



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
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E&OE

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*Subjects: Royal visit, carbon pricing, women on boards, milk wars, flood rebuilding.*

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KING: I just said to Senator George Brandis and Dr Craig Emerson, lots of things to get through; let's be fair and quick and funny, and they said 'sure'. Let's see how they go.

Well, from whether carbon creates jobs to whether it might end up costing any in Canberra; this is an issue that is really splitting the two parties. And if you look at the polls, you can validly ask whether Julia Gillard's carbon tax is costing her party dearly. Senator George Brandis is the Deputy Leader of the Opposition in the Senate. Good morning, Senator.

BRANDIS: Good morning, Madonna and Craig.

EMERSON: Hello to you George and to you Madonna.

KING: Yes, Dr Craig Emerson, welcome back and good morning. Let's start with Prince William: he's coming. He's coming to Queensland. Are either of you excited? You're a monarchist aren't you, George Brandis?

BRANDIS: Well, I support the constitutional status quo and I...

KING: You're a monarchist?

BRANDIS: Well...

EMERSON: No, he says he's not.

BRANDIS: I support the constitutional status quo. I don't think Australia should become a republic. I don't think it's worth the fuss, frankly.

KING: Why does it hurt saying you're a monarchist?

BRANDIS: Well, you know, to say you're a monarchist means you think that a monarchy is the ideal constitutional arrangement, which I think is rather antique. I would rather say that I think that the links we have with Britain at the moment are ... appropriately reflect historical and cultural and symbolic values that mean a lot to most people.

EMERSON: I think what George means is that if it ain't broke, don't fix it. That's the camp that he's in.

BRANDIS: I basically do think that, and I'm a bit of a sentimentalist, too, about the British connection, I must say.

KING: Well, I'm excited about them visiting...

BRANDIS: I think it's great.

KING: And I hope he's going to bring Kate Middleton. And it will bring attention to flood-ravaged places in Queensland. He's here for a couple of days; he's here on my birthday. I'm hoping he might take me out for dinner.

EMERSON: Now, that explains the timing [laughs].

BRANDIS: Well, maybe he'll come into your studio, Madonna.

EMERSON: Yes.

KING: Maybe he will.

BRANDIS: You should put in a request.

KING: Or someone suggested perhaps he's having his bucks party here and I could jump out of the cake.

EMERSON: [Laughs] I met Prince Charles - I think I might have told you once before - and we jumped on a ferry to Fraser Island. Had a long chat and he explained in great detail his disdain for the public servants in London because they were wrecking the architecture of the place.

BRANDIS: That's the second time...

KING: Good.

BRANDIS: ...I've heard you say about your meeting with Prince Charles. I think you might be a bit of a closet monarchist yourself, Craig.

KING: Just before we go on, will in ... when this happens, who pays the bill? Is it Australian taxpayers?

EMERSON: Look, I think it would be shared. I'm not an expert on this but I'd be astonished if the Australian taxpayers paid nothing. But let's also keep this in perspective. It is inevitably and desirably a very big tourism promotion. Whatever else it might be, it gives a lot of publicity to our country.

KING: Well and we paid for Oprah – some things in relation to Oprah coming here, didn't we?

EMERSON: That's right and I think our Austrade paid for Michael Parkinson on the 26th of January. I'm not saying ... he is SIR Michael Parkinson, see, you know, royalty.

BRANDIS: Listen, that's a title of chivalry, not royalty.

EMERSON: Right, okay.

KING: Way too much agreement on that issue.

EMERSON: I don't think we're going to get a Sir George Brandis any time soon.

KING: Let's move on to carbon. Do you think that voters want this carbon tax, Craig Emerson? I know your boss last night on *7:30 Report* was saying 'this is the correct thing to do'. But do you think the public is saying 'this is a priority, we want it'?

EMERSON: I do believe that Australians want action on climate change. Then, you come down to, well, is it this particular measure? Is it a fixed price permit, which is being called a carbon tax? Is it a floating price permit? Is it Tony Abbott's so-called direct action plan? Is it something else?

KING: Alright, so...

EMERSON: I think that's not finally determined in the public's mind. Although, I'd say about the direct action plan, it's very expensive and completely ineffective.

KING: But are you...

EMERSON: They will want something that's effective.

KING: Alright, so you're saying they want action on climate change. I'll come back to you in just a moment. George Brandis, on that broader issue, do you think the public's saying, as a priority, they want something done on climate change? Forget the model.

BRANDIS: I think that there is a level of concern about climate change. And there is always going to be a lively dispute about how to deal with it and the extent to which it's caused by human activity. But, ultimately, a government that decides to move on this has to pick a model. And this government has picked a carbon tax and...

KING: All right, we'll come back to that in a moment. So, is it fair to say the two issues of disagreement are probably what model we use and whether Australia should be proactive and go first. Or whether it should wait for other countries to do the same.

BRANDIS: Well, I think there's a third. I think those are the two main issues, but I think there's a third issue as well. And that is, you can't have this debate without remembering that this government was elected promising not to introduce a carbon tax.

EMERSON: I think there's a third issue as well and that is whether we're fair dinkum about doing something about climate change. And my contention, and the government's contention, is that the coalition isn't and that Labor is. And that's why we've proposed a specific remedy here.

KING: Alright, so can I ask both of you to tell my listeners what your party wants to do in relation to this? And I'll let you rebut the other, but if I can just say that Craig Emerson, can I give you say, 40 seconds? Is that fair to say...

EMERSON: Yep.

KING: ...what is this carbon pricing model and why should business like it?

EMERSON: Sure, the carbon pricing model is initially a ... all carbon pricing models that involve an emissions trading scheme involve putting a price on carbon, so that those businesses that emit lots of carbon bear a cost. They bear a cost.

Now, whether it's a fixed price - or some people call it a carbon tax - or a floating price, that's a design feature. But the point of it is that they bear a cost and in order to reduce that cost, they reduce their emissions. That's the whole point of it.

KING: Alright, that's done in 30 seconds. Can you do the same, George Brandis? A Tony Abbott government, what would it do?

BRANDIS: Yes, it would implement Greg Hunt's direct action plan, the three most important elements of which are soil sequestration – that is a technology that absorbs carbon into the soil rather than releases it into the atmosphere.

The second element of which is extensive reforestation because, as we know, trees absorb carbon from the atmosphere. And, if we extensively reforest, that increases the rate at which that is done. And thirdly, cleaning up many of the existing power stations, which are very, very dirty.

KING: Exactly 30 seconds, too. Craig Emerson, what is wrong with what George Brandis just outlined?

EMERSON: It's ineffective, as evidenced by the fact that Greg Hunt himself – he's the Shadow Environment spokesman – advocated in his thesis at university, the sort of plan that we're implementing. He actually advocated that.

Tony Abbott doesn't like it and so, Greg Hunt, being a Shadow Minister, is doing what Tony Abbott wants. But the problem with it is that the Coalition, like Labor, has committed to a five per cent reduction in emissions by 2020.

BRANDIS: That's right.

EMERSON: But this direct action plan only does one-quarter of the job. They then have to buy \$20 billion worth of permits at taxpayers' expense.

KING: All right, that's 40 seconds. Not addressing your own policy but addressing what Julia Gillard plans to do. George Brandis, what is wrong with it?

BRANDIS: Well, these are the things that are wrong with it: first of all, it's a flagrant violation of an election promise and that should never be forgotten. Secondly, it will put enormous cost pressures on households who are already struggling with cost of living pressures. We estimate that at least it will increase electricity bills by \$300 a year, that at least it will increase petrol prices by 6.5 cents per litre, that at least for the average household it will increase gas bills by \$150 a year. So, this is a burden that's being thrown on the working families. I mean, we don't hear about working families from the Labor Party these days and people can't afford it.

KING: Alright, that's your 40 seconds on that issue. Do you think, then, given its confusion, what's wrong with Julia Gillard launching a taxpayer-funded advertising campaign to explain it, George Brandis?

BRANDIS: Well, the Labor Party and Craig - I mean, I remember having these debates with you, Craig - before the government change. And with Wayne Swan in this very studio - about how outrageous it was that the Government would spend taxpayers' money to promote its own policies.

I think there is a real distinction between a public information campaign and a campaign to put one point of view about a particular policy. And what we are concerned about is that the Labor Party, which is losing this argument, will be spending taxpayers' money to put a one-sided argument.

KING: Why is this public information and not just blatant campaigning, Craig Emerson?

EMERSON: Well, no decision has been made on that at this point in time. But what I will say in relation to George saying this is going to be a direct impost on households, it is not. He left out completely the fact that every cent

of the revenue from the fixed-price permit would go to compensating households and to businesses.

Now, he conveniently left all that out. We had a censure motion, or an attempted one, in the last bit of the last parliament, where Tony Abbott complained that there is no detail. Now, George and Tony are then saying, 'this is the detail, these are the impacts'. You can't have it both ways.

KING: All right, I...

BRANDIS: Hang on a second, Craig. I mean, Julia Gillard is saying that households will be compensated. Is that right?

EMERSON: That's correct.

BRANDIS: But last August she was saying there wouldn't be a carbon tax and now she's saying there is one. The problem with the Prime Minister, with all due respect to her, is you can't believe a word she says.

EMERSON: Well, Julia Gillard said before the last election many times, we would move to put a price on carbon. We are putting the...

KING: All right.

EMERSON: ...price on carbon. We tried to do it three times, opposed by the Coalition and the Greens...

KING: All right, let's leave it there.

EMERSON: ...and we're going to try to do it again.

BRANDIS: Craig, quiz question. Who said this? Quote: "There will be no carbon tax under the government I lead." Unquote.

EMERSON: And finish the quote; finish the quote and be honest. And the rest of the quote says "but I do not rule out an emissions trading scheme putting a price on carbon".

BRANDIS: She may have said that but she ruled out a carbon tax and now she's introducing one.

EMERSON: This is a fixed-price permit, going into a full emissions trading scheme.

KING: Well, the question there is, is what is being proposed a tax or not? And I think we'll leave that for our listeners.

BRANDIS: [Indistinct].. it was.

EMERSON: [Indistinct] .. said that it has a similar effect to a tax but it is not, as George would have you say, putting your hand into a householder's pocket and taking money out of it. It is a tax on those companies that emit large amounts of carbon.

KING: All right...

BRANDIS: As Sir Joh Bjelke-Petersen once famously said, 'if it walks like a duck and it quacks like a duck, it's a duck'.

KING: And we're leaving that duck or otherwise, whatever you said as...

EMERSON: As levies and when we have...

KING: That's right levies, ducks whatever. The Governor-General has called for quotas to increase female representation on boards. Do either of you support quotas?

EMERSON: Look I'm ambivalent about it. I'll tell you my instincts. My instincts are not to support quotas. But the level of female representation on company boards is abysmally low, after a long campaign and a lot of consciousness...

KING: But we know that.

BRANDIS: ...and here we are still way down.

KING: So why not quotas?

EMERSON: Well I think what we can do as a government is lead by example. I'll give you a very practical example. Austrade, the board there had all men. Now it's got six men and one woman. I'm not sure they were delighted...

KING: Is that something to boast about, six men and one woman?

EMERSON: No, no, but I actually intervened and said we will need to put a woman on that board

KING: Is that a good idea when the best person for the job may have been a man, George Brandis?

BRANDIS: Well I myself think that everyone should be judged on merit and if that test were applied purely, all things being equal, 51 per cent of the people on boards would be women because that's 51 per cent of the population.

KING: So how do you do that?

BRANDIS: I think first of all and you have to change the culture within organisations, and I think that's happening. If people use this figure, 11.3 per cent of members of public company boards are women, another rather more encouraging figure is that more than 25 per cent of recent board appointments in the last few years have been women.

EMERSON: Yeah, so there's some improvement, but gee it's off a low base.

KING: Speaking of women, Pauline Hanson is trying to make a comeback. Do either of you rate her chances?

EMERSON: Oh I'm not an expert on New South Wales Upper House politics.

BRANDIS: You never know what might happen in the New South Wales Legislative Council but I would...

KING: It's going to be a very interesting.

EMERSON: People have been elected with about two per cent of the vote in the Upper House in New South Wales.

BRANDIS: And less. But I would hope Australia is over Pauline Hanson.

KING: Would you agree with that?

EMERSON: I would but I'll say this: that Pauline Hanson would find a comfortable home in Tony Abbott's Liberal Party, not George Brandis' Liberal Party, Tony Abbott's Liberal Party.

BRANDIS: No, no that's not true. That's not true Craig. We booted her out of the Liberal Party because we wouldn't tolerate her views.

EMERSON: She'd like Cory Bernardi's statements and also Scott Morrison's statements.

KING: Let's go to the Senate inquiry into supermarket pricing. Do you think people are being a bit tough on Coles? They're offering milk for \$1 a carton. Is this short-term pain for long-term gain or is it a long-term pain for a short-term gain?

EMERSON: When I was Consumer Affairs and Competition Minister, the common complaint was that the supermarkets were putting their prices up. Now the common complaint is that the supermarkets are putting their prices down. And then there's another common complaint that the supermarkets aren't putting their prices up or down.

Now I think we'll have to get some support for supermarkets putting their prices down. This is the impact of competition and we introduce more...

KING: So are farmers whinging about this do you think?

EMERSON: No I think that there's anxiety on the part of the farmers themselves. The milk processors are the ones in the middle and what Coles is saying – and let's have this borne out in a Senate inquiry – is that they'll cop the hit on their profits from offering lower prices on milk and it won't be passed back to farmers. If that's the case, why wouldn't we think that's a good thing?

KING: But George Brandis, farmers are worried that once the smaller retailers are out of the way the price will go straight up.

BRANDIS: Yeah they are. This is what I used to do for a living before I was in parliament, I used to...

KING: What sell milk?

BRANDIS: ...be a competition lawyer.

KING: Here I thought you were going to be my local milkman.

BRANDIS: And the competition is a good thing. Craig and I are in furious agreement about that. But then it's not as simple as that because you've got to ask yourself the question 'what's competition'? And if you have a dominant player in a market that actually engages in a price war so as to drive the smaller players out of the market in the long run, then that's not really competition at all. That's what's called predatory pricing.

KING: Five minutes to ten, and one story we were talking about before nine is a Mayor of Somerset Regional Council – a flood affected area – has tried...has contacted the State Government, which has contacted the Federal Government, saying 'I need the army back'. We need assistance to help out in this area.

He's been told its fee for service. His ratepayers will have to pay for that service. And he's saying 'well, I can't really do that'. The role of the army – should they remain for recovery or are they only there for emergency periods?

BRANDIS: I think that it's the latter. And I heard what Neil James and General Slater said on your program earlier in the morning. I think they put it quite well. We have this fabulous facility in the ADF that can deal with emergencies where life and limb are at stake. But I really don't think it's the role of the army to assist councils to clean up after the emergency period has passed.

KING: Is it the role of the army to build remote housing in Northern Territory?

BRANDIS: Not obviously, although there is a special program conducted by the Commonwealth Government to – in which the army does that for some Indigenous communities.

EMERSON: Was that part of the intervention - the original intervention?

BRANDIS: It was and that's – I think that's very much a special case. But ordinarily I think the army's role is civil defence domestically, during an emergency.

EMERSON: I agree with George and I understand. I heard your listeners saying well, you know, we pay our taxes, the army should be involved in this. I mean I think they have been magnificent and every listener would agree

with that in saving lives and helping in the immediate aftermath. But it is for plumbers and electricians and builders to do the reconstruction.

KING: So many more issues to talk about, but we're running out of time. Several of our listeners have issues on carbon tax though. Tony, a dairy farmer on the Sunshine Coast says to Craig Emerson: do you get an exemption from power running your business?

EMERSON: Well I don't run a business. I'm a Member of Parliament. I used to run a business.

KING: I think he's saying as a Member of Parliament. I'm not sure what that means. John from Caloundra says: at least 23 countries have ETS or carbon taxes. It's a furphy to say Australia would be the first to try it. Are there 23 other countries that have a carbon tax current?

EMERSON: No there's 32, plus 10 American states.

KING: Okay.

BRANDIS: But I think the problem is that most – that in Europe it's reasonably widespread but in the very big and emerging economies like India and China they don't. The United States nationally has not adopted this model. And, you know, I think there is a real question about whether Australia is going to make any difference by imposing a carbon price when the big polluters don't.

EMERSON: But let me add that the big polluters including China are actually reducing their carbon intensity in their production processes.

BRANDIS: Yeah, they're following the Greg Hunt plan.

EMERSON: No, they're just doing it in their own factories in a central...

BRANDIS: Yeah, they're following the Greg Hunt plan.

EMERSON: Well hold on – in a completely centrally planned economy. And I don't think you would support the moving of Australia to a centrally planned economy just to keep Greg Hunt and Tony Abbott happy.

KING: Just before I go, Prince Charles is coming. We will give him a present.

BRANDIS: Prince William.

KING: Sorry, Prince William is coming. We need to give him a present. What would you give him?

EMERSON: I would not give him Vegemite after the response of the President of the United States, I think.

KING: Barack Obama's not too keen on it, is he?

EMERSON: Vegemite you either have to give to infants – which is questionable – or you have to acquire the taste over a very long period of time.

KING: Can you be a bit more proactive Senator George Brandis?

BRANDIS: I'd give him a couple of cases of Queensland wine for the wedding reception.

EMERSON: And what about this whopping great big koala in the corner? There you go, Madonna, that could be the deal.

KING: If he comes to visit me, he's got the koala. It is his.

EMERSON: That could be the deal. If he comes to 612 he gets the koala.

KING: He gets the koala. He gets a lot more, Craig Emerson.

EMERSON: That's too much information.

KING: Thank you for your time. Senator George Brandis, thank you.

BRANDIS: Thanks Madonna.

KING: We'll be back playing *Inside Canberra* at the same time next week.

