



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky AM Agenda with Kieran Gilbert
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E&OE

Subjects: whaling, poker machine reforms, car industry subsidies, Andrew Robb's comments on debt.

KIERAN GILBERT: With me now on the program the Trade Minister, Craig Emerson. Good morning.

CRAIG EMERSON: G'day Kieran.

GILBERT: Happy New Year to you.

EMERSON: And happy Year of the Dragon.

GILBERT: Thank you very much. And the Shadow Environment Minister, Greg Hunt, joins us as well. Mr Hunt from Melbourne, thanks a lot for that. Do you support the protestors' action? You heard there what Simon Peterffy had to say.

GREG HUNT: Illegal action is never supported. We made it clear on December 14, December 24 and December 31 in letters to the Prime Minister that there would be the prospect of illegal activity, by either whalers or protestors, and the Government should have a ship in the Southern Ocean as they pledged on the 19 May 2007 and on multiple other occasions. And we warned in writing on three occasions, the Government ignored the warnings, and it's not surprising that whalers and protestors have both engaged in potentially illegal activity.

GILBERT: And the anti-whaling activists, Craig Emerson, they say it's the Government's fault as well, that the Government should have had the boat there as promised.

EMERSON: Well let me go to John Howard for a verdict on that. It's interesting that the Coalition is now taking an interest in whaling when they're in Opposition. Mr Howard described such a proposition as 'absurd.' What we have done is taken the proper legal course - again something the Coalition never did - through the International Court. We're taking Japan to court over this issue. That's the way to do it, not these sorts of protest activities which are going to cost taxpayers hundreds of thousands of dollars. And of course we haven't heard anything from the three men or their supporters about a contribution that they might care to make to relieve the burden on taxpayers.

GILBERT: But when Labor was in Opposition, Kevin Rudd said he'd send a boat down there to monitor the Japanese activity.

EMERSON: Well, we've had a good look at these sorts of propositions - they're extraordinarily expensive. We've made it clear that the right course of action is to go through the legal channels. That's what we've done. People taking the law into their own hands is no way of getting a satisfactory resolution on this. And the Coalition embracing a policy now that it never sought to implement - and its leader described as 'absurd' - over 11 and a half years is no solution.

GILBERT: I have asked Greg Hunt about this before. Mr Hunt, I know that you argue that it's your watch now and you believe that this is the right course of action. What about the suggestion from Simon Peterffy there that his arrest yesterday was politically motivated? Do you have any sympathy for that view?

HUNT: Look our view is that the police are incredibly professional and I would not impute any improper motives on it whether it is state or federal police. They do a great job and they should be allowed to do their job. Let me make this point: the Government came to power not just pledging to have a Customs vessel in the Southern Ocean; also contemplating the Navy; and also expressly stating that they would reserve

the right to board foreign whalers in Australia's territorial waters, so out to the 370km zone and in the Antarctic Whale Sanctuaries. So they had a policy that was extraordinarily broad, they pledged that they would do it. Clearly, as with everything else, you can't trust them. But they broke their own word, they broke their own policy, and now they're pretending it was never their policy.

GILBERT: Let's move onto poker machine reforms. The Prime Minister yesterday, Mr Emerson, said, did not restate her commitment to the so-called pre-commitment technology yesterday when she was asked about it. It does look like the Government and Mr Wilkie are heading towards a watered-down reform package.

EMERSON: There's no point and no value from the point of view of those we are seeking to help, and that is problem gamblers, in running a commentary on every discussion that the Prime Minister has on this matter. We are committed to dealing with the issue of problem gambling and we've seen from the Coalition that they are the greatest 'gonnas' in Australia's history. Whales didn't start swimming around in the Antarctic when the Labor Government got elected. They were gonna do something about that. They were gonna do something about the age pension – never got around to it. And here we go again. They say we're gonna do something about problem gambling. The fact is they won't. If they are elected, they'll do nothing about it. It is a real issue....

GILBERT: But is the Government looking more at a bet limit, something which would be.... Because you're from Queensland, there are a lot of clubs up there, and MPs hurting with this campaign.

EMERSON: I'll tell you who is hurting - and this is a policy issue - the people who are hurting are the homes that are being broken when dad or mum comes home to report that they have lost their fortnightly pay packet on the poker machines. This can lead to domestic violence; it can lead to broken homes; it can lead to horror scenes for little kids. So it's all right for everyone to talk about the politics, but let's actually talk about the policy here.

GILBERT: But the Opposition has concerns about that as well, but it's the policy, whether or not it would work...

EMERSON: They're real concerned, such that they have no policy on it other than to criticise the Government?

GILBERT: Well, they argued counselling would work and many people have concerns about this...

EMERSON: Oh, gee, there's an idea. No-one ever thought of counselling?

GILBERT: But people have issues that this is nanny state gone too far and that it won't work. That's the policy point that I'll put to you.

EMERSON: That is a very hard, right-wing view, which is the state – that is, the Commonwealth or state governments – shall not intervene in issues like seatbelts because you know that deprives people of the right to die on roads. We shouldn't intervene in tobacco smoking. We shouldn't intervene with drug addiction. We shouldn't intervene at all. Let the whole society just rip. Now, you can't just let it rip and stand there as a federal government of any political persuasion knowing that there is violence in homes, that there's a huge issue here. And now we've got people saying 'well, what about counselling?' Well, what about counselling before this government came to office? I know that some of the big clubs do that...

HUNT: I asked a very simple question, Kieran....

GILBERT: Greg Hunt, I'll come to you in a minute, just...

EMERSON: I know some of the big clubs do that...

GILBERT: Greg Hunt, I'll come to you in just a moment. Just wrap up, if you can.

EMERSON: I know that some of the big clubs already do counselling, and I commend them for it. But if it was just as easy to say 'here's an idea, what about counselling?' well why wouldn't that have been done and the problem eliminated?

GILBERT: We'll go to Greg Hunt now. Is there any prospect... well, first of all on the counselling issue, your response to that, and is

there any prospect the Coalition would back dollar limits, for example? Dollar bet limits, which is gaining a bit of momentum at the moment, that argument.

HUNT: Well, let me start. Firstly, the Government promised mandatory pre-commitment, and the one thing I can bet on is that they won't deliver mandatory pre-commitment or their promise. So there was this great moral argument as to why they had to do something. They're going to break their own moral argument. They're going to break their own commitment with Andrew Wilkie. Andrew Wilkie knows it, we know it, everybody knows it. Mr Wilkie should pull the plug on the Government because they deceived him in the same way that they deceived the Australian people on the carbon tax. The second thing, in terms of this specific issue, let me give you an example of a constructive proposal which we put on the table and I'd like Craig to consider this. Online betting companies are acting as banks, extending their own finance. My personal view is that that is wrong. It's a case where the online betting companies are acting as banks, they're acting as finance companies, and therefore they are providing the hook, and then they're providing the bait as well, and families are suffering. That's a simple, practical thing perhaps, Craig, we could agree on.

EMERSON: Well, the fact is Greg that that doesn't address problem gambling in clubs and pubs. And that's the point. You won't address problem gambling in pubs and clubs because you're worried about the political fall-out.

HUNT: Well, do you stand by your mandatory pre-commitment?

EMERSON: This is not a solution; what you've just advocated there is not a solution to problem gambling...

GILBERT: But what about the mandatory pre-commitment pledge? Would you be willing to say you'd stand by it?

EMERSON: Well, what we're saying there...

HUNT: It's a simple test: yes or no?

EMERSON: I will use the words here of Andrew Wilkie. Not of Greg Hunt, not of Tony Abbott, not of anyone else. The discussions are

'productive,' and the discussions have been held in very good spirit. So we've got these people on the sidelines – Senator Xenophon, Greg Hunt, Tony Abbott, Uncle Tom Cobley and all – saying 'pull the plug on the Government!', which is what it's all about. You see, they have no commitment to dealing with problem gambling. Their only commitment is to get into government by whatever means available.

GILBERT: We've got a few other issues.... just quickly, Greg Hunt.

HUNT: Your commitment was mandatory pre-commitment.

GILBERT: Yeah, well, okay. We have made that point a few times now, so let's wrap up that element of the discussion.

- COMMERCIAL BREAK-

GILBERT: This is AM Agenda. Thank you for your company this morning. With me the Trade Minister, Craig Emerson, the Shadow Environment Minister, Greg Hunt. Mr Hunt, your Victorian counterpart – a Liberal, senior Liberal, the most senior in fact – the Victorian Premier, Ted Baillieu, urging your Federal Coalition counterparts to think of how important the motoring industry, the manufacturing industry, is to the Australian economy when deciding whether subsidies should continue. But Joe Hockey apparently and others are going to fight strenuously against keeping these subsidies. It's a bit of a fight looming isn't it for the Coalition?

HUNT: Well I think the two key points here are firstly that the Federal Government has broken its own word and it's taken away about \$960 million from the car industry. They announced a Green Car Fund and then abolished \$430 million from the Green Car Fund. They announced famously a Cash for Clunkers and then abolished their own \$430 million Cash for Clunkers program, and then destroyed the LPG vehicle support program worth almost \$100 million. Secondly, the right step forward in policy terms is balance. And what does balance mean? It means that we work as much as possible and here's a respective, or respectful challenge for Craig, to try to reduce subsidies right across the western world. If we can bring down, as my colleague Simon Birmingham wrote in the Financial Review today, subsidies right across the OECD,

the developed world, for the car sector that is, removing inefficiency in the economy. It's also maintaining a level playing field. But the single best thing we can do for the car industry is take the carbon tax away.

GILBERT: I think Craig Emerson would agree with you on that reducing of subsidies across the OECD. And as a free market economist are you comfortable with these ongoing subsidies continuing? The Prime Minister is going to be at Ford in Broadmeadows today.

EMERSON: Yeah, when they involve co-investment Kieran, there can be merit in these sorts of payments. They're not tariffs. From an economic point of view, tariffs put up the price of cars to local car buyers. We have managed to get car tariffs down to either five per cent, or zero where we've got trade deals with other countries. These are actually meant as co-investment ideas and that's what being put. But of course the Coalition as you rightly point out is having a big fight over this. I think we've got Sophie Mirabella and Ian MacFarlane and Barnaby Joyce on one side with Ted Baillieu, and Sophie Mirabella... sorry, Joe Hockey, on the other. But what it means is that the \$70 billion black hole, the debt that the Coalition would accumulate in government, is growing all the time because they've actually nominated a cut in car industry assistance of \$500 million and that is what Sophie Mirabella and Ian MacFarlane are seeking to reverse. So there's a very big blue going on in the shadow cabinet on this.

And on the issue of debt and the increase in debt that would be presided over by an Abbott-led government, I saw Mr Robb's comments today comparing our debt with that of Iceland and Ireland, absolutely trash talking the Australian economy. We are AAA-rated by all three rating agencies, something that the Howard government never achieved. And here again we've got Mr Robb and Mr Abbott and the whole team wanting to smash business and investor confidence and consumer confidence for their own political gain.

GILBERT: I want to give Greg Hunt a response to that then. Greg, particularly on Andrew Robb's comments on likening the Australian economy to Iceland, obviously Mr Emerson and others are critical of that.

HUNT: Well the point about Australia is it's a great athlete with a bad coach. If you look at the last four budgets, \$27 billion deficit, \$54 billion deficit, \$48 billion deficit and this year we've gone from a supposed \$15 billion deficit to a \$37 billion deficit. So each year, every year, there has been a massive blow out in the forecast finances under this government. The last 21 federal budgets, there have been nine consecutive Labor deficits: five under Keating, four under Rudd and Gillard. And in the middle, 10 out of 12 surpluses for the Coalition. So the Labor Party's response is 9 consecutive deficits, bad luck. It's not bad luck. It's a pathology of bad spending.

EMERSON: Let me just say this: if it's in terms of the coach's performance when you cross the finish line and you're AAA-rated, that is, you get the gold medal, that says it all doesn't it? And we've got the gold medal.

HUNT: It's \$6 billion of interest...

EMERSON: The gold medal, Greg. AAA-rated by all three agencies; something the Howard government could never do.

GILBERT: Okay, gentlemen. Have a good day. Nice to chat.

EMERSON: Happy New Year, Kieran. And to you, Greg.

GILBERT: Thanks fellas.

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