



Transcript

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INSIDE CANBERRA
WEDNESDAY, 25 JUNE 2008

KING: Time to go inside the hallowed halls of power to see what words of wisdom our politicians are offering this morning. Good morning to Dr Craig Emerson, Small Business Minister in the Rudd Government.

EMERSON: Hello Madonna.

KING: And Opposition Attorney-General, Senator George Brandis. Good morning.

BRANDIS: Good morning Madonna.

KING: I don't know if you've been following this debate in Canberra. Some Islamic leader is saying that perhaps there is an argument for men to have more than one wife.

BRANDIS: Well I think that the idea of polygamy is something that is so remote from Australian culture that it's not something that any of the mainstream political parties are going to countenance. Now, you know, that's not to be culturally insensitive to people who may come from a cultural and faith background where, in some parts of the world, that practice is observed but it's simply not a custom or practice which would, in my view, ever be acceptable in Australia.

KING: Craig Emerson?

EMERSON: I agree with that. George and I are on the opposite sides of the political fence but in many respects there's more that unites us than divides us and on this issue I fully agree with George that it would be culturally very odd for Australia. I don't think Australians, by and large, would go anywhere near that sort of change in our arrangements for marriage and I think that's as it should be.

KING: That's certainly being reflected in the calls we are receiving this morning. The other big issue that's dominating attention this morning is a new analysis out this morning by CommSec Chief Economist, Craig James, and it's actually showing that Australians are \$420 a month better off than they were six years ago despite increasing living costs and Craig James says we forget about the tax cuts we've been offered, we forget about the increase in the average wage which he says the gross average wage is

now \$59,000 a year. We forget that in some cases mortgages are getting smaller and we concentrate on petrol increasing and the cost of groceries increasing. Do you think people are better off than they were six years ago? Craig Emerson.

EMERSON: I think a lot of people are not and we rejected, before the last election, John Howard's claim that working families have never been better off. These averages hide a lot of hardship. I think you referred to the average wage being around \$59,000 a year. Something like two thirds of people get less than the average wage and you mentioned this a little while ago Madonna, that people who get way, way above it, sort of bring the average up but the majority of Australians get well under the average wage so there are real cost of living pressures. One thing I will agree with, of course, is tax cuts are coming. They were promised at the last election, they'll be delivered on time, in full, next Tuesday those tax cuts come in.

KING: But without playing politics because Craig James makes the point, it's actually the sixth consecutive tax cut. So it's not just the new Labor Government, the Liberal Government too was, in his words, you know, delivering five of those.

EMERSON: Well they did but by and large the previous Government gave back what is called bracket creep and that is where people get forced by inflation into higher and higher tax brackets. These are very big tax cuts. I think George would have to agree with that because they are very similar to the ones the Coalition put at the last election.

KING: Can I go to George Brandis there? George Brandis, are we better off than we were six years ago?

KING: Well I think that, in fact, we are although that doesn't mean that people necessarily feel better off because as your caller Brett from the Gap was pointing out earlier, people's expectations change. But if you just look at the statistical record, during the period of the Howard Government which is the lion's share of the period under review, real wages, that is wages after inflation is taken into account, increased by 23 per cent. We had tax cuts in most years of the Howard Government including each of the last five years of the Howard Government. Contrary to what Craig just said, those tax cuts were not to account for bracket creep. In fact there was relatively little bracket creep during the Howard Government simply because inflation was so low. Inflation remained between the two and three per cent band which was the Reserve Bank's preferred target range. So you had sequential tax cuts which were real tax cuts, not just tax bracket creep, for year on end and you had a 23 per cent increase in real wages and I've got to say Madonna, let me finish on this that with the growing cost of living pressures that people are seeing now. I think people are starting to look back on those years of the Howard Government as years in which felt much more prosperous than they do today.

EMERSON: You see Madonna this is George's version again of Malcolm Turnbull's statement that inflation is a fairy tale. He's just said inflation is so low...

BRANDIS: No I didn't say that. What I said was that during the Howard Government inflation...

EMERSON: We inherited it...

BRANDIS: ...went between a two and three per cent band in most years and that's a fact.

EMERSON: Australia, it was bequeathed, on the 24th of November last year inflation at 16-year highs and the Coalition even now in Opposition does not accept that inflation is a problem. Inflation is just another word for cost of living pressures.

KING: Yes, but you say that and you talk about inflation and targets but people out there this morning are thinking, is Craig James right or not. Am I better off than I was six years ago? You're saying, no...

EMERSON: What I'm saying Madonna is that averages hide a lot of hardships.

KING: Yes, ok, and Senator George Brandis you're saying by and large, on average, people are better off?

BRANDIS: Than they were six years ago, yes. I'm not saying, by the way, that they are better off than they were a year ago.

KING: No, no I know I asked you the question of whether they were better off six years ago and you're divided on that and so far. According to our listeners, they are divided too. We're going *Inside Canberra* this morning with Opposition Attorney-General Senator George Brandis and Dr Craig Emerson, the Small Business Minister.

Moving on to a new topic and there's several I want to get through this morning, but the Australian Democrats, the end of the Party essentially today with the four valedictory speeches. Is this a bad thing for democracy?

BRANDIS: Look, can I start on that because the Australian Democrats have a Party that had their political existence in the Senate and I do want to pay a tribute to the retiring Senators, Senator Stott-Despoja, to the Leader Senator Allison, to Senator Andrew Murray and to my Queensland colleague, Senator Andrew Bartlett. Now each of those Senators, I think, was a great contributor to Australian politics. I didn't agree with everything they said. I didn't agree with a lot of what they said but can I tell you, Madonna, that last night we had Senator Andrew Murray's valedictory speech and the Senate was full and it was a wonderful speech and Andrew Murray has been, I think, a great legislator.

KING: But my question is do you think our political landscape will be lesser for the demise of that Party?

BRANDIS: Well I think, as Senate parties go, the Democrats were better than most.

EMERSON: From my point of view I agree with George about the contribution of the Democrat Senators and, you know, it was all started by Don Chipp when he in fact worked for the Liberal Party...

BRANDIS: That's right.

EMERSON: ...with the phrase "We're going to keep the bastards honest". The demise of the Democrats really started with the split in the Democrats over the GST.

KING: Look, we understand all that but...

EMERSON: I'm not having a go at them, I'm just saying that it is a pity because they have made a big contribution but once they split I think people thought, well what do they stand for and that's always a problem with a political party where that question can't be readily answered.

KING: In 10 or 15 years time, if they don't redevelop, who is the Democrat do you think your children will remember? Is it Don Chipp that they will read about? Is it Senator Allison? Is it Natasha Stott-Despoja?

BRANDIS: I think that's a very good question. I think in the history books, probably Don Chipp because he was the founder. In more recent years I think Senator Natasha Stott-Despoja has achieved a degree of political notoriety and fame that most don't. But I would have to say that of all the Democrats I've had anything to do with, the one who I think has brought the soundest legislative skills to the Senate has been Andrew Murray.

EMERSON: Look I agree with that too. Andrew played quite a big role when I was Shadow Industrial Relations Minister in preventing what ultimately became Work Choices going through the Senate. They chopped it up into all little bits and pieces and tried to put individual Bills in and he certainly had concern for protecting the rights of working Australians. I want to say something positively, and very positively, about Andrew Bartlett, a Queensland Senator. A very fine human being, a very principled guy and, look it is a sad day that the Democrats are going because, you know, almost without exception and I can't readily think of anyone, but they are good people and they have made a contribution. I think in time they would be replaced by a Party, whether it's called the Democrats or someone else who again put forward some kind of unifying philosophy and people would be interested in that, particularly in the voting system we have for the Senate.

BRANDIS: As long as it's a centre party Craig and, you know, because of the way that the Senate voting systems counted with proportional representation there will always be a niche for somebody to come between the two major parties and pick up one or possibly two Senate positions in each State. Now what I hope is that that political space is filled by a centre party rather than a party of the hard left or of the hard right.

KING: All right, let's move on. But I should just ask you, one day I'll be sitting here probably talking to you about your valedictory speeches which is...

EMERSON: I can't imagine it. A very long, long way off Madonna.

KING: Would you sit down and write it out, would it be a really big deal?

BRANDIS: A valedictory speech, and I have to say with all due respect to my friend Craig Emerson, that we in the Senate take this a little more seriously than do Members of the House of Representatives because we have a greater institutional pride in the Senate than the House of Representatives do in their Chamber. Valedictory speeches are largely two things. First of all, they are kind of reflection on what the Senator tried to achieve during his or her career. But also, most importantly of all, they are occasions to thank people.

EMERSON: But aren't they fairly humorous too George? I mean, a bit self deprecating and people, sort of, have gotten over the Party politics.

BRANDIS: It all depends how humorous the particular Senator is. I wouldn't say they are uniformly funny.

KING: Can I get a brief response on this. I'm wondering if you vet people you meeting or people you might sit next to at dinner? This is why I ask, Anna Bligh copping a caning here for sitting with a developer at a \$5,000 a head Labor dinner. The developer had a multi-million dollar apartment proposal before the Government. The Chief of Staff has admitted, according to today's *Courier Mail*, that the developer discussed the proposal there. Is this a bit tough on Anna Bligh and the developer? I mean, do you vet or look at a seating plan and say, look I can't sit next to that person, I may be doing business with them? Craig Emerson.

EMERSON: Well I don't and I'll give you an example, at the State Conference last Saturday...

KING: Just briefly.

EMERSON: It was a Business Observers function. I sat down. Other people sat down and I wasn't sure who was going to sit beside me and I certainly didn't ask for any particular person to sit beside me or not to sit beside me. I mean, if they are regarded as being worthy of coming along to a function then I think they should be able to talk to whomever they want.

KING: George Brandis, you've been a Minister, how do you answer that?

BRANDIS: Well I think you've got to be a little bit more careful than Craig has been, with all due respect, particularly if it's one of those functions where business people pay a lot of money for access because let's face it, if you pay \$5,000 to go to a Labor Party dinner, you don't pay it for the food and drink. You pay it for the access and that applies to both sides of politics and I'm not saying that's of itself a wrong thing, but I do think you have to be very, very careful.

KING: Well, on Anna Bligh, two polls are out showing the Labor Governments in New South Wales and Queensland on the nose. Without playing politics, let's play history here, what's happening? Australians love to have one Party in Federally and another at the State level. Can you see a wash-out of Labor State Governments in years to come? Craig Emerson.

EMERSON: They'll be judged on their merits at the time. I don't subscribe to the theory that there's a finite life for a political party in government and the New South Wales Government has been there for a very long time and some of the pundits say that, therefore, means that they can't get re-elected. Their election I think is beyond, because they've got four year terms, the next Federal election so, there's a long way to go there and there doesn't seem to be a strong alternative at this stage. I'm not saying there won't be a strong alternative and in Queensland Anna has taken over, she's going strong. She's put her stamp of authority and image on the Government and I think she's doing a great job. Still relatively new to the position but all the evidence I have certainly from my electorate, is people really like Anna Bligh.

KING: Well that's not what the polling's showing. But you say that, the question was the polls showing she's on the nose.

EMERSON: Well I think that when you've got issues such as the growing pains that we have in south-east Queensland in particular about which the Bligh Government is doing a lot, through infrastructure investment, you know, all the road works and there's a hell of a lot of road works going on, but in time, that will ease the congestion, that will improve the lifestyle, making south-east Queensland and confirming it as the best place to live in Australia.

KING: George Brandis, briefly your response there?

BRANDIS: Well I think it's a pretty close run thing to work out whether the Queensland Government or the New South Wales Government is the worst government in the country. But they are both appalling, as you know. In terms of service delivery, in the case of the New South Wales Government, this multiplicity of bizarre scandals with which the Ministers seem to get themselves involved. So I'm not all surprised at the results of these polls. I think people in Queensland and New South Wales, in particular, are very weary of these Labor Governments. You rightly say they've been in power for a long time in Queensland with the relatively brief interruption of the Borbidge years which, in retrospect seem to have been good years, since 1989 and in New South Wales since, I think, 1995.

But it's not just the time for a change factor. It is the fact that these Governments are just bloody hopeless.

KING: All right, we need to move on. Can I have a one word answer to the last one? Schapelle Corby has been dominating the headlines. You've read it, you perhaps have seen it, do you think, do you have a lot of sympathy for her or she's been found guilty and now has to cop the consequences. George Brandis? One word.

BRANDIS: No, I think that having been convicted, you know, she's been sentenced according the laws of that country and, you know, the conditions in which she is being detained of course, conditions that in Australia we would not dream of subjecting prison inmates to.

KING: Yes, all right. Craig Emerson?

EMERSON: I agree with that although I do have, for the very reason that George said, at the last part of his remarks, a lot of sympathy for the view that she is living in pretty tough conditions and, you know, you'd hope that somehow that could be improved over time.

KING: Dr Emerson, Senator Brandis, thank you.

BRANDIS: Thanks Madonna.

EMERSON: Thanks Madonna. See you later.

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