



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky News AM Agenda with Kieran Gilbert

22 March 2011

E&OE

Subjects: Newspoll, carbon tax, asylum-seekers.

KIERAN GILBERT:

With me now, in the Canberra studio, I have Liberal frontbencher Sophie Mirabella and Trade Minister Craig Emerson.

Guys, thank you both for being here.

Craig, first to you on the poll - this has got to be good for morale doesn't it, this Newspoll?

CRAIG EMERSON:

We've consistently said we don't dwell on the polls. So you had the expert, Martin O'Shaughnessy, talk about...

GILBERT:

You don't dwell on it, but the number's got to be positive. You've got to be happy about it?

EMERSON:

What I will say is that we determined that we would put a price on carbon. We said, before the last election, we would do that. We tried three times in the last term of the Labor Government. We're pressing ahead with that. Perhaps people understand that this is good for the environment and, in the long term, good for the economy, because if we are the only country hanging out, not agreeing to move on climate change, then the economy will be exposed as well.

GILBERT:

Sophie Mirabella, the approval rating for Tony Abbott down six points. That's got to be a bit of a concern, doesn't it?

SOPHIE MIRABELLA:

Well, there are various polls out this week, and they do - over the last week - and they do vary significantly. I've spent the last two weeks, in the break, travelling from one end of the country to the other, speaking with small businesses, large businesses, and I tell you what the poll ... the Newspoll today doesn't reflect, in my opinion, the concerns out there.

In a week where the biggest story, by far, were the cataclysmic events in Japan, I think international events really overshadowed and ... domestic issues and there wasn't really any detailed discussion of domestic issues. But in the real world, in the real world, people are concerned that Australian manufacturing and jobs will go offshore.

The government has been incapable of explaining the benefits of a carbon tax. They've been incapable of explaining to people why putting an increased price on electricity and petrol, putting more pressure on the costs of living, is good for the planet when manufacturing will go offshore to countries that have worse environmental laws than we do and effectively

they'll produce more emissions to make the stuff that we used to make.

GILBERT:

Okay. Well let's get to this carbon tax debate now, the nitty-gritty of it. I want to look, first of all - we'll get Craig to respond to that - but also Joe Hockey, yesterday, was in this studio with David Speers on the *PM Agenda* programme. I want to play a little bit of what Joe Hockey had to say about the compensation that will be put forward by the government. We don't know the detail yet, but regardless, he says, the Coalition will roll it back.

[Start of excerpt of interview with Joe Jockey on *PM Agenda*]

JOE HOCKEY:

We will repeal the carbon tax ...

DAVID SPEERS:

So will you repeal ...

HOCKEY:

... and there will be no need for compensation, so we will unwind the compensation.

SPEERS:

Okay.

HOCKEY:

Because you don't need to have compensation if you have no carbon tax.

SPEERS:

All right.

[End of excerpt]

GILBERT:

That's Joe Hockey talking to David Speers yesterday.

Well Sophie, first to you and then I'll come to Craig. The ... is that smart politics, to say you're going to wind back tax cuts, for example?

MIRABELLA:

Well, it's really more of a con when you have a big tax, a carbon tax, and a huge increase on the cost of living, and families are suffering right across the nation, as are businesses working with very small margin and increased costs of production.

GILBERT:

So you want to wind back tax cuts do you?

MIRABELLA:

Well, no. When you introduce a carbon tax, saying you're going to introduce some sort of hypothetical tax cut is really a con. You're robbing Peter to pay Paul, that's the first thing. The second ... So it's not really a tax cut. It's trying to make up for the fact that you're putting increased costs of living onto people.

Secondly, you really have to question whether the Labor Party can deliver tax cuts. The only tax cuts they've been able to deliver were the ones that had been planned for and scheduled by the Howard Government.

GILBERT:

Okay, let's get Craig's response, because Craig there is no detail just yet there, is there? It is hypothetical at this point.

EMERSON:

No, when we finalise the details of this, there will be a generous compensation package. The live options are reducing taxes and increasing pensions, including the age pension.

Now, what Joe Hockey said yesterday is that if the Coalition is elected, they will remove the carbon price,

but also cut age pensions and increase taxes. Now that's what he's saying. And what they will be saying to the Australian people is 'trust us - when we take the carbon price out, electricity prices will fall'. So Joe Hockey's saying, when the Coalition takes the carbon price out, electricity prices will fall and, therefore, the Australian people deserve neither the tax cut nor a pension rise - the two live options - and he will rip them off them.

Now, do you reckon the Australian people will believe Joe Hockey when he says 'trust me', and Tony Abbott when he says 'trust me, you don't need the tax cuts, you don't need the pension rises, we're taking them off you'?

The truth, the reason why they want to do that is that they need the money. They need the money for their very ineffective idea of giving subsidies to polluters that will cost, ultimately, \$30 billion in taxpayers' funds. That's why, that's why they will not keep the tax cuts in place. That's why they will cut the age pension and other pensions, because they need the money to fund subsidies to big polluters: \$30 billion in taxpayers' money.

MIRABELLA: That's silly talk.

GILBERT: Okay, this is a ... well, what they've done and what they, no doubt, are aiming to do here is turn the cost of living debate...

MIRABELLA: Yes.

GILBERT: ...around on its head here and saying 'well you're the one that's going to be cutting the...'

MIRABELLA: Look, what they're doing is...

GILBERT: ...getting rid of the tax cuts.

MIRABELLA: ...they know, the Labor Party knows they're in deep trouble. They even have their own unions now conducting polling that says they're in deep trouble. This is yet another political fix to detract from the very, very critical concern about how the carbon tax will increase the cost of living.

GILBERT: But you say it's hypothetical...

MIRABELLA: The government...

GILBERT: ... what happens when it's introduced? If the government does deliver?

EMERSON: Compensation will be legislated.

MIRABELLA: Craig, you've had your go sweetie, just let me finish.

EMERSON: All right, but you've been talking for about 90 per cent of the time, actually.

GILBERT: So, when that's delivered, that's no longer hypothetical. That's a tough response.

MIRABELLA: Well, let's wait and see what the carbon tax will actually do and how it's supposed to be beneficial for Australians. This government cannot tell the Australian people why they will be better off. They are now trying to find a political fix, a con, to say...

GILBERT: Okay, well let's...

MIRABELLA: ... forget about the carbon tax. Think of the goodies that we will give you.

GILBERT: ... let's ask Craig about that, that debate about essentially what Sophie's talking about is carbon leakage. There are many industries that are at risk in terms of that. And that's the argument, really, that you've got to carry here.

EMERSON: And this argument was prosecuted right through the previous three attempts, by Labor, to get an emissions trading scheme through the Senate - blocked by the Coalition, blocked by the Greens. And we said emissions-intensive, trade-exposed industries - that is, those industries that have to compete on international markets, that emit a fair bit of carbon - would be compensated in the form, or various possible forms: one of those, for example, being the issuing of free permits. Again, this is not new. This was in Ross Garnaut's report of 2008. We sought to legislate it three times and that's what we would do in dealing with this so-called issue of carbon leakage.

But while we're talking about Australian jobs, think of the future as other countries move to put a price on carbon. If Tony Abbott is elected Prime Minister, he would go completely against what other countries are doing, including the Conservative Prime Minister of the United Kingdom: rip that carbon price out. Leave Australian businesses exposed to retaliation from overseas ...

GILBERT: Okay. Let's look, quickly, just quickly - and only 30 seconds or less both of you on the immigration issue. I know we're tight for time today, but Craig, boats are

being brought to the mainland, but still being treated as offshore arrivals. How does that work?

EMERSON: Yeah, that's the journey that they took. It also applied to a vessel earlier in the year that was subject to a lot of bad weather; it went straight to Darwin. They will be processed as offshore asylum-seekers.

GILBERT: But it doesn't make much sense does it, if they're being brought to the mainland, the government really is obviously under a fair bit of pressure here ...

EMERSON: Well it makes sense ...

GILBERT: ... if they're being forced to tweak the definition of it.

EMERSON: It's not a matter of tweaking the definitions. There's no tweaking as such. They will be processed under the law as offshore arrivals. That's the law. We will use the law.

GILBERT: Okay, Sophie Mirabella just quickly.

MIRABELLA: The law is very ambiguous and we wouldn't be having this problem if the Government actually re-introduced offshore processing at Nauru. The immigration border protection policy is a mess.

Worldwide, when there's been a 13 per cent drop in asylum applications, Australia has seen a 78 per cent increase. That shows you that it's out of control and they'll try and use whatever tricky, bodgy, dodgy, legal interpretation until it's actually applied, because they're desperate. And ...

GILBERT: Okay...

MIRABELLA: ... they refuse to accept our policy.

GILBERT: Sophie Mirabella, Craig Emerson, appreciate your time both this morning

EMERSON: Thanks Kieran.

MIRABELLA: Thank you.