that the jury is out on that. The Opposition supports and understands the necessity for a stimulus package. Malcolm Turnbull in his speech in Sydney the day before yesterday described it as a sugar hit for the economy which I think is a reasonably apt metaphor but, you know, this is a long-run problem. This global financial crisis is not going to go away. Many people, including Craig I think, have said it's going to get worse before it gets better and the Opposition will support attempts by the Government to inoculate the economy but this one measure isn't going to be the solution to the problem and, you know, in addressing this issue I'm at pains to make the point that I always make because it's a proper point to make that the Rudd Government didn't cause the global financial crisis but it will be judged on how well it handles Australia's response to the global financial crisis and one has to remember that Australia is in a better position than any western economy to deal with this reversal of economic fortune because a year ago the outgoing Government, the Howard Government, left Australia in the best financial position in terms of its public finances with no public debt of any nation in the western world.

BEGLEY: What's, though, for the future coming weeks, the next couple of months? We're now hearing we should be more concerned about what's happening in China - that the slowdown is starting to hit there. Is this going to get a lot worse for us? Is this only just a tiny taste of how hard we're going to do it? Are we going to lose a lot more jobs than we're even predicting right now?

EMERSON: The Governor of the Reserve Bank, just last night I think, made the point that the situation overseas, the recession looks as if it's going to be deeper than was originally feared and there were real fears about it even some time ago. That means that the challenge is even greater for the

Government here in Australia to do everything we can to inoculate the Australian economy and jobs from the worst effects of what's happening overseas. The Reserve Bank has cut interest rates by a full two percentage points. There's this stimulus package. There'll be extra infrastructure spending, Terri, as well. So it's not just one measure. We have a coordinated suite of measures. We would appreciate some consistent support from the Coalition. I welcome George's statements just then but it depends what day it is, whether Malcolm Turnbull is for or against the stimulus package. We just want him to start operating in the national interest not just in his short-term political interests.

BRANDIS: Oh, Craig, look really, in the charity of the Christmas season can I encourage you to be just a little bit more generous too, in this debate. The Opposition has made it clear that it supports this measure but that doesn't mean we vacate the field. There are two sides of politics in this country, Craig, not just one and an Opposition is perfectly entitled to offer support, as we have done, in relation to the measure while nevertheless reserving the right to comment on, and where appropriate criticise, the implementation.

EMERSON: And object to every component of it George.

BRANDIS: No, not object to every component of it.

EMERSON: Well that's what Malcolm's done.

BRANDIS: Malcolm Turnbull's never said that.

EMERSON: He has.

BRANDIS: If you read his speech...

EMERSON: In the Parliament I sit in the House of Representatives and he's objected to each and every component of it but then says but we welcome it. It's a bit like odds and evens, you know, on an odd day he supports it, on an even day he's against it. He just needs to settle on a position and stick to it.

BRANDIS: I think it's perfectly appropriate for an Opposition to support, in principle...

EMERSON: But not in detail.

BRANDIS: ...a measure the Government taking but indeed, because you've screwed this up in the detail of its implementation. The bank guarantee which was an earlier measure you took about six weeks ago, it took nearly month to get it right.

EMERSON: George how can you support the package but oppose every component of it?

BRANDIS: No, we're not opposing every component of it but we are pointing out, and it's proper to do this, this is a democracy Craig, it is proper to point out that if we support, in principle, a measure but then the Government of the day messes up the implementation of that measure, for the Opposition to call attention to that fact.

BEGLEY: Well look at how the voters are viewing how the Opposition and the Government has handled perhaps this one issue, the world economic crisis and Australia's response to it. The latest Newspoll figures out have shown a bigger single rise in the ALP's primary vote since the election, the Prime Minister's satisfaction rating up to 70 per cent. Craig Emerson how much of that is proof, do you believe, the Government's handled the economic slowdown well?

EMERSON: Well I don't wish to over-interpret polls. We're doing what we believe to be in the national interest and if the polls that come out fortnightly reflect support for that, that's great, but they will bounce around so, you know, I'm not going to say this is terrific this week and then polls move in another direction next week, you need to have a consistent approach to them. But speaking of consistency, that's what we've done. We moved early on this. We moved decisively and perhaps people appreciate that.

BEGLEY: Senator Brandis, the same poll shows satisfaction with Malcolm Turnbull as Opposition Leader fell five points and dissatisfaction rose five points. Is this a sign of disunity amongst Coalition Senators starting to take its toll on us, the voters?

BRANDIS: Well like Craig, I don't comment on individual polls because it's, you know, polls will give you a trend but it's always a mistake, I think, to say a bounce of two or three points here or there, whether it's for you or against you makes a lot of difference in the long run. Having said that, you mentioned disunity amongst Opposition Senators; that poll was taken last weekend after the news cycle had been dominated by 24 hours by the confusion in the Opposition's position in the Senate in the early hours of Friday morning.

EMERSON: Rebellion.

BRANDIS: It wasn't rebellion at all Craig.

BEGLEY: How long can confusion and rebellion go on for? I mean this is obviously damaging to the voters who are looking at the Coalition and wondering just whether the Coalition is working at the moment.

BRANDIS: I don't think there's any doubt, and I'm not going to pretend that the Opposition didn't have terrible 24 hours on Friday and that was reflected in the news cycle and I'm sure that had an influence on the poll but the fundamentals of the Coalition are very sound and, you know, we and our National Party colleagues agree with each other 99.9 per cent of the time. That's pretty good.

BEGLEY: Let's move it on to something else, something perhaps a little closer to the listeners of 612 ABC Brisbane here in Queensland. Some are already calling it the Clayton State Election campaigning has begun. I would like to ask both of you, firstly Craig Emerson, when do you think a State election will be held?

EMERSON: By September of next year and that's all I know. I mean I haven't asked and if I did ask they'd tell to mind my own business. So I don't know but it is due by September of next year.

BEGLEY: Senator Brandis?

BRANDIS: Well I've got to say State Labor politicians in Queensland aren't very good at telling the truth. Mr Beattie went into the last election with a firm promise to see out his term well knowing, as he's since revealed, when he was saying those words that they were a lie. Anna Bligh has said consistently the Government will serve out its full term. We'll see. I, myself, think it's more likely that we'll see the State Election in February or perhaps early March.

BEGLEY: You're tipping early and Craig Emerson is tipping that he's in the dark and he doesn't know any more than we do.

EMERSON: Just telling the truth.

BRANDIS: It's interesting that Craig hasn't been able to assert, as I suppose he can't really, that he believes what Anna Bligh says.

EMERSON: I just haven't asked and they wouldn't tell me if I did so I can't take it any further, George, but if you know, if you've got any inside information I'm sure the listeners would like to hear.

BRANDIS: I just don't trust the word of State Labor Premiers in Queensland.

BEGLEY: Let's just take a look back, pause for a moment, this is the last time you'll be on *Inside Canberra* for 2008 and it certainly has been a rocky year. Much of it has been dominated by what's happening on the world financial market. If I were to ask both of you this one question, who or what issue has stood out for you as the issue that will crystallise 2008 for you? Craig Emerson?

EMERSON: If I could indulge and say two. One very quickly, the apology. I thought the apology in the Parliament was just marvellous; a marvellous historic occasion for every Australian. Secondly, of course, the global financial crisis.

BEGLEY: Senator Brandis?

BRANDIS: Well I'll, if I can have the same indulgence as Craig and nominate two?

BEGLEY: Yes you can.

BRANDIS: I agree that the global financial crisis has been the overwhelmingly important issue of the second half of the year. I think almost everybody would accept that. I think in the first half of the year, though, what struck me as very surprising was how thin the Rudd Government's agenda was. There was a lot of symbolism with things like the apology and so on...

EMERSON: Oh George, you know that's more than symbolism.

BRANDIS: Let me finish, let me finish. I think that was largely symbolism. It didn't make one Aboriginal child's life better as the practical measures of the Howard Government the year before had actually made Aboriginal children's lives better. So there was a lot of symbolism and a lot of spin-doctoring and a lot of *Hollowmen* stuff in the first half of the year and I was struck by how little this new Government had in terms of a substantive policy agenda. But then it was overtaken by events in the second half of the year and I think the Government was galvanised by the global financial crisis to actually move away from the shadow and into substantive policy measures.

BEGLEY: And the biggest challenge for Australia leading into the New Year, would you both agree the world financial crisis will still be the top of the list?

EMERSON: Yeah I would Terri. If I could leave this message with your listeners: confidence is really, really important and congratulations to the ABC on moving to Southbank. Just last night Business Southbank held a function and I was the Guest Speaker, promised I wouldn't speak for more than 45 minutes, actually spoke for about five. But the message I left there, for what it was worth, is Australian business, especially our small businesses are tough and resilient and competitive. If we, as consumers and business, can go into the New Year with confidence then I think we can get through this but it's easy to talk yourself into a bit of a hole and that was a very, very welcomed message. So let's do it. Let's do it for Australia. Australian business and Australian households, we can get our way through this.

BEGLEY: Senator Brandis?

BRANDIS: Well I agree with that and in the spirit of charity of the Christmas season, let us finish on a note of unanimity. We do need confidence. Don't forget that it's not governments, ultimately, that make things happen. It's consumers and business people and entrepreneurs and both sides of politics hope that Australia does see its way through what will be very, very difficult economic times ahead and we will depend upon the spirit of the Australian people, not politicians, to achieve that outcome.

BEGLEY: Okay, a couple of quick left-field questions to end the segment for 2008 on. I'd like you to both quickly think of perhaps one moment in Australian politics from across this year, you could actually envision being

made into a movie? Something that really set you back on your heels and you thought, I could see that being made into a movie. One suggestion so far was Stroganoff-gate.

EMERSON: Everything's a gate. Can you go to George first? Come on George, you can do it for the team.

BRANDIS: Not so much a movie, but a series.

BEGLEY: Yes.

BRANDIS: I think the *Hollowmen* was really the first documentary, the first draft of history on the Rudd Government.

BEGLEY: Oh, okay. Low blow.

EMERSON: Okay, this is a bit higher. I think what people who watch Question Time don't appreciate is how much good humour and bonhomie occurs across the Chamber. There's a lot of laughter, often at someone else's expense, but if that person also joins in the laughter we always realise at the end of the day, and certainly as we enter Christmas that we're all Australians, we're doing what we can for Australia and I'd like to make a movie about the positive side of politics.

BEGLEY: All right, one final quick question, we're running out of time, Senator Brandis, on quick question, Senator Brandis, what would you, if you were asked to, buy Craig Emerson as a Christmas present this year?

BRANDIS: I think I'd buy Craig a book about economics and the reason I'd do that is that Craig is actually a professional economist and I'm sure he would enjoy lying on the beach in January reading an economics textbook and I think we all have an interest in the country being well-run. Craig is a much better economist than the Treasurer and I think we'd all be in a better position in this country if Craig, not Wayne Swan, were running the economy. So I'd give him a tome on economics and hopefully he gets promoted.

BEGLEY: You've got 20 seconds Craig Emerson.

EMERSON: I'd give George a video of the greatest movie ever made, Blazing Saddles.

BEGLEY: Okay, something a bit less heavy than an economic textbook. All right, to both of you, have a great Christmas and we'll be back with you in the Chair opposite Madonna King next year. Thank you Senator Brandis.

BRANDIS: Thanks Terri, happy Christmas to you and your listeners and happy Christmas to you Craig.

EMERSON: And you too George, have a great Christmas and thank you very much Terri. If everyone could see, I know the listeners can't see the ABC

studios all done up in tinsel and it's not true that Terri's got a Santa's helpers hat on.

BEGLEY: Not yet anyway. Ok, Senator George Brandis, the Opposition Attorney-General, thank you, and also Craig Emerson from the Labor Government, the Small Business Minister, thank you.

EMERSON: Thanks very much.

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