

# The Hon Craig Emerson MP

Minister for Small Business, Service Economy and  
Independent Contractors

## Transcript

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### **Craig Emerson and Christopher Pyne discuss political issues of the week – Lateline 13 June 2008**

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VIRGINIA TRIOLI: Now, I think we're pretty safe in assuming that Labor heavyweight John Della Bosca and his wife Federal MP Belinda Neal won't be celebrating their next wedding anniversary at Iguana Joe's.

Their dinner last Friday night at the Gosford night spot ended in a flurry of contradictory stat decs and the sort of press reaction that usually has media advisers scouring the jobs pages.

As a result of the scandal, this afternoon Mr Della Bosca was forced to step aside from his ministerial positions. And in the meantime, Prime Minister Kevin Rudd had to take time out from meeting the Emperor of Japan to order Ms Neal to undergo anger management counselling.

It has been a volatile week.

So, joining us tonight to discuss it all is the ever-polite Minister for Small Business, Craig Emerson - he's in our Canberra studio. And in our Adelaide studio is the Opposition's well-mannered Christopher Pyne - he's the Shadow Minister for Justice.

Gentlemen, I'll expect some calm and reasonable discussion from you both tonight.

CHRIS EMERSON, MINISTER FOR SMALL BUSINESS: And you'll get it. Hello Christopher. Hi Virginia.

CHRISTOPHER PYNE, SHADOW MINISTER FOR JUSTICE: Good to - good to see. Craig. Virginia.

VIRGINIA TRIOLI: Nice to have you both on board, thank you. Well, look, we are going to have to mention the iguana in the room tonight.

Craig Emerson, the traditionally ugly side of Labor actually turned its face out towards us this week and a member of the Central Coast branch of the Labor Party this week publicly admitted that they were worried they'd sent something of a time bomb to Canberra when they voted in Belinda Neal. Do you wish that they hadn't?

CHRIS EMERSON: Well, Belinda Neal won a very, very difficult seat for Labor and that's just a matter of fact. I think the swing was around 7 per cent. She has been asked to undergo counselling by Kevin Rudd - that's appropriate in the circumstances, and Mr Della Bosca has been stood aside by Premier Morris Iemma. So, I think that, you know, these decisions have been made. We now need to see how things develop with Mr Della Bosca and I'm sure we'll know that sooner rather than later. But, both decisions seemed appropriate.

VIRGINIA TRIOLI: They seem appropriate to you perhaps. But, if John Della Bosca so comprehensively misled his Premier over the nature of that apology - one that he said he was given and one that he actually penned himself - shouldn't he really be sacked, rather than stood aside?

CHRIS EMERSON: Well, I think Mr Iemma has done the right thing in asking Mr Della Bosca to stand aside. The police are having a look at this issue of statutory declarations at 10 paces - stat.' dec's made and then rescinded. So, that's a matter now for the police. I think, ah ...

VIRGINIA TRIOLI: It's a pretty ugly look, though, isn't it?

CHRIS EMERSON: I think Mr Iemma has acted appropriately and we'll await the outcome of the process.

VIRGINIA TRIOLI: But it's a pretty ugly look, all of this, isn't it?

CHRIS EMERSON: Well, it obviously would be better if the incident hadn't happened at the restaurant. But I think we also need to ensure that the same standards are applied to all politicians in all jurisdictions - federal, state, Liberal, Labor, Greens and Democrats. And, you know, I'll have something to say about that if Christopher starts telling us that we should be doing a lot more than we are.

VIRGINIA TRIOLI: Christopher Pyne, you want to weigh in there? It looks like you've been warned before you even start.

CHRISTOPHER PYNE: Well, it does sound like a threat, Virginia, but I'll be fascinated to hear what Craig has to say if he wants to say anything. In terms of the issue that you've raised about Belinda Neal and John Della Bosca, it actually goes very much to Kevin Rudd's judgment and the comparison with former leaders, because Belinda Neal's story and the John Della Bosca story were on the front page of the Daily Telegraph on Sunday. When Kevin Rudd was finally pinned down about this issue on Tuesday in Japan, he tried to make light of it. He tried to laugh it off.

And then on Wednesday, he finally acted. So four days after the story had broken, when he probably had notice of it the day before it broke, Kevin Rudd finally felt the need to pick up the phone and ring Belinda Neal and suggest to her, apparently, allegedly, that she should have anger management courses or she said to him that she would have counselling - those facts aren't clear. Contrast that with what John Howard did when he was prime minister and he had similar issues with Noel Crichton-Brown. Now Noel Crichton-Brown's paid a very high price - we don't want to rake over those coals, but as soon as John Howard felt that there was inappropriate behaviour from Noel Crichton-Brown, he acted immediately, and that's what leaders do.

What we've seen here with Kevin Rudd is that he ...

VIRGINIA TRIOLI: Yes, but perhaps we need to bring in a bit of historical context here, though. With Noel Crichton-Brown, the stories had been - as perhaps they are in this case - legendary before it came to that rather pretty pass.

CHRIS EMERSON: That's right. That's right and Mr Howard did not act for a very, very long time. And if I could now carry through on what I was about to say - and it's not a threat - it's just an observation, Virginia and Christopher: in relation to Mr Troy Buswell - now this fellow is the leader of the Opposition, the Liberal leader in Western Australia. He had a woman in his room. He picked the chair afterwards in front of her and sniffed the chair. And, you know what Brendan Nelson did for Mr Buswell? Provided his full support and confidence to Mr Buswell. That's what I was talking about in my introductory remarks. And Christopher, I'd be very interested to know what you think about Mr Buswell's behaviour if we are going to be even-handed about this.

VIRGINIA TRIOLI: Christopher Pyne.

CHRIS EMERSON: That's right and Mr Howard did not act for a very, very long time and if I could now carry through on what I was about to say, and it's not a threat, just an observation, Virginia and Christopher, in relation to Mr Troy Buswell, now, this fellow is the Leader of the Opposition, the Liberal leader in WA, he had a woman in his room, he picked the chair up afterwards in front of her and sniffed the chair and you know what Brendan Nelson did for Mr Buswell? Provided his full support and confidence to Mr Buswell. That's what I was talking about in my introductory remarks and Christopher, I'd be very interested to know what you thing about Mr Buswell's behaviour if we are going to be even-handed about this.

VIRGINIA TRIOLI: Christopher Pyne.

CHRISTOPHER PYNE: Well, the Troy Buswell story is done and dusted. He put his leadership to a vote in the Western Australian Liberal Party and the Liberal Party voted to continue with his leadership. We're no dealing with months later ...

CHRIS EMERSON: Well, Christopher, are you condoning that behaviour?

CHRISTOPHER PYNE: Just a minute, just a sec', just a sec', Craig. We're now dealing with an issue that's months later; it's what's in the news and the story really is

about whether the allegations about Belinda Neal threatening to have the licence of a licensed premises removed or the jobs of the staff removed was an improper use of her position as a Member of Parliament and that is what, as you said, Craig, the police are investigating ...

CHRIS EMERSON: Sure.

CHRISTOPHER PYNE: ... in terms of the statutory declarations at 10 paces, as you put it. So, there is actually a much wider and more important issue about what Belinda Neal did or didn't do. I would hasten to add, though, that these matters do need to be investigated by the police, but they are allegations, there are conflicting stories ...

VIRGINIA TRIOLI: Yes.

CHRISTOPHER PYNE: ... but the point is, Kevin Rudd took four days to take any action because he has this image of himself and his Government as this kind of palace on a hill and the spin that's created that palace isn't allowed to be blemished. And so, the first - his first instinct was to laugh it off and pretend it didn't happen.

VIRGINIA TRIOLI: All right, Christopher Pyne, let's wrap this up a bit, Christopher Pyne.

CHRIS EMERSON: Hold on. Take a breath, Chris. Take a breath.

CHRISTOPHER PYNE: And then finally, on Wednesday, he acted.

VIRGINIA TRIOLI: OK.

CHRIS EMERSON: Now, the day before he acted, Julia Gillard had already said as acting Prime Minister in Australia that she was not happy with Ms Neal's behaviour. But I've given you an opportunity, Christopher, to condemn the behaviour of Troy Buswell. It was after these revelations came to light that Brendan Nelson, as I understand it, gave his full support and confidence and I'm asking you to be even-handed and say here on television tonight that you find Mr Buswell's behaviour unacceptable. Brendan Nelson wouldn't do that, will you?

VIRGINIA TRIOLI: You can do so briefly or not, Christopher Pyne, then I want to move on.

CHRISTOPHER PYNE: Well, briefly, I'll say that I'm not going to rake over the old coals of an issue that has been put to bed. The Belinda Neal issue is fresh in our minds at the moment.

CHRIS EMERSON: In other words you won't condemn that behaviour.

CHRISTOPHER PYNE: And Belinda Neal deserves the chance to have the allegations tested, but it does go to Kevin Rudd's leadership that he thought he could laugh it off on Tuesday and finally by Wednesday felt that he had to act. Again, his judgment has been called into question, as it often is when his perfectly created castle on the hill is blemished by actions outside his control.

CHRIS EMERSON: He doesn't take a breath!

VIRGINIA TRIOLI: All right. Very briefly ...

CHRISTOPHER PYNE: If I do, you interrupt me.

VIRGINIA TRIOLI: ... just to finish off this subject, Craig Emerson. I do want to ask you to make the case that it's not been sexism as some on your side have charged in terms of Kevin Rudd's response to this situation when you think about, perhaps, the fact that Mark Latham was elevated to the leadership, even with a rather, a chequered history of temper and the like. So, make the case for us that it's not sexism.

CHRIS EMERSON: Well, I don't believe it is sexism. There are serious allegations; there do seem to be suggestions that Ms Neal behaved inappropriately and I think it's perfectly reasonable in those circumstances for the acting Prime Minister Julia Gillard and then Mr Rudd from Japan to take the steps to say that she should undergo counselling and I think that's appropriate.

VIRGINIA TRIOLI: OK. Craig Emerson, you've sought to define a new era of Labor Government in a speech this week, one that looks rather like a traditional Coalition view of the world actually - free market, small Government, less middle class welfare, more tax cuts. How do you square that away with what voters are consistently telling us at the moment in polls when they're asked, that they actually want governments to be spending more of their money, money that they take, on services that they need such as hospitals and schools and the like? This view of small government and handing the money back for you to do with it what you want doesn't seem to quite sit with that view.

CHRIS EMERSON: Well, if I could take the first point, Virginia: it's not a model that was embraced by previous Coalition governments, in fact they spent a lot. They increased welfare spending by a half in just 10 years. They were actually a party of big Government and big regulation and what I'm arguing is that we should create or re-create an open, competitive economy and use the proceeds of that growth to do good social things such as ensuring that kids from disadvantaged families get a good opportunity through an excellent education. And it is true that the Australian public want to see services delivered. I support that. I support the provision of services in the form of a good education, particularly for kids from disadvantaged communities. I support Medicare. There's lots of things that - where governments can wisely spend money, but it's where they squander money and recycle money to the same people. I think there are opportunities then to reduce taxes and that makes people less welfare dependent and away you go. So, I think it is a very much in the traditional Labor mould of a competitive, compassionate political party.

VIRGINIA TRIOLI: Christopher Pyne, what do you think? Free markets, small government, it does rather sound like your side of politics to me?

CHRISTOPHER PYNE: Well, I think there are three points to make about that. The first is that it doesn't surprise me that Craig would give a speech about economic policy this week because he really would rather be the Treasurer than have Wayne

Swan as the Treasurer. And so, he's gonna keep on pushing in that direction. Secondly ...

CHRIS EMERSON: Oh, forgive me for talking about economics, Christopher.

CHRISTOPHER PYNE: Secondly, Mark Latham wrote an interesting column in The Financial Review today, and he's been writing quite a few interesting columns. He's back to his sizzling best in many respects in writing in The Financial Review. He made the point that Labor governments of old have been governments about public services, about improving public services, and yet this Government appears to be a pale imitation of the former Coalition government. Now, what - of course, there's a saying in politics that people would rather have the butcher than the block, and at election time, when they've got a choice between the real deal which is the Liberal Party, which stands for free enterprise, expanding freedom, expanding opportunities for people, and the pale imitation ...

CHRIS EMERSON: Expanding the welfare state.

CHRISTOPHER PYNE: ... I've got no doubt, I've got no doubt that they will choose the butcher rather than the block.

VIRGINIA TRIOLI: Craig Emerson, I'll get you to respond briefly to that in just a moment.

CHRIS EMERSON: Yeah, sure, well, I didn't know that Mark was - that Christopher was such an admirer of Mark Latham. But, yes, go on.

CHRISTOPHER PYNE: Mark Latham used to do a much better job on Lateline than you're doing tonight, Craig. Let me say that much.

CHRIS EMERSON: Oh, you're being nasty, Christopher.

VIRGINIA TRIOLI: We'll leave it to others to actually ascertain. But, Craig Emerson, in a sense none of this really matters, because at the moment we seem to have a political culture of the continual campaign when it comes from the Prime Minister, Kevin Rudd, a rather Peter Beattie way of running things which is an announcement a week, a stunt a week, a sort of a week-by-week dealing with the issue.

CHRISTOPHER PYNE: A federal premier.

VIRGINIA TRIOLI: Yes, the phrase has been used, "federal premier". So, in a sense, you can talk about how you want to reposition Labor all you like. What voters on the ground want is for you to manage the issues as they come along and when the distraction is maintained in that way as Kevin Rudd seems to be doing, this is sort of just shoot the moon stuff, isn't it?

CHRIS EMERSON: Well, within the first week of the formation of the Rudd Government, the new government had ratified the Kyoto Protocol. I don't think your viewers would regard that as a press release or a stunt. One of the proudest moments that I've had in the Federal Parliament ...

CHRISTOPHER PYNE: That's six months ago.

CHRIS EMERSON: ... in my political career was the apology. I would think and hope that even Christopher would say that that was a great moment and much more than symbolism - it was the beginning of genuine reconciliation followed up by great work by Jenny Macklin in the practical areas of reconciliation. We've invested massively in skills creation, an issue the Coalition ignored. 630,000 skilled training places are going to be created over the next five years, with the first 20,000 coming out very soon. Computers are being put in schools. I'm not going to spend the rest of the night rattling off ...

VIRGINIA TRIOLI: No, please don't.

CHRIS EMERSON: ... the very practical policies ...

CHRISTOPHER PYNE: No, please don't, because, you know, we could debate all of that.

CHRIS EMERSON: ... that are being delivered, but I'll say \$20 billion for infrastructure. \$20 billion for infrastructure. Now, Christopher, is that a press release? Or is that action?

VIRGINIA TRIOLI: Christopher Pyne.

CHRISTOPHER PYNE: Well, I'd say this much. I'd say this much. I'd say that the Prime Minister's announced that he's going to have an "Asian Union" across - along the same lines as the European Union, something we know that will never happen. You're going to try to get a position on the United Nations Security Council and you're gonna spend \$18 million doing it. It's never going to happen. You've given \$35 million to Toyota, matched by the Victorian Government, to produce a car that they've already produced, and were going to start rolling off the production lines in two months.

CHRIS EMERSON: So, do you oppose that? Do you oppose that, Christopher?

CHRISTOPHER PYNE: I'll say this. You've said that you're going to get rid of nuclear weapons all across the world as if it hasn't been thought of before and as Virginia's said, shooting at the moon. The next thing is, Kevin Rudd will announce that Australia's going to put a man on the moon or that he invented the internet. I mean, this is a man who likes symbols, he likes stunts, he puts thought bubbles out there. Richard Walcott, who's supposed to create this Asian Union, was asked two hours before the announcement whether he'd be prepared to do it. This is not Government; this is spin, this is politics, this is trying to make sure you win the next election. It's not about governing. And what I think Labor's discovering is that it's much easier to win elections, than it is actually to govern.

CHRIS EMERSON: Does he take a breath?

CHRISTOPHER PYNE: The public want you to get on with governing and start

making some decisions.

VIRGINIA TRIOLI: All right, we'll try and encourage Christopher Pyne to take a breath. Craig Emerson, would you like to respond? There's a fair bit there.

CHRIS EMERSON: Well, of course I could rattle off about another six, seven, eight or a dozen practical policies, for example, childcare tax rebate is being increased. Well, these are more - these are more than symbols. These are not press releases.

VIRGINIA TRIOLI: Well, not so much. Let's not list the practical policies because I think we've had a few tonight. But I think what matters a bit more here, Craig Emerson, is perhaps getting to the heart of what Christopher Pyne is suggesting, which is that there's a great deal of big announcements. They seem to be made on the run, not with a whole lot of preparation, that creates an impression of someone who's waving their arms a lot and making a lot of sound and movement, but perhaps it not really amounting to a hill of beans. Does that concern you?

CHRIS EMERSON: No, it doesn't because we just brought down a Budget with a \$22 billion surplus that the Coalition, if it gets an opportunity in the Senate, is going to raid. It's going to take \$22 billion out of the surplus. Now, these are real policies designed to put downward pressure on inflation. Downward pressure on interest rates. And we've got this Mad Hatter's tea party, with people like Christopher in it, you know, the March Hare and the Mad Hatter and the white rabbit all saying we can have this never ending tea party; the more you spend, the more you have to spend; that interest rates are somehow set not by the Governor of the Reserve Bank, but the gnomes of Zurich in a faraway country called Switzerland. Now, this is fairytale economics and this is what Christopher, and Brendan Nelson and Malcolm Turnbull are all advocating. So, when we get into deep discussions about serious policy, we are releasing serious policy, a very serious Budget. And I have no idea, no idea any more, Virginia, what the Coalition stands for, other than that they oppose everything that Labor does. And I just now note that Christopher is opposed - and I assume that's on behalf of the Coalition - to the payment of that \$70 million for the development of a hybrid car in Australia. I haven't heard Brendan Nelson say that, so you've broken some news tonight, Christopher, on Lateline.

VIRGINIA TRIOLI: Do you want to clarify your position, Christopher Pyne?

CHRISTOPHER PYNE: No, I don't need to.

CHRIS EMERSON: No, no. No, no.

CHRISTOPHER PYNE: Craig Emerson is a master at triviality. He is a master at triviality. He was the great guy who used to bring in bowls of milk into the Parliament to demonstrate various political points when we were in Opposition - when he was in Opposition. The reality is that Government is about ...

CHRIS EMERSON: Gee, that's a really relevant answer about the \$70 million subsidy, Christopher.

CHRISTOPHER PYNE: Government, government, government is about policy, not

press release. And the Rudd Government is about putting out press releases. And as soon as you tried to put ...

CHRIS EMERSON: And a hybrid car is not policy?

CHRISTOPHER PYNE: As soon as you tried to put them to proof, Virginia, he switched to, "Oh, the Coalition doesn't stand for anything." What about answering the question you put to him.

CHRIS EMERSON: Well, you don't.

CHRISTOPHER PYNE: And while you're on the hybrid car, you've just given \$35 billion to a private corporation, an overseas corporation, to produce a car that they announced was already going to be produced and rolling off the production lines in two months time. And yet there are children who can't get human growth hormone today for \$200,000 for five children across the country to improve their lives. You won't give them that money; instead you'll spend \$35 million on a hybrid car that was already being produced by Toyota. That's not good Government. That's just trying to grab a headline.

CHRIS EMERSON: The head of Toyota refutes that. The head of Toyota refutes that and you do not know as much as the head of Toyota does about the production of hybrid cars.

CHRISTOPHER PYNE: The Government is headline grabbing and paying for bragging rights ...

CHRIS EMERSON: You're repeating yourself.

CHRISTOPHER PYNE: ... on the Toyota car. It's a bragging rights \$35 million.

VIRGINIA TRIOLI: All right. I'm going to jump in here and actually try and cut down both of these headlines if I can. And, I just want to change the subject for a moment. To finish, gentlemen, on a completely different matter, Tony Abbott is quoted in The Australian magazine tomorrow saying that the Pope won't be able to get his message across when he visits here very soon because we're such a relentlessly secular society in Australia. I just ask you just very briefly, if you can, to reflect on that. Christopher Pyne, are we a relentlessly secular society? And if we are, does it matter?

CHRISTOPHER PYNE: Australia is a relentlessly secular society. He's right about that. We are very much a secular society. The connection to established churches in Australia today is much weaker than it was 50 years ago or 25 years ago. So, he's definitely right about that.

VIRGINIA TRIOLI: And does all of that matter to us, do you think?

CHRISTOPHER PYNE: Well, I think it matters from the point of view of the - those people who think that religion is a very important anchor for values in our community and I'm one of those people. I'm sure the Pope when he comes to this country will get

his message across. I hope the media - I'm sure the media will give him a very fair hearing and give him the opportunity to give the messages to the Australian people - not just Catholics, but all Australians - that are important about the church and about what the church believes in and about the values and morals that have been the building block of our society.

VIRGINIA TRIOLI: Craig Emerson?

CHRIS EMERSON: Yeah, I don't agree with that, actually. I think that there's a lot of people who have and practice different faiths. There are obviously a lot of people in Australia practising the Christian faith, and a lot of Catholics. I'm one of them. I think the Pope will enjoy an enormous reception here - World Youth Day. I think it's an exciting time for young people. But for those people who don't believe in God or in Christianity, well that's fine too. But I think that there is a lot of adherents to religions in Australia. Perhaps not so much, Virginia, in terms of the old traditional church attendance, but, I go to church most Sundays and it's pretty well attended, so there's a lot of people still going to church. But if people don't want to, that's their perfect right. I wouldn't describe us as a relentlessly secular society at all.

VIRGINIA TRIOLI: Well, gentlemen, on that very decorous note we'll end our conversation tonight. Thanks so much for your company. Thankyou.

CHRISTOPHER PYNE: Thankyou for having me.

CHRIS EMERSON: Thankyou, Virginia. Bye-bye Christopher.