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Transcript
Inside Canberra with Madonna King

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Subjects: Peter Dutton decision, asylum seekers, Henry tax review, Qld Government asset sales, dilemma of the day.

KING: Dr Craig Emerson, Rudd Government minister, good morning.

EMERSON: Hello Madonna.

KING: Senator George Brandis, Opposition Attorney General, good morning to you too.

BRANDIS: Morning Madonna, morning Craig.

EMERSON: Hello George.

KING: It's not only Peter Dutton that's making news but it's probably a good place to start. I've just had a lengthy chat with Peter Dutton. How do you think the voters of Dickson will greet him come the next federal election Craig Emerson?

EMERSON: John Howard often used the phrase "cut and run" and I think that's what Peter attempted to do – to cut and run by going to seek preselection in a much safer Liberal seat. The reason he has now given for reconsidering all sounds high-minded, that he got 400 emails and

encouragement, but the fact is that the draft redistribution boundaries had him in negative territory. I think that is Labor about 1.8 per cent. The final boundaries took Kallangur out of the area of Dickson and put Dayboro in it and that made it a little bit better. What Peter has done has said that's my best chance when in fact it's his one and only chance because all the other options have been exhausted.

KING: Yes but we know this. Be honest, you're in a fairly safe Labor seat, what would happen if the boundaries were redrawn and you believed you had no chance of being elected? Are you telling me you wouldn't look at another seat?

EMERSON: I have been down to one a half per cent. We're up to nearly 12 per cent now but I think it is the responsibility of a sitting member to seek to defend that seat for the party and to earn the trust and support of a greater number of people at each election. Peter could have made that decision when the draft boundaries came out but he decided to cut and run.

KING: George Brandis can I bring you in here? You'd certainly agree your colleague Peter Dutton is in a weaker position now than he would have been had he not decided to try and escape the seat?

BRANDIS: Well I think Madonna that most people, not all people, but most people would be understanding of Peter's position. I heard his interview with you a littler earlier in the morning and the situation Peter was confronted with when the draft redistribution was published and he said himself that he was put in a very difficult dilemma. It was quite a different seat from the seat he had represented for the last eight years. All the professional assessments said that the seat had become unwinnable by him and I think most people put in that situation would be faced with the need to consider their options. I think most people would think that fair enough that they do consider their options. It's all very easy for Craig, who's in a blue ribbon Labor seat on 12 per cent, to pontificate on what somebody is faced with this dilemma should have done but the fact is that he was placed in a situation, through no fault of his own, where his political position in the new seat of Dickson was untenable so he had to consider his options. That was unpalatable to him I might say. Peter's very much a local community figure in that area. I've campaigned with him, he's got three little kids at schools in the area....

KING: Yes we've heard all that this morning. So you don't think this will do him any harm? Yes or no?

BRANDIS: It may in the minds of some but I think in the minds of most people, most people are reasonable and decent and I think they would understand the position he was placed in through no fault of his own.

KING: We have a reporter in Dickson and we'll hear that report in about 15 minutes about what people in Dickson are saying this morning about the announcement of Peter Dutton that he will now run there. George Brandis, Craig Emerson, on to another issue and the tax review by Treasury boss Ken Henry will report later this year. Now we've talking about it in snippets over the weeks but you can expect a shake up in road user charges. The plans to scrap the dividend scheme appear to have been dropped. Certainly the resources sector is expecting to cop bigger royalties and taxes. The company tax rate is expected to change slightly. This morning the revelation that millions of us will now be spared from filling in an annual tax return. Can I ask each of you what is the single biggest change in tax you would like to see Ken Henry implement? George Brandis?

BRANDIS: The single biggest change in tax that I'd like to see over the long term because it would have to be over the long term, is the reduction in rates of personal taxation. That's something that the Coalition Government over eleven and half years achieved and I would like to see it continue. We in the Liberal Party have a philosophical difference from the Labor Party. We believe that the more person's earnings they are allowed to keep in their own pocket and chose to spend as they will the better.

KING: So over the long term what do you think would be a fair level of personal tax to end up with?

BRANDIS: Well I'm not going to nominate a figure because I don't think it's possible to do that. The point I make is that one of the great philosophical differences between the Liberal Party and the Labor Party is that the Liberal Party has plenty of form on this and we will always try to reduce the rates of personal taxation. The Labor Party will try to keep them high because they have more of a collectivist mentality in which the Government should spend more of your money and we think you should spend your own money.

KING: With respect Senator you were in there for more than a decade and perhaps you did reduce them but you could have reduced them a lot more if that was your aim?

BRANDIS: We reduced them as much as was responsible in the circumstances. The Labor Party and some commentators from the left have accused the Liberal Party of reducing personal tax too much. In the Howard Government we reduced them as much as we could reasonably and responsibly could.

KING: All right. Craig Emerson, the tax you would most like to see changed by Ken Henry?

EMERSON: A general simplification of the tax system. It has grown up over a 100 years. It is very complex. It's complex for small business. It's complex for individuals so I think if we can reduce the compliance burden of taxation on individuals, on companies, on small businesses, that's well worth doing. George's statements there sound very high-minded but the truth is they had 10 years and they were the highest taxing government in Australia's history as borne out by the budget papers.

BRANDIS: Please Madonna can I correct that...

KING: Briefly.

BRANDIS: The Labor Party says that because tax receipts were higher because the country was doing so well. People were making a lot more money, so the receipts were higher so they were paying a lower rate of tax.

EMERSON: Don't tell me you're a low taxing government when you were the highest taxing government in Australia's history.

BRANDIS: Taxes were higher because the country was more prosperous under the Liberal Party than it is today so there were more tax receipts but people were paying less rather than more of their income in tax.

KING: All right. We'll move on from tax but I want to ask you at home this morning and we'll do a lot more on this Ken Henry tax review in coming

weeks. He's due to report in December this year but this is the biggest shake up in a generation of our tax system. Everything apart from the GST is being looked at and I'm interested to hear from you your questions but also what taxes you would most like to see changed? To our next topic and just briefly immigration because I know we did a lot on it last week. This is for you George Brandis. It's a question from Eamon who has written in and he says:

"On the Insiders Shadow Minister for Foreign Affairs Sharman Stone said that one of the main concerns with the Liberal Party was the danger asylum seekers are in drowning at sea in dangerous conditions provided by people smugglers. Push pull factors aside, no one wants to see people drown at sea. Yet in question time on 20 October, both Sharman Stone and Malcolm Turnbull asked why the Oceanic Viking were rescuing people at sea on a boat deemed not safe by the Australian Navy. My question is what position do they hold? Keep displaced people safe or let them drown so they don't get on a ship with the Australian flag. I am not a political party member."

BRANDIS: Well look the Liberal Party's position on this is very simple. We believe in strong border protection policies which will have the effect, among other things, of deterring people smugglers and deterring potential clients of people smugglers so they won't set out on these dangerous voyages. And your listeners will remember some years ago Madonna that there was a terrible tragedy when a vessel named the Siev X sank. Hundreds of people drowned. That was a vessel that was trying to make passage to Australia unlawfully. Now if the people smuggling networks are broken up, if this evil trade were to stop as it was stopped during the Howard Government but has now resumed with the softer policies of the Rudd Government, people wouldn't be exposing themselves to these perils and risks.

KING: But at what point is the responsibility to turn around a boat knowing it could go under and taking the people on that boat and therefore putting them on Australian land?

BRANDIS: Well under international law and the law of the sea there is a point at which people who are in distress and need to be rescued, must be rescued by nearby vessels. That's not controversial. But of course the wicked technique of a lot of the people smugglers, and we've seen this in several instances now, is to compel a rescue situation by destroying the vessel and thereby imperilling the lives of the men, women and children, usually women and children I might say, on these vessels. The only way to stop that

happening is not to create the situation in the first place by deterring the trade and you deter the trade by sending strong signals so that the market for the people smuggler services just drives up and the people smugglers themselves go out of business. That's what the Howard Government did so successfully and that's why we're deeply concerned at the softening of the policy by the Rudd Government.

KING: Craig Emerson I don't want to go over ground we did last week but can I get you to respond to that and when you hear Senator Brandis say that the success or number of asylum seekers coming here in the last term of the Howard Government compared to the number we've already had in the first six months this year, could you do better here?

EMERSON: Kevin Rudd is working with the Indonesian authorities on this matter and obviously we condemn the people smugglers. Forty six people smugglers have been charged but I don't think the debate is advanced by George referring to anyone who is concerned about people smugglers as "doctors' wives" as he did last week....

KING: Ah yes, I'm glad you reminded me of that.

EMERSON: Well it just doesn't help the debate and then Warren Truss then saying that Labor's policies are responsible for the deaths of asylum seekers. Let's have a mature debate. It is legitimate to have a political debate about these matters and to inform the public. Our view is that we need to have a tough but compassionate policy.

BRANDIS: It's just words Craig...

EMERSON: Doctors' wives are words too.

BRANDIS:... and the point I make is that you've got to back the tough words with tough policies and the difference between Howard and Rudd is that Howard had the policy courage to have tough policies not just tough words. Rudd doesn't have the policy courage to have tough policy.

KING: Let's move on from this issue but not before Senator Brandis, and I should have picked you up last week, doctors' wives. Do you regret saying that?

BRANDIS: No I don't. That's a cliché.

EMERSON: It's a derogatory term.

BRANDIS: It's not a derogatory term.

KING: What does it mean? I had a couple of calls from doctors' husbands who were pretty displeased.

BRANDIS: (laughs) Well look I think that's a term that came into currency a few years ago to describe a particular small demographic of prosperous people who have, if I may say so, unrealistic views about how difficult this problem is.

KING: I think you're getting yourself in deeper.

EMERSON: People who have a compassionate view about this issue.

BRANDIS: Hang on. Don't bowl this word compassionate up at me Craig because the real compassion is preventing the peril in the first place which is what the objective of our policy. It's also the objective of your policy. The difference is we achieved it and you haven't.

KING: All right let's move on. I was going to the Reserve Bank but I'm going to skip that at this stage and Craig Emerson I just want to ask you about this issue that's creating so much heartache in the Labor Party in Queensland. How many complaints have come to your office on the issue of privatisation?

EMERSON: We haven't had any Madonna.

KING: Not one?

EMERSON: No. We did have a regional ALP conference at Springwood on Saturday and of course this issue arose and there was a proper debate as it should be. The points that were made in support of this program is that these are commercial assets that could be readily owned by the private sector and every dollar from the proceeds of this privatisation are going into community assets such as hospitals and schools.

KING: All right. We've heard the argument for and against. Are you saying it's a really loud minority saying this is an unpopular policy?

EMERSON: I couldn't judge that. I think people do understand the difference between federal and state issues here and I'm not going to make that assertion Madonna.

KING: Do you agree that it is creating heartache within the Labor Party in Queensland?

EMERSON: I think that's evident but I think the argument of the Bligh Government is a very strong one. The hit to the bottom line through the collapse of GST revenues brought on by the global recession meant that the choice was whether to be able to invest in these community assets or not. The Government's investing the proceeds into community assets such as hospitals and roads and schools.

KING: Well we've heard both sides and the arguments against privatisation on a regular basis. I'd like to hear from people who actually support privatisation. I think we've had one phone call since it was announced. One phone call supporting privatisation. Feel free to do that. Feel free to be opposed to it too. Just finally gentlemen before I let you go. You always give us your response to our daily dilemma. This is it this morning. A manager of a small store that employs four full time and four part time staff, one of the full time staff is underperforming, always late, putting unfair pressure on the rest of the workers. That person has asked you for a reference for another job. Do you give them a glowing reference so they get the job and therefore you have a happier, more productive workplace or do you do the right thing by a fellow employer? If you do you tell the truth and employee won't get the job and you're stuck with them. What do you do in that situation Craig Emerson?

EMERSON: I wouldn't give a glowing reference. There is a way of dealing with that is to give a reference that is pretty flat. Say that this person has worked with me for four years and just state the facts of the situation.

KING: And keep your fingers crossed that he does move?

EMERSON: Keep your fingers crossed that he does move – I think that's a fair assessment but I would not dud another employer and just pass the buck, in this case pass the person on by failing to tell the truth by providing a glowing reference.

KING: George Brandis would you see it differently?

BRANDIS: No I wouldn't but I think you're going to have to dream up harder dilemmas Madonna.

KING: Well can I say a couple of weeks ago on the issue of the ex-POW who had faked his history, I think a large number of listeners then supported you. Not so last week so people do disagree.

BRANDIS: Well my view is you should never write a reference or anything like that that is dishonest. I've never faced the problem because I've always had excellent staff but references often speak volumes for what they don't say than for what they do and in which any employer would deal with this issue would be to give an unenthusiastic but matter of fact reference and the silences would speak for themselves.

KING: In one word if I ask both of you and this is prompted by your answer there George Brandis. If your staff used one word to describe both of you what would it be.

EMERSON: Endearing.

KING: Ah yes well we might check that with them. George Brandis can you be any more realistic there?

BRANDIS: I think if my staff were to use a word to describe me they'd say tremendous.

(laughter all round)

EMERSON: The backslapping is going on here in the Canberra studio.

KING: I've so got to move on. Senator George Brandis, Dr Craig Emerson good to talk to you. Talk to you next week.

EMERSON: A tremendous bloke.

KING: I'm not sure if I've ever heard George Brandis laugh like that.

ENDS.