

INSIDE CANBERRA
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HON CRAIG EMERSON MP

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

SUBJECTS: Liveability of cities and towns; Pacific Island guest worker trials; Olympic funding; banks passing on interest rate reductions

KING: Now from sport to politics, perhaps another type of sport. The nation's desperately short of seasonal workers and so much so that the Government plans to import 2,500 workers from Pacific Islander countries: Tonga, Papua New Guinea, Vanuatu. But should that happen ahead of giving those jobs to Aboriginal workers who are unemployed? That seems to be a debate nationally this morning. 1300 222 612 if you've been thinking about this and want to have your say, but it's one of the issues our politicians might have a view on this morning. Dr Craig Emerson is Small Business Minister in the Rudd Government and Senator George Brandis is the Opposition Attorney-General. Good morning.

BRANDIS: Good morning.

EMERSON: Hello Madonna.

KING: Now before we get to that, we've been discussing now, just before nine, about Brisbane and the quality of life here. This Bank index has come out putting Brisbane as the 174th best place to live in Australia. Fair?

EMERSON: Unfair and I don't know where the Bank gets this sort of methodology that produces a ranking like this. I think Brisbane is arguably the most liveable city in Australia. There's some other places outside of Brisbane too that are gorgeous, like Agnes Water and 1770 where I took a few days off just the other, a couple of weeks ago and it's just a magnificent place between Gladstone and Bundaberg. But just even coming in, Madonna, by car, yes, we're still experiencing the growing pains of the South-East Freeway but the number of cranes on buildings is quite remarkable coming all the way through Milton.

BRANDIS: You sound like old Sir Joh Bjelke Peterson.

EMERSON: It is a bit about the Bjelke Peterson, the index of livability and lifestyle is measured by the number of cranes on buildings, but there's a lot and I think what's happening is that Brisbane is making the transition from a smallish capital city to a big capital city. You just are struck by the skyline of Brisbane. That does involve growing pains but I think it also means that it's a very liveable city.

KING: But you're going to say that, you live here.

EMERSON: Yeah, I do and I'm biased, so I'll declare my bias now.

KING: George Brandis, Pine Rivers came in as number 32, Crows Nest 43, Redland 150, Maroochy 263rd, Caloundra 280, Ipswich 283 ahead of Logan 344, Caboolture 368, The Gold Coast in the half bottom of the list at 462.

BRANDIS: Yeah, well I think, Madonna, you've got to treat these statistical indicators with a bit of scepticism. Now this comes from a Bank right, and if you look at the different criteria or benchmarks that are being used, most, though not all of them, are economic criteria rather than social indicators.

KING: There could be business in the area.

BRANDIS: But what, well, what it doesn't have regard to at all is the physical amenity of the place. Now, you know, in Brisbane we have magnificent facilities, we have magnificent sports facilities, we have magnificent artistic venues, it is a physically beautiful city. It has, as I keep proudly saying, one of the great universities of Australia. The University of Queensland was most recently ranked number three of the 39 Australian universities. So, you know, all of these somewhat less tangible indicia are left of a count in exercises like this.

KING: So let me focus more on that. What to you, to both of you, makes a town or a suburb really liveable? That makes it your favourite? Is it, David Chalk was saying, social analyst, before nine, that perhaps it's whether you feel happy. Perhaps you can feel happy in various places though. Is it, to you, being close to the beach? Is that important? Is it having some amount of income? Artistic facilities? Sporting facilities? Is it full employment from a political perspective? What makes a city or a town really liveable?

EMERSON: For me, a sense of community. If people feel that they're part of something bigger and, as you say, happy, because they can say hello to neighbours, or as I do, go for a run in Logan City and say hello to people, including all the little African kids who are now settling under the humanitarian program in Logan City and you know, they're wonderful little kids, and everyone just says hello to everyone else.

KING: Is safety an issue there?

EMERSON: No, not really and I'd ask this question, I wonder how many bankers from Sydney or wherever this BankWest mob or whoever they are, have been to Logan City? As George says, they've measured a few economic indicators and come up with a pretty crappy ranking.

KING: The perfect suburb for you George Brandis? Opera, arts, theatres, sporting facilities, the beach nearby?

BRANDIS: Well I think, you know, it's all of those things. I think it's a sense of well-being and I think that, you know, where Brisbane has it over Melbourne and Sydney is that although it is a large city, it still retains that sort of rather low-key atmosphere I think that we associate with the way Brisbane used to be 20 or 30 years ago. So I think it's a, notwithstanding the traffic congestion about which, of course, we have the State Government to hold responsible, by and large I think it is a less stressful place to live.

KING: All right, onto this issue of Pacific Islanders, us importing Pacific Island workers, Craig Emerson, what's the theory here?

EMERSON: There is an acute shortage of people just to pick fruit. Seven hundred million dollars worth of crop is wasted, just rots on the trees and on the vines. This is an enormous set-back for the people who grow those crops, the fruit and vegies, and here's an opportunity, given that they have been looking for workers for many, many years. This is not something that bobbed up this year and so it's a trial. Let's see what happens. Let's see how it works.

KING: Why not use Aboriginal workers who are unemployed?

EMERSON: Well, that's a very good point but, as covered in the newspaper today, in *The Australian*, fruit growers down around Mildura are saying that's great, where are they and if there are unemployed Aboriginal people who want to work here, let's do it. There is a question of mobility here just as there is from the Pacific Island countries. They're a fair way away. Moving Aboriginal people around is not that easy. Maybe there's an issue, and I think Warren Mundine has a point here. A couple of weeks ago Andrew Forrest announced an ambitious goal of having 50,000 jobs for Aboriginal people. They're not all meant to be in the mining industry. I'm the Small Business Minister. I think there are opportunities for indigenous small business.

KING: But you're glossing over this a little bit in terms of you saying, you know, mobility's an issue. Surely it's easier to find 2,500 Aborigines in Australia than it is to fly in, at the cost to taxpayers, 2,500 from the Pacific Islands...

EMERSON: Sure.

KING: Just let me finish. Warren Mundine, the ALP power-broker, actually labelled it bizarre that this would happen when so many Aboriginal workers, him being an Aboriginal, are unemployed.

EMERSON: Well, I'm a friend of Warren Mundine's and if there are 2,500 Aboriginal people who want jobs, just put their hands up and they'll get jobs. That's what I'm saying.

KING: So the Government would consider using Aborigines over Pacific Island workers but haven't been able to find them?

EMERSON: The whole idea of the scheme is that the employer needs to demonstrate that there is no-one else and that they are trying and trying to get people to do that job and that there's no-one else. Now if there are people, and look, Warren Mundine's a great guy I reckon he can work with Andrew Forrest and all of these people, including the Government, through the small business portfolio and other agencies to get Aboriginal people, if they put their hands up, they will get jobs.

KING: George Brandis, never heard you so quiet in all my life.

BRANDIS: Well that's because I was listening carefully to what Craig had to say.

EMERSON: As George often does.

BRANDIS: Of course. I'm with Warren Mundine. I agree with Craig. I think Warren Mundine is a very sensible person on a lot of these issues, as is Noel Pearson, and they've both said the same thing, as indeed in this morning's paper has Tony Abbott. I think it would strike your listeners, Madonna, as very strange that we would be bringing people in from other countries, from South Pacific countries, when there are populations of Aboriginal people within Australia who are chronically unemployed and, you know, are physically living closer to the places where the fruit pickers, for example, are needed than people living in the South Pacific are.

KING: But the Government can't round up Aborigines.

BRANDIS: No, of course you can't. But what it could do is structure a scheme to encourage them to participate in work like this, and perhaps, you know, I'm just thinking aloud here, that it could assist with the transport for instance. But, you know, we have two problems right? We have the chronic labour shortage, particularly in seasonal industries and we have chronic localised unemployment among Aboriginal people. Now, I don't think you need to be a policy genius to bring those two problems together because they seem to both point, the same solution seems to point in the same direction.

KING: Craig Emerson's saying this morning the Government's open to that so it will be a window that's...

EMERSON: Yeah, and Madonna if I can clear up one thing. Employers do bear some of the cost of getting people from the Pacific Islands and, you know, I think there is a potential solution to the problem in what George and I have been saying. Maybe we should look at assisting Aboriginal people to move around Australia. If they want a job, we should be able to ensure that they have a job.

KING: Twenty-four minutes past nine. *Inside Canberra* this morning with Opposition Attorney-General, Senator George Brandis, and Small Business Minister in the Labor Government, Dr Craig Emerson. The Olympic Games. Has there been a stand-out event for either of you?

BRANDIS: Well, I think we'd have to say today that Anna Meares's achievement in winning the Silver, eight months after having a broken neck is just an extraordinary achievement and I think that's what inspires people about the Olympics in particular, even people who are not, sort of, you know, sports nuts. It is just full of stories of people who've come through adversity to achieve these extraordinary feats and that was a really inspiring story.

KING: Your favourite story Craig Emerson?

EMERSON: The women's relay, the medley relay. It was just sensational. They weren't expected to win and they smashed the world record and two slower swimmers, the slower swimmers actually swam very, very fast times.

KING: Amazing.

EMERSON: Sensational effort.

KING: Now, given our medal tally, according to the commentators, is going to be lower than usual, there's been this debate over the funding of sport. The UK has thrown all this money at sport and seems to be reaping the consequences of that. There's been a debate also in Australia on, we actually give more money to our swimmers than we do say to our athletics team or indeed our entire Paralympic team. What do you think about the funding of sport in Australia and that balance on where it goes? To the former Sports Minister, George Brandis.

BRANDIS: Well, a couple of points to make Madonna. First of all, I think your listeners should understand that sport in Australia is generously supported both by the Commonwealth Government and also by State Governments as well. The Australian Institute of Sport which was founded by the Fraser Government after the disaster of the Montreal Olympics, where we won no gold medals, is an absolutely world-class facility. There's no question about that. There is nothing better in the world. There might be some institutions in the United States that are the equal of it, but there is nothing better in the world and the sports scientists there and the trainers there have international reputations. Just to give you an idea of how much the Commonwealth spends on sport, we spend and I'm talking rough figures now, we spend about \$150 million a year supporting elite sport through the Australian Institute of Sport. So in each Olympic Games cycle, that's more than half a billion dollars.

KING: Is that enough?

BRANDIS: Well, you know, it's how long is a piece of string? You could always spend more and as Craig knows as well as I do, there are always client groups who will be asking and showing good reason why we could be spending more, but then it always comes down to a question of alternatives. When we are funding, to the tune of more than half a billion dollars in each Olympic cycle, a world-leading sports institute and, per capita, still doing

astonishingly well in the medals I think, you know, that's something we can be proud of.

KING: But what about the priorities too? Australian swimming have come cap in hand, you saw it on television, saying we need more money to beat the UK, but Australian swimming actually get more than the entire Paralympic Committee in 2006/07, the latest public figures available. How do you determine those priorities?

EMERSON: I think there is an opportunity now to get the various sports together and have a discussion about this as to who gets what and what's needed.

KING: Well swimming is going to say I want more and athletics is going to say...

BRANDIS: We've done that Craig...

EMERSON: I'm not actually sure. Some of the sport representatives, the organisational side, are saying that they are pretty well funded and they're not...

KING: Like who?

EMERSON: I think the Hockey Women said that. That they're not complaining about the funding but others are...

KING: They got \$5.5 million in that year.

EMERSON: Sure, sure, but I'm just saying that not everyone is saying that they're badly under-funded. I'd also make this point: I know in the men's swimming, for example, it's a very young team.

KING: Yes it is.

EMERSON: And it will hit its straps, or we should expect it to hit its straps in London in 2012. The men won no golds, the women won all the golds. Good on the women. Go the women. But even the women say that is a very substantially because the blokes are pretty young and they will come through. That's true in a number of the other sports to where, you know, it's in football, in all sorts of sports a team becomes very good, gets a bit older, then a new lot come through. So I don't think there's a sort of a big national problem here. I mean goodness, we're a country of 21 million people and we're ranking, we probably might even end up 6th or so in the world. That's pretty sensational.

BRANDIS: I agree with that. I mean, we've come fourth in the last two and, you know, weight for age Australia still out-performs virtually any country in the world in sport.

KING: All right. From swimming to the Reserve Bank and it's now warned of a fairly rough outlook and everyone, and their dog, expects that official cash rates will be cut next month. Do both of you think the banks will pass on that official cash rate cut?

BRANDIS: Well they should.

EMERSON: They'd better.

KING: What happens, right, so and that's what people probably want to hear. But what happens if they don't? They put it up when they didn't have to.

BRANDIS: Well I tell you what Wayne Swan ought to be doing and, you know, he's been doing this in the public arena I acknowledge, but he ought to be doing it privately too, he ought to be on the phone to the CEOs of those banks and demanding that they do. Peter Costello used to do that. Demanding that the full interest rate be passed on if there is, as people expect, an interest rate cut. In fact, the international cost of funds has eased slightly.

EMERSON: That's right.

BRANDIS: Has eased slightly. So there is just no economic case to be made by the banks who have already now increased interest ahead of the Reserve Bank so that they've built in that fat already, not to pass on the reduction.

KING: Craig Emerson, do you know if the Treasurer, Wayne Swan, has called the CEOs of the banks and laid it on the line?

EMERSON: I haven't discussed it with Wayne. I would be amazed if he didn't but if he has it would remain behind closed doors. But publicly he has said what a Treasurer should say and I accept George's point. Peter Costello used to do this. There's not a big regulatory stick that is easily available as I said on the, I think our last discussion. Certainly exit fees, we would want to reduce those and that will be something that comes through a little later in the year so that people can shop around. But I tell you what, if those banks don't reduce the interest rates by the full amount they will feel the full wrath of the public because the public's had a gutful of the record profits and banks just saying, well, you know, go somewhere else because we're going to just play it the way we want.

BRANDIS: Can I make one quick point please Madonna? If the interest rates come down next time, that will be the fastest turnaround, reduction after a rise, in history. Now you might recall that when interest rates were increased earlier this year, Malcolm Turnbull, as Shadow Treasurer, said that the case for increasing interest rates had not been made out. If the interest rates now come down after they've just been increased, Malcolm Turnbull's

judgement, which was ridiculed by the Government at the time, will have been vindicated.

KING: Well, let's wait and see...

EMERSON: Well, that's absolute rubbish. I mean Malcolm Turnbull is the guy and Brendan Nelson said it's a fairytale, it's a charade, there's no inflation problem. The Reserve Bank increased interest rates 12 times! That shows there's an inflation problem.

KING: Well, we'll decide that when it happens. Let's bring up that conversation. David just called, he said what planet are those pollies on, if you try and ring a bank, you can't talk to a human being, just a 1300 number and a long wait, but we gather Wayne Swan, the Treasurer, might have a direct line.

EMERSON: You reckon they'll put him on hold?

BRANDIS: Well they take him that seriously though Craig, that's his problem.

KING: Last quick problem. We're in search for the messiest desk in Australia. You can see a photograph on our website, abc.net.au/Brisbane. How do you stand here? Either of you a candidate for the messiest desk in Australia?

EMERSON: I reckon I'd be a medal chance because it's not just a messy desk, I wrote a book a couple of years ago and all the papers spilled over onto the floor and I needed them in all particular places where I knew where they were so...

KING: Are you happy for us to contact your office, get a photo and put it on our website with the ones we've already got?

EMERSON: Yeah, you can get a photo of the floor with it.

KING: Perfect, George Brandis?

BRANDIS: No way.

KING: No way, we can't take a photo or that you're not?

BRANDIS: No way.

KING: It's pretty bad?

BRANDIS: It's probably...

EMERSON: He's a lawyer. It would have to be a schemozzle.

BRANDIS: I think barristers are infamous for having too much on their desk.

KING: George Brandis, Craig Emerson, thank you.

EMERSON: Thanks Madonna.

BRANDIS: Thank you.

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