



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

Transcript  
ABC 612 Mornings with Madonna King

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*Subjects: Osama bin Laden, Pakistan, carbon pricing, teenager support payment.*

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MADONNA KING: US President Barack Obama's Homeland Security Adviser, his name is John Brennan, said yesterday it was inconceivable that bin Laden did not have a support system in Pakistan.

You heard our expert just after 8.30, but where does this go politically now? It's one of the issues we'll look at now, when we go inside Canberra. Deputy Opposition Leader in the Senate, George Brandis, good morning.

GEORGE BRANDIS: Good morning, Madonna.

KING: Good to have you back, and Dr Craig Emerson, Minister in Julia Gillard's Government - always a pleasure to talk to you too.

CRAIG EMERSON: And to you too, Madonna, and hello, George.

BRANDIS: Good morning, Craig.

KING: Let's start with Pakistan. So much to get through in such a short time. Craig Emerson, how do we navigate this one?

EMERSON: Well, I think we need to acknowledge that this is a very important milestone in the war on terror. That is that Osama bin Laden was - if not the day-to-day commander - certainly, in a sense, the spiritual leader of Al Qaeda.

And his removal, while not ending the war on terror, is a blow to Al Qaeda and it's certainly a strong message that from the US perspective and the broader perspective that if these acts of terror are committed, there will be a reprisal.

KING: Sorry, you misunderstand my question. I don't mean Barack - sorry Osama bin Laden - I mean Pakistan and whether there was a support system operating there. How do we now deal with Pakistan? Friend or foe?

EMERSON: I think we need to deal with them at face value, which is that they, too, were subject to attacks by Al Qaeda; they are allies in the war on terror. There are questions obviously being asked as to how Osama bin Laden was able to be accommodated in a large place, not very far from Islamabad.

But the Government of Pakistan has been an ally and that has been acknowledged by President Obama.

KING: All right. Senator George Brandis, on the same issue, because this is what America is talking about this morning. This is what Julia Gillard was referring to

yesterday. I mean, how do we navigate or how do authorities navigate whether Pakistan is a friend or a foe?

BRANDIS:

Well, I think that plainly Pakistan is a necessary ally of the West in the war against terrorism and is an important ally, in particular, in relation to the military operations in the adjacent nation of Afghanistan.

Now that having been said - and allowing for the fact that I don't profess to be a specialist in Pakistani politics - but I think most people who do follow international affairs are aware that Pakistan is an extremely complex country.

There is no doubt at all that there is a proportion of the Pakistani population who are not in sympathy with their Government's support for the United States. To the extent to which that might propagate into the military or the intelligence community in Pakistan, is a matter which people, I think, will have endless debates over.

But nevertheless, it's important that President Zardari did, the day after Osama bin Laden had been eliminated, actually go into print in the - I think it was in the *New York Times* - and made it very clear that his Administration strongly supported the United States' decision to take out bin Laden.

KING:

And you make an interesting point about the difficulty of his job in looking after that country and the people of the country. There was a story in one of the papers, I think, *The Australian* this morning of the local baker who's been giving *naan* bread to the people in the compound each afternoon and each evening.

And when confronted, saying, well, 'how do you feel - you've been the baker to Osama bin Laden?', he says, well, he'll tell his grandchildren to be proud, it was the Americans that got him not...

BRANDIS:

Well, there is a body of opinion in the Muslim world that saw bin Laden as an heroic figure. There's no doubt about that. But there was no Muslim Government that had that view and certainly that wasn't the policy of the Pakistani Government.

KING:

All right. And Craig Emerson, just guide us on procedure here. How does the Australian Government decide what we think about this? Is it a Cabinet sub-committee, Cabinet as a whole. Is the Opposition consulted on something this big?

EMERSON:

Well, I think, to finish off the conversation, Madonna, in answering your question. As George is really alluding to, the relationship of the Australian Government is with the Government of Pakistan. We can't have a relationship with every person in Pakistan, and I think that on the evidence they've been ... done absolutely the right thing.

In terms of ways forward, obviously, there are Cabinets and Cabinet committees and I can't go into all of those...

KING:

No, but I just want to know what's the procedure?

EMERSON:

... internal processes.

KING:

I'm not asking you to ... I'm asking you what is the procedure by which Julia Gillard comes out and says, 'this is what Australia believes on this issue'?

EMERSON:

Well, she takes advice from the relevant Cabinet colleagues, and that would include the Minister for Foreign Affairs, the Minister for Defence, the Attorney General. She takes advice from our intelligence agencies, as she should. Then she weighs up that advice.

And so that's the process. And insofar as the Opposition is concerned, I think there has been a general practice over decades of the Opposition parties in Australia, whether Labor or Coalition, being consulted on this sort of information.

KING:

All right. Can I just move on slightly from this topic, and something that my listeners are interested in this morning. White House officials say it's likely a photograph of Osama bin Laden's body will be released to prove that he has been killed. But they've warned it's gruesome. It's potentially inflammatory.

They haven't given a timeframe in which they'll make a decision on whether to do it, but sources have told the ABC the White House is also considering releasing a photograph of his burial at sea, which may be less controversial.

People calling this morning and saying, 'well, you know, the photographic evidence could stoke anti-American sentiment. It could also be, 'how do you actually trust that it is the photograph the Americans say it is'?

George Brandis?

BRANDIS:

Well, I think it's a difficult decision for them and I, frankly, aren't sufficiently close to this to have a strong

view one way or another. I was watching on *Fox News* this morning one of those crazy extreme Right shock jocks who was already raising doubts about whether, in fact, bin Laden had been killed.

And just as some people on the fringes of American politics spend a long time whipping up rumours about whether President Obama was, in fact, a natural born American citizen.

So I think there is a deep vein of irrationalism in America, particularly on the extreme Right, and I think one thing that would be factoring into President Obama's thinking is the need to close that down and prevent the emergence of these silly conspiracy theories early... straight away.

KING:

Well, you say silly conspiracy theorists. Several people this morning have called in saying, well, 'look, the weapons of mass destruction were a lie. On Monday night, there was photograph on our television screens that purported to be Osama bin Laden and was later found to be a fake'.

How much can you trust and how much can't you? Craig Emerson, do you want to comment on that issue?

EMERSON:

I agree with George that it's a really difficult call because if you don't, then there will be further conspiracy theories. If you do, then that would be provocative. The burial at sea, I think, does fall into a different category, but I'd have to say this: that regardless of whether they do or don't release photos, the conspiracy theories will continue ...

BRANDIS: That's right.

EMERSON: They'll say the photos were fabricated; it's not really him. We still have people to this day saying that the Americans faked the moon landing. I think Donald Trump was the one who said that Obama wasn't an American citizen and they had to produce a certificate.

So it's not going to end this conspiracy theory.

KING: All right. Well, let's move onto another topic that is big in Australia and this is the carbon tax. Business leaders have been invited to a shindig at Kirribilli House tonight - dinner with Julia Gillard to discuss the carbon tax.

Is this an attempt to win them over, Craig Emerson?

EMERSON: Of course, it's an attempt to share information with them; to discuss the issues as they have been with our Minister, Greg Combet, who has been doing a fine job on this. There have been lots of consultations ...

KING: All right, you're saying ...

EMERSON: We don't necessarily believe that as a result of a dinner or consultations that everyone will then be converted to the argument.

KING: No, no, all right. But Greg Combet, you're saying he's doing a fine job on this. I see the latest news poll survey reveals 60 per cent of voters are opposed to the Government carbon tax plan. Only 30 per cent in favour. Is it the policy that's flawed or is it the sell job.

You're saying Greg Combet is doing a great job selling it.

EMERSON:

I think one of the challenges is that more information will come out in time. But we do need to go through the sorts of consultations that we've just been discussing. So there are calls for all of the detail to be released yesterday; to do so would pre-empt the consultations that are going on now.

So it's just one of those situations where if you do put the information out, you've pre-empted the consultations; if you don't, then people aren't fully aware of this basic fact that all of the revenue raised will go in the form of compensation to households and to assist businesses that are exposed to exports.

KING:

So why are 60 per cent of voters opposed to your plan?

EMERSON:

I think, in part, because of the absence of a fully detailed plan, including the very point that I just made. I think there may be a perception that this is a tax that goes into general revenue. It's not.

It actually is designed to reduce carbon emissions - a very important environmental challenge - and all of the funds go either back to households for compensation or to industry to assist them make the transition to a lower-carbon economy.

KING:

All right, George Brandis. Is the government damned if it does and damned if it doesn't? If it releases all the detail, it's 'you haven't consulted'. They're not releasing all the detail, and so 'what are you hiding?'

BRANDIS:

Look, the Government has damned itself because this policy is based on a lie. It's based on a decision which has basically double-crossed the Australian public. Julia Gillard went to the last election, and five days before the election she said 'there will be no carbon tax under the government I lead'.

Wayne Swan, the next day said, 'it is not possible that there will be a carbon tax under a re-elected Labor Government'. So the entire debate is, in a sense, a phony debate. Because it is based on an outright lie.

KING:

So this 60 per cent of those - if that figure is right - that are opposed, who are opposed to the Government's tax plan. Are they genuinely opposed to the plan or are ... do you believe they think the Government's being deceptive and they're not going to give the Government the support on this issue whatever it is?

BRANDIS:

I think fundamentally most Australians don't want to be hit with yet another great big tax by this Government that has such an appetite for inventing new taxes like the flood tax and the mining tax and the carbon tax because they know it is going to put upward pressure on their cost of living.

Now, the fact that the Prime Minister lied about it probably makes a bad situation worse for this Government.

KING:

Do you agree with that, that you have made a bad situation worse, Craig Emerson?

EMERSON:

I think that this is one of those important reforms, like many reforms during the 1980s that were not popular at the time but were very important to Australia's

economic future. And I reckon this - that after 1 July 2012, when this price on carbon comes in and Tony Abbott says that he will remove it - and if we do provide compensation through the tax system and age pensions and other pensions - when he says he will cut the age pension and increase taxes he'll have a lot of explaining to do.

KING:

But aren't you the ones that still have a lot of explaining to do on the carbon tax, though? You didn't want what your leaders said before the last election. Is that a problem for you?

EMERSON:

And what our leader said before the last election time and time again is that we do not rule out putting a price on carbon. We tried to do so...

BRANDIS:

'There will be no carbon tax under the Government I lead.'

EMERSON:

... we tried to do so three times in the last Parliament - blocked by the coalition - and we said that we would not rule out, in fact wanted to put a price on carbon. We're starting with a fixed price. It will then after three to five years go to a variable price.

KING:

Yes, but that is a matter of semantics and that's something that your leader has essentially admitted to, too.

EMERSON:

Yeah, I'm just saying that when further detail comes out, when people appreciate how this will operate and when it is implemented I believe the tables will turn...

KING:

All right.

EMERSON: ...because Tony Abbott will have to explain why he's creating...

BRANDIS: Just one quick one...

EMERSON: ...more business uncertainty.

KING: All right. Let me ask you this, Craig Emerson: Bernie from Auchenflower has called in to take you to task. He feels that no one believes the Government takes the money and sets it aside for one fund, that the Australian public are disbelieving that you will do that but they think that it will all go in the big pool and end up being spent in whatever way the Government chooses.

That ... is that a genuine concern you have to fight?

EMERSON: Well, it will be absolutely clear from the Budget papers and all of the other objectives statements, beyond any statement that any politician makes. And I can tell you this: if it were hypothetically the case that we weren't doing that, that would be brought to public attention.

Now George, if you want to say after 1 July 2012 that this money is not going to households, is not going to businesses, you can say it but it will not be true.

BRANDIS: Look, I think Madonna, if I may say so, Bernie from Auchenflower is a very good constitutional lawyer because he's aware of the provision in the Constitution that says that all revenue collected by the Commonwealth shall be paid into a consolidated revenue fund.

KING: All right. Guide me through this, are you saying what the Government is planning to do is unconstitutional?

BRANDIS: What? No, no, no, no, no. I'm not saying that at all. What I'm saying is that Bernie is basically right - all moneys collected by the Commonwealth are paid into a fund called the consolidated revenue fund.

Now, the Government might then earmark parts of that fund for particular purposes, but it's not right to say that this doesn't come into the general revenues of the Government. It does.

KING: All right. Back to you, Craig Emerson. Will it go into the general reserves before being then earmarked specifically for something else?

EMERSON: Well, I'll accept George's advice on that without evidence to the contrary, but so would the case have been with John Howard's gun levy.

Now, we did not assert that the proceeds of the gun levy were diverted to other purposes. We didn't assert that the proceeds of the sugar levy were diverted away from the sugar industry.

What ... it will be absolutely clear from the Government accounts through Senate estimates and in every other forum that is available that this money will be used exclusively for the purposes of compensating households for higher electricity costs and any other cost of living increases ...

KING: All right.

EMERSON: ... and to assist businesses to make the transition to a lower carbon economy, which is the point of the exercise.

BRANDIS: Well, we know that must be true because Julie Gillard says so and she'd never lie to you, would she?

KING: Is this a problem, Craig Emerson? I am getting a steady stream of emails and Twitters. Let's just take the last one in. Jackie says 'we don't want a tax; I won't listen to anything about the carbon tax from Labor. They lied, we can't trust them' .

Is that something you need? No matter what people think of climate change - and perhaps even want the carbon tax, who think it's a good thing - that you've got to get over that view that you've changed your mind; you've said one thing and did another?

EMERSON: Well, I think Julia Gillard's been very clear and frank about that. She said she did change her position on it. Tony Abbott, I might point out, said that it was an iron-clad, rock solid guarantee that he would not change the Medicare safety net.

John Howard said ... even the famous children overboard affair, when he actually knew that children had not been thrown overboard by their by asylum seekers...

BRANDIS: We're getting a bit into ancient history.

KING: No, let Craig Emerson make his own point about the Government misleading...

EMERSON: Well, I'm just saying, I'm just saying that Coalition leaders...

BRANDIS: Well I think there's a very big difference, both practically and morally in fact, between a Government changing its policy and a Prime Minister five days before an election saying 'there will be no carbon tax under the Government I lead'; just ruling it out and then a matter of months later, in order to oblige Senator Brown and the Greens and scramble back into power, to abandon that commitment.

KING: All right. All right. You've made your point on that, George Brandis. But Craig Emerson, just ... can I just check this? Alistair from West End says 'is any part of the carbon tax and money raised from the carbon tax going to the United Nations or all of it is going to compensate lower-income households?'

EMERSON: All of it is going to compensate lower- and middle-income earners.

KING: All right. That was my understanding.

BRANDIS: I'm sure that's true because Julia Gillard said so ...

KING: All right.

BRANDIS: ... and she wouldn't lie, would she?

EMERSON: It's a solid, iron-clad promise from Tony Abbott.

KING: An iron-clad promise, okay. All right.

EMERSON: No, no, from Tony Abbott. They were his words.

BRANDIS: An iron-clad promise from Julia Gillard is an oxymoron  
...

EMERSON: No, no, no. George you mishear me.

BRANDIS: I'm sorry.

EMERSON: Tony Abbott made a rock-solid, iron-clad promise - his words - that he wouldn't tamper with the Medicare safety net after the 2004 election, and as soon as the Coalition was returned he changed it.

KING: But two wrongs - to both of you - don't make a right, do they?

EMERSON: No, I'm saying nothing more, Madonna than George saying 'well Julia Gillard didn't tell the truth on this'.

KING: Yes, okay. Well let's move on to another issue and possibly a good news story, Craig Emerson. We've been told over and over again this budget is going to be tough and now we hear thousands of low-income families will be eligible for as much as \$10,700 if your teens are aged between 16 and 18.

Is this aimed at getting kids who are 16 to stay in education until they're 18?

EMERSON: It certainly is. It's designed to allow parents to keep their kids in school or in training rather than leaving school early.

So it is very much designed as part of our overall investment in skills in this country to make sure that at the time when the unemployment rate is falling, and is

half that of the United States, we nevertheless give every young person a good education and a great opportunity in life and that's what this is all about.

KING: How much is it costing all up?

EMERSON: Well, there are figures of something like \$772 million, so it is a big investment in the talents of our young people. But we fundamentally believe that if kids leave school too early then they are behind the eight ball for the rest of their lives.

This is - I think you and I a long time ago, Madonna had a discussion about this - this is an incentive to stay in school or to go into accredited training, but not to just drop out and go and start working at the age of 16, because that might seem like a good idea to kids at the time but often they will be disadvantaged by it.

KING: George Brandis, a good way to spend \$772 million in the Budget next week?

BRANDIS: I thought the purpose of this Budget was actually to make some savings, to try and start repaying the hundreds of billions of dollars of debt that this Government has clocked up.

KING: But surely it should have some incentives, some good news in the Budget?

BRANDIS: Look, I'm not going to comment sight unseen on a proposal that is apparently going to be announced in the Budget. But let me just make the general point, it's all: you can talk about a tough budget or you can actually have the character and the political courage to deliver a tough budget.

KING: Can't you do both? Why can't you deliver a tough budget and give low-income families something?

BRANDIS: Well, let us see. This Government has yet to deliver a surplus budget and we know that this is going to be yet another Labor deficit budget, the fourth in a row, and we will be keeping a very close eye on the Budget to see if tough decisions are in fact made rather than just Wayne Swan talking about being tough.

KING: You can't bring yourself this morning to say 'look, yes it's in the Budget, it's a good thing'?

BRANDIS: I'm not going to comment on a measure I haven't seen.

KING: But next week are you prepared to say 'good on you Julia Gillard' ...

BRANDIS: I'm not ...

KING: ...if there's something in the Budget next week after it's been delivered that you think is good?

BRANDIS: ... I'm not going to comment on a measure I haven't seen, but this Budget will be tested on the extent to which it starts to save money, not to spend new money.

KING: But my question is, 'are you prepared next week, post the Budget, to be able to congratulate Julia Gillard if there is something good in it?'

BRANDIS: I'm sure there'll be measures in the Budget which the Opposition agrees with, but that's not the point. The

point is that this Government with such a track record of waste and debt has got to start repaying the debt.

KING: And that's Senator George Brandis. Craig Emerson, the last word to you this morning: you're not going to get a possible pat on the back there.

EMERSON: The only advanced developed country in the world to stay out of recession was Australia. Was Australia. And it's because good initiatives like ...

BRANDIS: That's because the recession was largely a northern hemisphere phenomenon.

EMERSON: Yes, yes that's right. It was one of those ... it was faked; it was sort of like the moon landing, George, yeah.

KING: All right. We're going to leave it there, not the happy ending this morning. We'll try for one next week after the Budget. Craig Emerson, thank you.

EMERSON: Thanks a lot, Madonna.

KING: And Senator George Brandis, thank you.

BRANDIS: Thank you, Madonna. Thank you, Craig.

KING: That's *Inside Canberra* for this week. Back next week here on *612 ABC Brisbane*. \$772 million; households eligible for as much as \$10,700. The Government has confirmed this. If your teens are aged between 16 and 18 and stay in education.

Only some families, low-income families. Something you support or not? 1300222612.

