



## HON CRAIG EMERSON MP

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

ABC2 Television Interview  
with  
Barrie Cassidy  
12 November 2008

E & OE

---

**SUBJECTS:** Coalition attacks on Ken Henry, PM/Bush phone conversation

---

Cassidy: Good Morning, thanks for joining us. Serious allegations (*not spoken re: Ken Henry*)

Emerson: Very serious, very strong words. The Coalition is obviously intent on trying to tear down the heads of our major financial institutions in the Government sector namely the Treasury. They've also done similar things in relation to the head of the Reserve Bank Glenn Stevens and I think it's highly irresponsible.

I've been in and around Parliament House since 1984 and I've never seen an Opposition go against the heads of Treasury, the heads of the Reserve Bank like this and it certainly does no credit to the Opposition particularly in these times of global financial stress, massive global financial crisis. It's highly irresponsible actually.

Cassidy: But in that time have you seen a Government use a public servant in the way they use Ken Henry? He seems to bob up in a lot of photographs. He seems to be a symbol the Government relies upon.

Emerson: Ken Henry is a fine, independent public servant and that's what we said we would support in Opposition; that is, an independent public service where public servants are encouraged to give fearless and frank advice. There was an enormous amount of manipulation, to use Andrew Robbs' words in a different context, of the public service under the Howard Government, where they demanded the advice that they wanted to get and penalised people who didn't give the sort of advice they should have been giving, including sacking some very senior public servants.

We need an independent, fearless and frank public service. That's what we've got. Ken Henry is a man of the highest integrity and so too is Glenn Stevens

and the Coalition ought to call off its attack dogs. They're not just back bench attack dogs they are the most senior people in the Coalition.

Cassidy: Explain then, if not manipulation, how the Government can put out a figure of two per cent and then a day or so later there's a forecast of 1.8 per cent, then finally a week later 1.5 per cent.

Emerson: Happy to explain that Barrie. Treasury comes to its views based on its assessment of data as it's coming in. Ultimately these are matters of judgement based on the financial data, the economic data that's coming in. The Reserve Bank does the same thing. Other institutions, such as the International Monetary Fund do the same thing. So, they come to these judgements and put out their forecast. That's as it should be and they do that independent of government, independent of the government of the day.

This is a very serious and I think cowardly allegation, a cowardly allegation by the Coalition, attacking the integrity of the Secretary of Treasury and also, a little bit earlier, the head of the Reserve Bank.

Cassidy: Now on that leaked telephone call with Kevin Rudd and George W Bush. There is no doubt any longer is there that this was leaked by Kevin Rudd or a senior member of his staff?

Emerson: I don't know the basis of that story. That's been debated long and hard in the Parliament. There was a motion yesterday. Kevin Rudd has answered a number of questions on that.....

Cassidy: He didn't answer the key question; he won't deny it, that's the point.

Emerson: .....he didn't describe Barack Obama in the terms that the previous Prime Minister did. That's the sort of thing that does you damage, real damage to the relationship, basically saying that Al Qaeda would be happy if Barack Obama was elected President of the United States. Barack Obama was elected President of the United States, has been elected President of the United States, and I'd like to see a repudiation of those comments by Malcolm Turnbull and the senior leadership of the Liberal Party.

Cassidy: Craig Emerson thanks for your time.

Emerson: Thank you, thanks very much.

ENDS