



HON CRAIG EMERSON MP
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND THE
SERVICE ECONOMY
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS
MINISTER ASSISTING THE MINISTER FOR FINANCE ON DEREGULATION

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Inside Canberra with Terri Begley
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BEGLEY: Well not even during the Federal election campaign did we see scenes quite as fiery as this week. Claims of lies, corrupt dealings and calls for resignations peppered every conversation in Federal Parliament over the utegate affair that will go down in history as utegate. And it's still not resolved. With the attacks now directed at Opposition leader Malcolm Turnbull and can he be blamed questioning the Government over an email that he presumably believed was legitimate? Will it sour the personal relationship between Kevin Rudd and Malcolm Turnbull even further? We're now going to take a walk down the corridors of power this week with the Government's Craig Emerson and the Coalition's Steve Ciobo. Good morning to you both gentleman.

EMERSON: Hello Terri.

CIOBO: Good morning Terri.

BEGLEY: Good morning. Craig Emerson to you first. Have you ever met this used car salesman John Grant?

EMERSON: No I haven't and this so called utegate matter has backfired on Malcolm Turnbull. He's got soot all over his face running off half cocked issuing wild accusations on the basis of a forged email.

BEGLEY: We'll get into that shortly. Do you though, like your colleague Wayne Swan, have your emails involving constituents faxed to your home?

EMERSON: Well Wayne Swan has had a huge number of emails faxed to his home when he is working in Brisbane. When he's in Canberra obviously the emails arrive in Canberra on his computer. Some 209 faxes, just this year, have been sent to Wayne Swan's home fax so it's not unusual. The fact is Wayne Swan, like all Treasurers should, does work outside of the hours of nine to five and when he's at home he gets this sort of information.

BEGLEY: Do you work as hard as the Treasurer? Do you address hundreds of issues from your home?

EMERSON: I suspect I don't work as hard as the Treasurer because he is an incredibly hard working man. I think I work reasonably hard too but it's obvious that he does work from home if he's not in Canberra receiving the information directly. It's perfectly sensible and reasonable for him to receive this sort of information at home. In fact I'm told that around 1600 pages of information have been sent to his home fax since he became Treasurer.

BEGLEY: You've mentioned, you started to talk about how Malcolm Turnbull has gone off half-cocked over this false email but isn't he between a rock and a hard place here? If he hadn't raised this and this email was proved to be genuine he would've been considered irresponsible so he did raise it and it's untrue and he's being considered irresponsible. How Craig Emerson, have you ever made a claim in Parliament that later did prove to be incorrect?

EMERSON: I can't recall one and the point here Terri is that Malcolm Turnbull brought down his judgement on the Prime Minister and the Treasurer on the basis of a false email rather than simply saying well this begs a number of questions. If I could, I know you want to talk to Steve in a second, just say what he said on Friday, he said: "the Prime Minister and Treasurer have used their offices and taxpayers' resources to seek advantage for one of their mates and then lied about it to the Parliament". Now that is a very serious accusation and it was based on a false forged email.

BEGLEY: Steve Ciobo I'd like to bring you in here and your response to the latest twists and turns on this?

CIOBO: Well Terri I think it's important that we don't get overly caught up in the flotsam and jetsam around this issue you know. Terri if you're listening to Craig Emerson and to the first five minutes of this conversation you would think that the only thing at issue here is this email. Now the Coalition has conceded that it appears that this email is a fake. We acknowledge that and we've said it's difficult to sustain the case against Kevin Rudd in view of this forged email. But let's not lose sight for one moment of a very important and key issue Terri and that is the testimony that was provided to the Senate inquiry.

Now this testimony makes it perfectly clear that the evidence of the testimony coupled with the tabled emails etc highlight that Wayne Swan did indeed give preferential treatment to John Grant. It has nothing whatsoever to do with the email and what's going on now is the Labor Party is running scared. They're running a campaign to try to tie Wayne Swan to this email when the reality is that the email has nothing whatsoever to do with the very compelling and overwhelming case against Wayne Swan that Wayne Swan did indeed mislead the Parliament.

BEGLEY: Well you've said he's given preferential treatment but what is the role of the politician? Isn't it to make representations on behalf of constituents whether you know them or not?

CIOBO: And Terri if that had been all it was, making representations, treating everyone equally, there would not have been an issue. But let's be clear what's taken place. Ford Credit, who were seeking to borrow \$500 million effectively from the Government, was being put in a situation where they were told with a wink and a nod we'll look at your case. By the way here's the mobile phone number for John Grant, a

good mate of the Prime Minister's. Would you please make sure you get in touch with him because he's having trouble accessing credit. Now this is nothing at all to do with the email. It's got to do with the testimony that it was made very clear to Treasury officials that John Grant was no ordinary citizen. He's a close friend of the Prime Minister's and Wayne Swan took an unusual and highly personal active interest in what was happening with John Grant.

BEGLEY: Craig Emerson?

EMERSON: Well let's look at the testimony Terri. The head of Ford Credit was asked by Senator Abetz how many people were referred, that is, how many individual car dealers were referred to Ford Credit? Senator Abetz was anticipating the answer being just one, John Grant. Mr Cohen said 'there are at least three or four that I can recall'.

CIOBO: Only one mobile phone number though Craig, only one mobile phone number.

EMERSON: 'Three or four that I can recall'. Steve Ciobo is just saying the preferential treatment that Mr Grant got. What did he get? In the end nothing, nothing at all. So there was no preferential outcome. There was no preferential treatment. Others were referred in a similar way. Kay Hull for example, she's the Coalition Member for Riverina. Very grateful for the interest and active involvement of the Treasurer's office in a case and she thanked the Treasurer's office for their diligence in following up on behalf of a constituent

CIOBO: What about Sharman Stone who's still waiting for an answer several months later?

EMERSON: Well I'm saying ...

CIOBO: Several months later.

EMERSON: I'm saying, not one, but three or four were referred onto Ford Credit. You seem to make a big issue out of that and in the end no one, Mr Grant got no advantage out of this at all. So this is the huge case that you're trying to make and it falls to the ground.

CIOBO: No Terri and I'm happy to go in much more detail.

EMERSON: And the problem is. I mean I think it's unusual Terri that on the Saturday Malcolm Turnbull has now conceded that he phoned Mr Godwin Grech. Now I think that's really unusual. He says it's not. That the Leader of the Opposition would ring up a Treasury official, out of the blue, on a Saturday, to see how he was going. How did he have his phone number? How is he so familiar with Mr Godwin Grech?

CIOBO: You are talking about Joe Hockey?

BEGLEY: I think Joe Hockey rang him ...

EMERSON: No Joe Hockey left a message. Joe Hockey left a message. Malcolm Turnbull he said, he spoke to him.

CIOBO: Terri let's get back to this issue about how Ford Credit was actually provided that Ford dealers were seeking credit. Now again, no problem with that from an

Opposition point of view but the point is though you don't have to have a body lying there in front of you to have a murder and this seems to be the Labor Party's line, that because John Grant did not receive money that therefore he didn't receive special treatment. That's simply not the case.

BEGLEY: Yes but we could go back to this either side again that you'll hear Craig Emerson say that there were other people who were also, had you know, communications with the Treasurer's office not just this John Grant so we'll move on from that point ...

CIOBO: Yes but the point is ...

EMERSON: Can I just say Terri that it's not just me. The executive director of the Motor Trades Association of Australia said and I quote "the treatment that Mr Grant a member of mine got was no different from the treatment that all of my other members got on my intervention on their behalf to Mr Grech".

And in fact Mr Grech himself actually said in his testimony that it was perfectly sensible and reasonable for him to receive such representations. He said there is nothing out of the ordinary about it. Now you don't get the Coalition quoting Mr Grech on this because on this occasion Mr Grech's testimony is not helpful to the Coalition.

BEGLY: You're listening to *Inside Canberra* this morning with the Government's Craig Emerson and the Coalition's Steve Ciobo. Steve Ciobo it's come out, the latest twist, is that members of your Coalition have talked to Godwin Grech. Is that normal for a politician, an Opposition politician, to pick up the phone to a public servant? Apparently the ABC TV were told last night by Liberal hierarchy that he is a regular source of leaked information, had been so in the Howard Government days. Is this right?

CIOBO: It is perfectly normal Terri for politicians of different political flavours to speak with public servants, absolutely. There is nothing, there is absolutely nothing irregular about that and an attempt to try and pretend that this somehow implies that there's some malfeasance is wrong. The reality is that is very normal behaviour.

EMERSON: On a Saturday afternoon?

CIOBO: But I just want to go back, I just want to go back for one moment to...

EMERSON: Ringing public servants on a Saturday afternoon in Canberra is normal behaviour?

CIOBO: Craig I gave you a good chance, I gave you a chance, why don't you let me make one point? The key point is this Terri. That with respect to dealings with the Treasurer's office no one is claiming that only John Grant dealt with the Treasurer's office. The key point is this. The Treasurer only took an active personal interest in one dealer. And that is the important point. In one dealer, John Grant. His mobile number was the only one given to Ford Credit. His details were the only ones faxed to Wayne Swan's home. His particulars were the only ones that Wayne Swan took a personal interest in and that is very different to general arguments that well hang on, three or four dealers approached the Treasurer's office, Ford Credit were told about three or four. The fact is that that mobile number, the personal number for John Grant was only provided to Ford Credit from the Treasurer's office to Treasury and told you guys get in touch with him. That is very different to everybody else.

EMERSON: The bottom line is that three or four car dealers were referred to Ford Credit and Steve, with a straight face ...

CIOBO: But it's about the Treasurer's involvement.

EMERSON: .. and Malcolm Turnbull with a straight face are saying it is perfectly normal behaviour for the Leader of the Opposition and the Shadow Treasurer to ring a Treasury official at his home on one occasion, on a Saturday afternoon. 'Well I was just at a loose end, flicking through the Canberra phone book and I came across Godwin Grech'.

CIOBO: So what is the point that you're making?

EMERSON: Obviously there is a relationship of some sort between Malcolm Turnbull, Joe Hockey and Mr Grech.

CIOBO: So let's have a judicial inquiry. Why won't you support a judicial inquiry?

EMERSON: We know Mr Grech worked for Joe Hockey for a time.

CIOBO: For two weeks, for two weeks ten years ago. For two weeks ten years ago he worked for Joe Hockey.

EMERSON: So the question is should there be a judicial inquiry into the fact that Mr Grech worked for Joe Hockey and that Joe Hockey and Malcolm Turnbull rang Mr Grech at his home phone number.

CIOBO: Let's have a judicial inquiry.

EMERSON: That is a statement that they have both made; that they have rung Mr Grech, they know him, that they are familiar with him. I think it's unusual and in the end ...

CIOBO: Okay well let's have an inquiry. Support us in an inquiry.

EMERSON: And in the end Terri your listeners will make this judgement. Is it or isn't it unusual for an Opposition Leader and a Shadow Treasurer to ring a Treasury official on one occasion on a Saturday afternoon? They obviously were very familiar with him and I'll take it no further than that. Let your listeners make a judgement.

CIOBO: This is the point Terri, this is the point, Labor's very happy ...

BEGLY: I think we're just going over the same ground here though.

CIOBO: Well see Labor's happy to throw stones and run away. Now if these are concerns let's have an inquiry.

EMERSON: I'm not throwing stones. These were admissions by both Malcolm Turnbull and Joe Hockey.

CIOBO: Support our call for an inquiry.

EMERSON: These were admissions by them. It's not us asserting. I didn't know that Mr Grech received a phone call on a Saturday afternoon after giving testimony, from the Leader of the Opposition or the Shadow Treasurer.

BEGLEY: Okay you've both said that before but just on that one ...

EMERSON: I'm not throwing stones. These are admissions from those two men.

BEGLEY: Certainly not. Just on that one question Craig Emerson, will you support a judicial inquiry to get to the bottom of all this, to put this to bed, to find out what really happened?

EMERSON: This was just a resolution, an arm-waving resolution in the Parliament today and that's why we're late on your program, from Malcolm Turnbull. What? To unearth information that he's already put into the public arena?

CIOBO: What are you running scared from?

EMERSON: There is a Federal Police investigation into this matter and I reckon it's right and proper to allow the Federal Police to do their work without interference by politicians.

CIOBO: You have got to be kidding me after the pressure the Labor Government has put on the AFP in the last 48 hours.

EMERSON: Well what's that mean?

CIOBO: It means there's been an extraordinary amount of pressure put on the AFP.

EMERSON: Well you'd better substantiate that. It is a very serious allegation, an extremely serious allegation Steven, that the Rudd Government has put pressure on the AFP. I will be taking up that allegation and you will need now to answer for that very serious allegation that the Government in some way, pressured or intimidated the Australian Federal Police. That is an irresponsible allegation.

CIOBO: Not at all. There is a very large degree of political pressure being placed on the AFP to release information. It's the source in fact Craig of articles in today's papers.

BEGLEY: Steve Ciobo what evidence do you have though that there has been pressure put on the AFP by Labor?

CIOBO: Well as I said there is articles in today's papers about this very point. This is hardly a groundbreaking statement.....

EMERSON: Well it certainly is and I'll be following it up.

CIOBO: Well great. The fact is Terri, what we have, is the AFP in the middle of an investigation making comment which, as I said in articles today, is considered to be quiet premature.....

EMERSON: By whom?

BEGLEY: But a report in the paper couldn't be considered as evidence? It's a report in a newspaper.

CIOBO: Right, my comment was...

EMERSON: Particularly based on fake emails I wouldn't be counting too heavily on that sort of stuff Steve.

CIOBO: My comment was that the AFP was under pressure, that's political pressure...

EMERSON: Intimidated?

CIOBO: No I never used...that's your words.

EMERSON: Right. I just want to get the allegation right.

CIOBO: Let's not verbal me.

EMERSON: Yeah okay. Fair enough. I want to get the allegation right.

CIOBO: That there is a high degree of political pressure for this matter to be brought forward very quickly and what I think needs to happen, and this is the Opposition's call, for there to be a full judicial inquiry for this to be done with the bright lights of a full public inquiry and I for the life of me do not understand why Labor is so willing to say on the one hand, well there's all these concerns we've got about inappropriate relationships but at the very next breath stop short of supporting the Opposition's calls for a judicial inquiry.

EMERSON: And my point is let the Federal Police investigation take its course without interference by politicians.

BEGLEY: Just a quick question from a listener who's just phoned in gentlemen, just moving off that point, John from Narangba wants to know if someone is eventually found guilty of misleading parliament, if that happens, what is the punishment, particularly if it's an indictable offence. Can either of you answer that?

EMERSON: I don't know that indictable offences come into it. I think Steve might have one more unit in law than I do. I've got none.

CIOBO: I think we're both bush lawyers. That's the problem Terri. No look it's not an indictable offence it's a Westminster convention that if a Minister is found to have misled the House with intent, so to speak, then tradition is that they would resign.

BEGLEY: Okay well let's move on shall we? I think we've spent enough air time on that, going on for 15 minutes. Now here in Queensland a Galaxy poll has shown that people living here overwhelmingly think that they're over governed and when it comes down to it Queenslanders would abolish the State Government. Your views gentlemen, do you agree?

EMERSON: I think on the face of it Australia does have a lot of government, three levels of government. In New Zealand they don't have state governments. In other jurisdictions they might have state governments, but not local governments and so on. Everyone's got a national government for good reason. But it's easier said than done Terri. It's very difficult to envisage given that these have been established under the constitution.

It's very difficult to envisage for example, six state premiers and six state opposition leaders agreeing to go to a referendum to abolish the states. A referendum, and I'm not recommending that that happen, but a referendum needs to be passed by a

majority of Australians and a majority of the states. Now whether that's Liberal or Labor you always get some opposition who say 'no I don't agree with that' and you would not get it up. You would not get it up in a referendum. And the campaign Terri would be about states' rights and not having all power centralised in Canberra. I can certainly understand the debate but I can't begin to imagine the mechanism that would lead to the abolition of the states.

BEGLEY: Fifty-six per cent of Queenslanders apparently are saying they would want to abolish the state government. Steve Ciobo?

CIOBO: Well Terri this is probably more a referendum on the performance of the state government than anything else. But I've got to say whilst I agree with Craig's point about the likelihood of success of a referendum like that from my perspective what I think we actually need to focus on is that I think there'd be very little chance that you would succeed with the referendum. In addition to that I personally am very much a supporter of the Federation. I think the states do play an important role. I believe that replacing a Canberra bureaucrat for a George Street bureaucrat doesn't actually achieve a lot. There's certainly a lot of scope for efficiencies but at the end of the day I wonder if this is a case of the grass is greener. I don't believe the French are being known as any great efficiency experts or that the French model of government being in any way far superior to the Australian form of government and that ultimately is the model that we pretty much would have if we abolished state governments in Australia

BEGLEY: Now next week, as both of you would be aware and we're letting people know that we're taking morning programs off out of the studio onto the road. We're heading to Beenleigh for a live broadcast. This is going to coincide with a Federal Cabinet meeting in Brisbane. As politicians we've been asking our listeners this week what they think is the number one issue that politicians should be responding to them on now. Starting off with you Craig Emerson. What do you think is the number one issue that's most concerning people that you're preparing to hear questions on next Tuesday?

EMERSON: I think the still uncertain outlook for the economy. Small businesses are apprehensive about the outlook for the economy. They are looking very much for confidence to be built, starting with consumer confidence, because small businesses themselves know that if consumers are confident they're going to spend more. So I think talking the economy up and supporting the economy during what is the worst global recession in 75 years.

BEGLEY: Steve Ciobo?

CIOBO: Terri from my perspective the issue that people raise with me regularly these days is likewise with Craig - the economy. I know there's a lot of concern about the level of debt and deficit in this country. People are talking with me regularly about that. And the other key issue that people are concerned about which of course is fundamentally tied to the performance of the economy is jobs. People want to know what their job security is like, what government is doing to help their job security and I think between those two big issues, how we're ever going to repay this \$300 billion plus of debt that Labor's accrued in 18 months and whether people are going to be able to stick by their jobs are the two big issues.

EMERSON: Well we've got the lowest net debt of any country in the world..

CIOBO: Yeah but that's no thanks to you Craig, nothing to do with Labor.

EMERSON: And on jobs, this is a surprising figure, if your listeners were asked how many jobs were lost since the change of government in 2007 in net terms, the answer is none. There's 145,000 more jobs than there were then. I think we need to keep this in perspective and through these stimulus packages, 70 per cent of which is being spent on nation building infrastructure, we are supporting jobs and in the process supporting independent contractors and small businesses through these tough economic times.

CIOBO: Terri only a Labor politician would argue that when the unemployment rate is skyrocketing that they're actually creating more jobs.

EMERSON: Well I'm just saying that there are more jobs and it's better to be talking the economy up which we are than talking the economy down.

CIOBO: I'm not talking it down. I'm stating facts.

BEGLEY: Well unemployment, I can tell you both I've been speaking to a lot of constituents this week doing some vox pops on the street, unemployment certainly one of the key issues. Health another one, education another one and you know what I would've considered to be way down the track that came in fourth, the behaviour of politicians gentlemen, the behaviour of politicians.

EMERSON: Well I've got my arm around Steve here. You won't be able to see that.

CIOBO: We're robust Terri but as Craig says we're good mates off the field.

EMERSON: When the ref blows the whistle and we're on the field we're into it. And then we shake hands at the end, have a beer, go home.

BEGLEY: Well that's good to know. Well Craig Emerson you are actually coming along next week to answer some of these questions at this community cabinet meeting and outside broadcast. Are you looking forward to it?

EMERSON: Yes it'll be great. I hope it's good for your listeners but it's very good for the Cabinet and the Ministry Terri because we get that direct feedback and sometimes warts and all and that's to be welcomed. We're not looking to be in cotton wool. If people are looking for a frank assessment of the government's policies in any particular area then we get that both barrels. That's how it should be in a robust democracy and I think we all benefit from that. And I understand that the Coalition has Shadow Cabinet meetings in regional areas. I think there's no better way of, you know, getting your finger on the pulse so that you have that grass roots feedback.

BEGLEY: Craig Emerson, sorry Steve.

CIOBO: Terri maybe I should come along to that Community Cabinet as well. I've got a couple of questions I could ask.

EMERSON: Well I'm sure you'll be welcome.

BEGLEY: You are more than welcome to Steve Ciobo. The floor will be open. Anyone can come along.

EMERSON: But you've got to take your chances mate.

BEGLEY: We'll have to leave it there you two and thanks for your time.

EMERSON & CIOBO: Thanks Terri.

BEGLEY: The Government's Craig Emerson and Coalition's Steve Ciobo. That's *Inside Canberra* for this week. And just a reminder on that. We'll be in Beenleigh next Tuesday. Craig Emerson will be there. You'll get your chance to question him. You'll also get your chance to question Minister for Ageing Justine Elliot and the Minister for Housing Tanya Plibersek. That's at our OB next Tuesday.

ENDS.