

INSIDE CANBERRA
WEDNESDAY, 17 SEPTEMBER 2008

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

SUBJECTS: Liberal Leadership

KING: You heard Peter Costello say too, Malcolm Turnbull, he is more aggressive, he is more likely to take on Labor in Question Time so it will be interesting to see how that pans out. It would be no surprise to you that politics is just a passion of mine because it determines so much, how much we pay for a loaf of bread, how much it costs to fill your car, whether your father can be treated in a public hospital, even how much money you'll have in the twilight years of your life and some of the parties policies and the tone it sets depends on the leader. Sir Joh Bjelke Peterson was a very different leader to what Lawrence Springborg is. Kevin Rudd and Paul Keating, for example, are poles apart. So what will it mean to have Malcolm Turnbull lead the Liberal Party. *Inside Canberra* this morning with Government Minister, Dr Craig Emerson, good morning.

EMERSON: Good morning Madonna.

KING: And Opposition frontbencher, Senator George Brandis. Good morning Senator.

BRANDIS: Good morning Madonna.

KING: Are you still on the frontbench? Do you still have a job now you'll have a new boss?

BRANDIS: I assume so. We haven't, Mr Turnbull hasn't announced the new frontbench line up yet but that will happen in the next day or so.

KING: How will Malcolm Turnbull be different to Brendan Nelson do you think Senator?

BRANDIS: I think he's a very different personality and in nothing that I say about Malcolm Turnbull do I want to be seen to be making an unflattering comparison with Dr Nelson, but let me just talk about Malcolm Turnbull. Now, Malcolm Turnbull is an extremely formidable individual. He is a natural leader. He has a natural air of authority and I would say, with all due respect to Craig, that he's the most intelligent person on the frontbench of either of the parties so, you know, I think the Liberal Party's attack on the Rudd Government, the months and months now of disappointment which the people who voted for Rudd have felt is going to be sharpened up under Malcolm Turnbull's leadership and I think Kevin Rudd's got a fight on his hands.

KING: *Inside Canberra* this morning with Senator George Brandis and Dr Craig Emerson. I'm Madonna King and you're on 612 ABC Brisbane. Craig Emerson, how do you see the difference in styles of Brendan Nelson and Malcolm Turnbull?

EMERSON: If I can immediately say that I'm one of those people who thought Brendan Nelson was doing a pretty good job and is a very decent human being but I also think that...

KING: But you always say that after the event.

EMERSON: No, I'm about to say, I'm about to say I think Malcolm Turnbull is a very decent human being too and I know him well. I've known him for, oh gee, about 30 years now.

BRANDIS: Is that right?

EMERSON: Yeah, yeah, well not on a very regular basis, but we'd see each other from time to time and catch up, but look, I think he'll do a good job. I think our democracy will be strengthened somewhat by Malcolm being the Leader but Brendan Nelson had a very, very tough job and they, the Libs, are going through what we went through in Opposition and it's sort of almost as if they're, it's sort of the hand of fate. That when you're first in Opposition it's all very yucky. There's a lot of ambition, there's a lot of frustration, there's a lot of exhaustion and the first Leader usually cops a fair bit of the burden of that. The Liberal Party's now made a choice and I think Malcolm will provide some clear air. I can't see the likelihood of Brendan Nelson's forces now muscling up and creating trouble for Malcolm.

BRANDIS: I think that's absolutely right. I mean everybody in the Party, including Dr Nelson who was very gracious yesterday, as one would expect of him, is right behind Malcolm Turnbull.

KING: All right. That will play out as months go on I guess. He was at pains, Malcolm Turnbull, yesterday from his first press conference to point out that he wasn't a silver tongue. His life had been tough. Do you think that will wash with the electorate?

BRANDIS: Well, it's a fact. I mean, you know, this, he actually had quite a sad upbringing. His mother left the family home when he was very young and he was brought up by a single father and he had most of his early childhood growing up in a flat, a rented flat, in Sydney and he's done very well. I mean this is the great Australian dream. You had a listener on just before we came on, Madonna, who made this point. That one of the vices of Australia is that, you know, the so-called tall poppy syndrome. That there are some people among us who want to chop somebody down who's had success and what we should be doing is celebrating the fact that somebody from very modest circumstances, and frankly quite unhappy circumstances, in their life has built a superb career and a career, by the way, not defined by the acquisition of

wealth, as much as by public service. For years before Malcolm Turnbull was even in Parliament he was a community leader. He led perhaps the most significant, voluntary political movement this country has seen in our lifetimes, that is the Australian Republican Movement.

KING: We'll get on to the republic issue in just a moment. What is it though about Australia or Australians do you say that means we pull someone down? Kevin Rudd's in the same situation isn't he Craig Emerson? He's just as wealthy.

EMERSON: I'm not sure that people do and obviously I'm familiar with what George is talking about, the tall poppy syndrome. I think or maybe more, I hope, that class envy belongs to the 20th century and not the 21st century. The idea that we don't like or resent success. Kevin Rudd is very successful. He and Therese have been successful. Malcolm Turnbull is. All of them have worked hard, Lucy Turnbull. So from my perspective at least I think if people work hard and enjoy success and as George says there's a lot of public service been provided by both Kevin Rudd and Malcolm Turnbull, I don't think that's a basis for resentment and I reckon people recognise that. They might have a bit of a skylark, a bit of a shot at people, but I do not believe, personally, that Malcolm Turnbull's success and the wealth that he's accumulated will be a liability for him or for anyone else in this country. Maybe it's more in hope than in reality, but I think that is increasingly the case.

BRANDIS: Well Craig, what you say is a very decent thing to say and I wish that were an attitude shared by all of your colleagues, but it is evidently not shared, for example, by your great rival the Treasurer, Wayne Swan, who played that very card in some of his smart aleck remarks this morning.

EMERSON: The humorous remark yesterday about alcopops and popping champagne corks, but look, there's going to be a bit of that from time to time. I think Malcolm will shrug it off and Wayne's entitled to say it, it's fine, but I think as I say the Australian people will not say, look we don't like Turnbull because he's successful. The Australian people actually like success, whether it's on the footy field or...

KING: And I guess there's a little bit of an issue here where we've never had two men leading the two big political parties in Australia, both of them multi-multi-multi-millionaires.

BRANDIS: But so what? Why does it matter that wealthy? I mean, you know, it's a good thing, I think, that people have succeeded in their lives and they made their money fair and square but that's not the important thing. The important thing is that these people have gone into Parliament, have gone into public life, to contribute to the nation. They haven't devoted their lives to making money. At an earlier stage of their careers, they've been financially successful, but in the prime of their life they've dedicated themselves to public service and that's something we should admire.

KING: You're on 612 ABC Brisbane, *Inside Canberra* this morning with Senator George Brandis and Dr Craig Emerson. 17 minutes past nine. George Brandis, can you just explain to us the process of the vote? In terms of, do both candidates actually address MPs? Are names written on a piece of paper and collected secretly? How do those things work?

BRANDIS: Well, this is the first spill, leadership spill as it were, that I've ever witnessed and it was all done very civilly and quite briefly actually. Dr Nelson convened the meeting and he said, "well as I indicated last night it's my intention to stand aside from the Liberal leadership which I now do, the leadership is vacant and he said I now nominate as Leader of the Federal Parliamentary Liberal Party, does anyone else wish to nominate?". Malcolm Turnbull stood up and said I wish to nominate to be Leader of the Federal Parliamentary Liberal Party. Then nobody else came forward obviously and the Whips, who are the officers, let me explain some of your listeners mightn't be familiar with what the Whips do. They're the officers who kind of, in a functional sense, run the mechanics of the Party in Parliament. They distributed ballot papers. We each wrote one name on a blue ballot paper it was. It was collected, it was taken outside, it was counted and about three or four minutes later, Alex Somlyay, the Chief Whip, came back and said Malcolm Turnbull has been elected Leader of the Parliamentary Liberal Party. As simple as that.

EMERSON: And there are no each-way bets in this. You can't write two names can you George?

BRANDIS: No each-way bets. Even though it's a secret ballot, it's kind of only a secret ballot only in form because most people have a pretty good idea which way other people voted.

KING: And I suppose there's no rules there against voting for yourself. You can do that too can't you?

EMERSON: You'd want to nominate first I reckon.

BRANDIS: I'd be very surprised if either Mr Turnbull or Dr Nelson hadn't written their own name on their own ballot papers.

EMERSON: I heard Agro got one vote?

BRANDIS: There were no informals Craig.

KING: Why did you just say Agro there? Is that a reference to Malcolm Turnbull's alleged temper Craig Emerson?

EMERSON: No, no, not at all. It's just that informal votes in my electorate when you have a look at them when you're counting votes, the most popular personality ends up being Agro.

BRANDIS: Is that right?

EMERSON: Yeah, he usually gets about half a dozen.

BRANDIS: Obscure political fact to add to the ledger.

EMERSON: Madonna, would I be able to make a point about, look I think...

KING: Depends how brief it is.

EMERSON: The decency bit. It really comes down to policy and I believe that the Australian people will make their judgements about which party has the best policies to take Australia forward into the 21st century and that's how the contest will be defined.

KING: Yeah, we're not talking about that though this morning. We're talking about, you know, the change to the Liberal Party, not just a bit of politicking so I'm going to move on to the republic. George Brandis raised that just a moment ago. Malcolm Turnbull, who was the public face of the republic, says he won't be rushing into it now despite leading the charge a few years ago. Does that mean both your parties have actually put it in the too hard basket?

BRANDIS: Well I think it's one of those issues that always crops up but after the Referendum in the late 1990s I think both parties are wise enough to know that this is not an issue to be forced on the public. It's one of those matters that awaits the spontaneous evolution of a particular public mood about the matter.

KING: But isn't it politicians who should be leading that debate? Not?

BRANDIS: Well I think that now both political parties are led by committed republicans and that inevitably over the next several years this issue is going to re-emerge front and centre of the political agenda but I think, frankly, we have more important things to worry about right now and if, you know, particularly in view of the news over the last 48 hours from Wall Street, this is a crisis not to be underestimated and may I say that Craig mentioned that the next election will be defined by different policies, that's true, but it will also be defined by who has the capability and experience to handle the country and particularly the economy in difficult times. There is no question that when it comes to experience with finance and particularly international finance as well as domestic finance the most experienced man in Parliament is Malcolm Turnbull.

EMERSON: Well I just had a go at talking about policy issues...

KING: Hold on, hold on, can I just ask, you would put Malcolm Turnbull as more experienced in that over Peter Costello?

EMERSON: I'm not going to be able to talk about policy? Right ok, I got it.

KING: That was an answer to a question. I just want to be fair to both of you but picking up what you just said Senator George Brandis, you're saying that Malcolm Turnbull is the most experienced person in the Parliament in terms of the economy? You would put him above Peter Costello?

BRANDIS: Well, what I said actually was finance and in particular international finance. Now this is a man who was, has spent his pre-political career largely as a merchant banker. He used to run Goldman Sachs in Australia. He is enormously experienced in international markets and with the international financial system and he's on first name terms with the US, in fact he's on friendly terms, with the US Treasury Secretary, Hank Pulson. He absolutely knows what he is talking about more than anyone you can imagine when it comes to international financial markets.

EMERSON: We now have an opportunity to get the Budget passed through the Senate and if Malcolm's got such experience in international matters, he'll know it's very important that that surplus be validated, that it actually be brought home.

BRANDIS: Well Craig, you know, you're an economist so I don't need to point out to you that there is, although it is desirable that a Budget be in surplus, there is no particular figure below which the surplus is too small. Now at the moment the surplus is about \$22 billion. That's largely inherited from the previous Government and Peter Costello's economic stewardship but, you know, you don't necessarily need to have a \$22 billion surplus, particularly when the heat is going out of the economy.

EMERSON: That's an argument for a surplus of \$1.50. Just so long as it's got a plus sign in front of it.

BRANDIS: It's not, it's not. But you know as well as I do that what you needs is a surplus that is the right size and it's not right to say, particularly in an economy which is on the downward slide now, that the bigger the surplus the better.

EMERSON: Well let it be know that the Liberal Party is saying that the surplus is too big. The next big issue will be WorkChoices. Malcolm will have an opportunity to say whether he really does believe that WorkChoices ought to be rejuvenated or whether he backs our industrial relations changes. That will be a big question for him.

KING: Is that a bigger issue than the pension?

EMERSON: Oh, it's not a matter of ranking them. The pension is very important...

KING: But you said that's the next big issue that he will have to deal with, that the next big issue is industrial relations and WorkChoices. Is that bigger?

EMERSON: No, I'm not saying it's bigger. I'm just saying that that is the next issue that he'll have to deal with and we'll find out because I know Malcolm says, and I think this is right George, that he wasn't in the Shadow Cabinet when WorkChoices was being designed, but he's now the Leader of the Opposition and we're going to need to see what Malcolm's attitude to WorkChoices and Labor's new industrial relations system is.

KING: Gentlemen, appreciate your time, talk to you next week.

BRANDIS: Thanks Madonna.

EMERSON: Ok Madonna. Bye Bye now.

ENDS