



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky News AM Agenda with David Lipson

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E&OE

Subjects: carbon price, asylum-seekers, live cattle exports, Labor backbenchers.

DAVID LIPSON:

Hello and welcome to the program. I'm David Lipson.

Well rain, hail or snow - even ash! - can't keep our politicians away from Canberra this penultimate session of Parliament, before the long winter break. Even the Air Force was called in to ensure that they all make it here to Parliament on time. And it's a crucial couple of weeks ahead, because some very big issues that need to be nussed out over the next few weeks - the carbon tax, the asylum-seeker deal and also live exports - where that's all going. And all of those issues are expected to, as I say, be worked out one way or another over the next couple of weeks.

With me to discuss these issues and some of the other issues of the day, we have the Trade Minister Craig Emerson - thanks for your time.

CRAIG EMERSON: Good morning.

LIPSON: And the Shadow Health Minister Peter Dutton. Thanks for joining us.

DUTTON: Pleasure David.

EMERSON: Didn't I just see you in the gym?

DUTTON: You are running late for that reason I presume?

EMERSON: I was running on the spot.

DUTTON: You obviously worked ... you obviously worked a bit harder than I did.

EMERSON: [Laughs]

LIPSON: [Laughs] I'd like to continue talking about the gym, but let's get to the issues. Carbon tax, first of all. Craig, at \$22 billion we're seeing from economic modelling would be lost over the next decade from the coal industry, along with 4,000 jobs. As Trade Minister, this has got to be a pretty serious concern.

EMERSON: Well, if it were accurate, it might be a concern. But, whoops, they forgot that they're in discussions with the Government about assistance to their more gassy coal mines. Not all coal mines in Australia have lots of fugitive emissions. Some do, and the Australian Coal Association knows very well that it is in discussions with the Government about assistance for those.

And the truth is - you wouldn't guess it from the report - but the coal mining industry in Australia is expanding very rapidly.

So a key assumption that there would be no assistance from the government is implicit in that modelling. So make of it what you will and I'm sure Peter will make plenty of it.

LIPSON:

Peter Dutton, is it worth anything, then?

DUTTON:

Well, of course it is David. I mean the expansion's taking place in an environment, obviously, over the last decade, where there has been no carbon tax and there's been certainty about investment. And a big part of the problem at the moment, for the Government, is that this sovereign risk is really hanging over the Australian Government.

There's great uncertainty. They've knee-jerked every policy reaction. They go too far. They can't act in a prompt time. I mean, this is a complete debacle and I think what the industry is saying, at the moment, is that they don't want uncertainty around their industry. They don't want huge costs passed on to consumers. And they don't want a loss of a couple of billion dollars a year revenue to the Australian economy at a time when we can ill-afford it.

EMERSON:

We know David that there is a massive pipeline of investment in minerals in Australia. That is well documented and much, if not most, of those decisions were made in the full knowledge that a Labor Government would put a price on carbon.

John Howard ...

DUTTON: Well, they wouldn't have realised that before ...

EMERSON: ...John Howard actually...

DUTTON: ...the last election, because Julia Gillard said...

EMERSON: ... John Howard ...

DUTTON: ... there would be no carbon tax.

EMERSON: She said 'there ... we will...

DUTTON: Would be no carbon tax.

EMERSON: ... be putting a price on carbon and [indistinct]...

DUTTON: [Interrupts] 'There would be no carbon tax under a government I lead,' is what she said.

EMERSON: And John Howard back in 2007 was seeking to put a price on carbon. Peter's the only one in Australia who's surprised that there is an initiative to put a price on carbon. His leader, in 2007 ... but a point I'm making is that there is a massive pipeline of investment going through.

DUTTON: And it's all at risk. It's all at risk because of this ...

EMERSON: And why is this...

DUTTON: ... Government with the Greens' alliance.

EMERSON

...investment being committed? Why is this investment being committed to this very day? Because these industries have factored in a price on carbon. They have actually factored it in. And notwithstanding the price on carbon, they find Australia a very good place to invest.

LIPSON:

But Peter ... Peter, there's clearly a concern within your party as well about compensation. The Gillard carbon plan compensates pensioners, as we know. Your party would roll back that compensation if you get a chance to scrap the carbon tax as well. Now, we've seen in the *Sydney Morning Herald* this morning a senior Liberal saying that that would 'kill us'. How can the party manage such a backlash from pensioners and others?

DUTTON:

Well it's a false report in the paper today that you're referring to. But the more substantive point about compensation and rolling back ... there is no compensation. There's no compensation on the table at the moment, as I understand it. Don't ... unless Craig's made an announcement overnight. There's talk of compensation. There's talk of over-compensation, which I think is angering a lot of families in particular. There's no compensation for small business.

EMERSON:

What, that we over-compensated?

DUTTON:

No small business being compensated at all. And I think small business is doing it incredibly tough at the moment. And so all these hypotheticals about what the price will be, what compensation there may or may not be for particular categories of Australians, all of that's up in the air at the moment and that's why there's great uncertainty about what this Labor Government actually believes in.

EMERSON: They haven't been reading the papers, because the Government has indicated quite clearly ...

DUTTON: What have you announced?

EMERSON: ... that lower and middle income-earners would receive compensation.

DUTTON: And how much will it be?

EMERSON: He says there will be a full ... it's a false story. How does he know it's a false story? The frontbencher didn't have the courage to put his or her name to the story, but Peter knows that no such frontbencher had a telephone conversation, or a face-to-face conversation with the *Sydney Morning Herald*. This didn't happen. I mean this is ... this is straight out of George Orwell. It didn't happen, therefore, let's move on and I won't answer the question [laughs].

DUTTON: You're more bizarre than ever Craig, I might say, today. But anyway ...

EMERSON: On what basis do you say that no-one contacted the *Sydney Morning Herald*, complaining legitimately about Tony Abbott's plan to rip out any compensation; that is, to cut age pensions, or other pensions, or to increase taxes? Of course, we know that that's going to happen because that's what Tony Abbott and Joe Hockey have said is going to happen. They're going to rip out the compensation.

LIPSON: Peter, a quick response to that?

DUTTON: Well, again, though, there is no compensation. I mean, there's talk about over-compensation; there's talk about no compensation for small business. There is no compensation. There is no plan as to ...

EMERSON: So why would Tony Abbott and Joe Hockey...

LIPSON: Okay.

EMERSON: ... both say they'd remove it?

LIPSON: Gentlemen, we're just going to have a quick break, but we'll be back with more after this.

[Unrelated item - advertisement break]

[Interview with Shadow Immigration Minister Scott Morrison]

LIPSON: And we're back with our panel Craig Emerson and Peter Dutton.

First to you, Craig. As Scott Morrison said there, the Government out of excuses if this deal with the ... well, if the UN Convention, I should say, is signed by Nauru. Is that the case?

EMERSON: We've consistently said that this is a regional problem that needs a regional solution, and on *Sunday Agenda* I noticed that journalists, including Paul Kelly, were making this point with the Shadow Justice Minister. What has the Coalition got against a regional solution to a regional problem? You have to work with other countries who are affected by and involuntarily

involved in this people-smuggling business and that's why Malaysia is relevant.

Now, I'm not going to make a big point of this, but I notice the President of Nauru said this morning well, they will consider signing the Refugee Convention. But in any event, the United Nations High Commission for Refugees is working with the Australian Government on Malaysia and condemned the previous Government for its Nauru solution. Why? Because people were left to wait there and rot for up to three years and most of them ended up back in Australia anyway.

What we're saying in Malaysia, to break the people-smuggling model, is that you won't be coming to Australia.

LIPSON:

Why then has Labor, for so long, prosecuted this idea that the reason Nauru's a bad idea is that they're not signatories of this convention?

EMERSON:

It's one of the considerations, but I'm saying that the United Nations High Commission for Refugees knows a few things about refugees - they're a reputable organisation.

LIPSON:

I can imagine, yeah.

EMERSON:

And they say that Nauru was - that the closure of Nauru ended a sorry chapter. Ended a sorry chapter! Now Mr Abbott wants to write a new sorry chapter. Well, we don't. We want to break the people-smuggling model working with, not against, the United Nations High Commission for Refugees.

LIPSON:

But, Peter Dutton, surely the whole idea of sending people to Nauru, initially at least, was as a deterrent, to stop the boats from coming. But, as you heard Scott Morrison there say, the conditions are good; people would be allowed to roam around the island; three square meals a day; schools and hospitals. Where's the deterrent on Nauru?

DUTTON:

Well it was proven, when we were in Government, to be part of a program of deterring arrivals. And, again, the bizarre logic that Labor are putting at the moment is somehow that they have a deal that they've stopped the boats: that there's some deterrent in place. I mean, the numbers continue to come in record ... at record levels. There is, when you look at the goings-on inside the Christmas Island Detention Centre in Villawood ... I mean it is a completely out-of-control situation at the moment.

And I think this government clearly doesn't have a deal with Malaysia. They don't have a deal with the Papua New Guinean Government. And this is not a regional solution. I mean, it's a regional talkfest that's going on at the moment whilst they've got Kevin Rudd off in Europe and every other part of the world, except here at home trying to broker a deal that obviously is very important to this Government.

And I just think, again, all of Craig's rhetoric defies the reality of the situation at the moment. It is a disastrous situation and at the moment our country is like a magnate for boat people and that is a tragedy not just for them, but for our border protection policy as well.

LIPSON:

But as I asked Scott, I mean if there is a regional solution - it's still an 'if'. I mean, we haven't got pen to paper. But if that is put in place - if a deal with

Malaysia is in place - are all exercises that the Opposition's been engaging in flying to Nauru, are they all rendered pointless?

DUTTON:

No, no. I mean if you look at what's happened since the Government first announced they had a Malaysian deal, say five weeks ago, boats have continued to arrive since then. I mean, this deal is only unravelled in the last couple of weeks when it became apparent that there was no deal. The deal had not been signed. People had led us, including Chris Bowen, had led us to believe in the weeks prior to that that a deal was just on the cusp of being signed. That wasn't the case. And even with that knowledge and that understanding in the public place at the time, boats still arrived. They're still arriving.

The terrible circumstances inside the detention centres continues on. We're saying that Nauru is a humane option. It's a proven option. But it's one part of what we put forward as a legitimate policy.

LIPSON:

Craig ...

EMERSON:

Well, let's leave the last word on this with the United Nations High Commissioner for Refugees. "Closure of Nauru signals the end of a difficult chapter in Australia's treatment of refugees and asylum seekers." It's hardly a ringing endorsement.

DUTTON:

When ... was that from Chris Bowen? I wouldn't trust anything that Chris Bowen said to you.

EMERSON:

No, it was actually ... it was from my press secretary.

DUTTON:

Yeah?

LIPSON: You said when ... when...

EMERSON: And it was from the United Nations High Commission for ...

DUTTON: Who knows that you're struggling ...

EMERSON: [Indistinct] say that.

DUTTON: ... who knows that your struggling on this issue.

LIPSON: When did they say it? When did they say that, Craig, do you know?

DUTTON: [Indistinct] points.

CRAIG EMERSON: I haven't got a date on it, but the fact is ...

LIPSON: Because things have changed, yeah, in Nauru the last few years.

EMERSON: Well, let's hear from the United Nations High Commissioner for Refugees...

DUTTON: Well, are they endorsing...

EMERSON: Why don't you get them? Why don't you get them?

DUTTON: Are they endorsing your policy at the moment?

EMERSON: They are working on it. Yeah, they are working with us.

DUTTON: They're endorsing your policy?

EMERSON: They are working with us and you know that.

DUTTON: But it's not endorsing your policy.

EMERSON: And you know very well that they are working ...

DUTTON: But they know ...

EMERSON: And you know what your greatest fear...

DUTTON: They know, like Australians do, that this is a debacle.

EMERSON: Peter, your greatest fear ...

DUTTON: Your Government is a debacle, Craig, that's the problem.

EMERSON: ... is that the Malaysian solution will stop the boats. That's your greatest fear because then you'll have nothing to whinge about.

LIPSON: All right, gentlemen, we better move on before things get any more heated.

Live cattle. Indonesia: we're seeing reports today [they] seem pretty optimistic that within a few weeks they'll be getting imported live cattle.

Craig Emerson, as Trade Minister, you know that building trade relationships takes a long time. It's difficult; it can be costly and it's delicate. But breaking those sorts of relationships can send clients elsewhere, never to return. Is this what's going to happen with our cattle industry to Indonesia?

EMERSON:

We're working cooperatively with the Indonesian authorities on this. It is a vexed issue. The Australian people were appalled by the treatment that they saw. That's the truth of the matter.

We lay no blame at the feet of the Indonesian people or at the feet of the Indonesian Government. We are seeking to work with them to resume live cattle exports.

By the way, Australia has a particular advantage in being very close to Indonesia. It's not just as easy as that, to click your fingers and have live cattle coming from, for example, Brazil, across a very vast distance compared with Australia.

We take nothing, however, for granted and we will seek the resumption of the live cattle trade when the abattoirs, the processing facilities are up to scratch.

And we are working - it is true - with the Indonesian Government on achieving that.

LIPSON:

Peter, we've seen, or at least heard reports that there was quite a back-bench revolt, I should say, in the Labor Party. Are you seeing similar heated debates within your own party about what the appropriate policy is for live cattle?

DUTTON:

No. And I think this is the difference between a government that just is out of touch and out of control at the moment, and an Opposition that I think is presenting as a credible alternative. Because I think the Government got the reaction, you know, largely right when they first responded. That was to stop the supply going to the bad abattoirs but continue the

supply to those that had been accredited or who were up to Australian-like standards.

And it would be like finding bad practices in one Australian abattoir and stopping cattle from going to every Australian abattoir. It just doesn't make any sense.

And the problem at the moment that the Government's got is that in about a half an hour or so, the Caucus is going to have a second uprising on this issue, because they want a complete ban on all export live cattle, and that is going to be a disaster.

I mean, this Government has another disaster of their own making. They knew about this footage a month before it came out. All of us were horrified at the footage and don't want to see cattle going to those particular abattoirs. But this Government has cattle standing around in yards at the moment. They have cattle coming from breeding stations that just can't accommodate the stock. Trucks, who are stranded on the side of the road with live cattle on-board, not knowing which direction to drive in. And this is a problem of the Government's own making yet again.

EMERSON:

No, let's just hear ... let's understand the Dutton solution to this. That is, identify a few processing facilities that are not up to standard. Suspend for those and allow processing in the rest. Do you know how many processing facilities there are in Indonesia? Six hundred.

So, what Peter Dutton and the Liberal Party would say was suspend those that we know are not up to standard, but let the rest rip.

DUTTON: Craig, you've been the Government...

EMERSON: Now, that's not what we're going to ...

DUTTON: You've been the Government for four ...

EMERSON: That's not ... that's not...

DUTTON: You've been the Government for four years and should have been on the top of this issue ...

EMERSON: Now, I let you go ...

DUTTON: ... before now.

EMERSON: I let you go without any interruption.

The point is, it is not as simple as just saying, 'well, here's some that have come to light, we'll assume the rest are fine'. The better way, and the way the Government has approached it, is to work with the authorities on those that are either at, or close to, standard, and so that we've got a proper certification process that those cattle are processed in those high-standard facilities.

The Dutton approach - the Liberal approach - is to suspend for 11 and let the rest rip. That would result in an absolute furor, an uproar, and it wouldn't ... would not help our relations with Indonesia one bit.

DUTTON: What was Joe Ludwig's first response?

EMERSON: Well you saw the response.

LIPSON: To close ... to close 11 stations ... 11 abattoirs.

EMERSON: That's not ... yeah.

DUTTON: Yeah, so...so Craig's criticism ...

CRAIG EMERSON: No, my criticism is of you.

DUTTON: ... what I've roughly just said is ...

EMERSON: My criticism is with you.

DUTTON: ... of Joe Ludwig in his initial response...

EMERSON: No, absolutely not.

DUTTON: Joe Ludwig has been ...

EMERSON: You don't realise I'm criticising you.

DUTTON: ... completely incompetent.

EMERSON: I'm criticising the Liberal Government; I'm criticising Tony Abbott.

DUTTON: Well, I'm just trying ... I'm just trying to understand which part of Joe Ludwig's ...

EMERSON: You just criticised the fact that we suspended ...

DUTTON: ... initial response that you agreed with.

LIPSON: All right, gentlemen ...

EMERSON: You criticised the fact that we suspended all of it. What you wanted is a suspension for 11 and no further action. No further action.

DUTTON: Not true.

LIPSON: We've only got a couple ...

EMERSON: Absolutely absurd.

LIPSON: A couple more minutes. I want to get through two quick topics. Firstly, we ... I talked about dissent in the party, particularly the Labor Party, Craig, over a couple of issues.

We've seen Doug Cameron come out - he wants to increase the mining tax and he wants to have a say on asylum-seeker policy, or Caucus to have more of a say on asylum-seeker policy. Why are these sort of grievances being aired in public at the moment?

EMERSON: Well, it's funny isn't it? When we all behave - or it's asserted that we behave - like cardboard cut-outs of each other, people like you, you know, reasonably say, 'gee, it's boring around Canberra' [laughs], and then someone from Caucus expresses a view, and then it's 'shock horror, shock horror!, someone from Caucus has expressed a view; it's a break out'.

LIPSON: Well, it is unusual for ...

EMERSON: At least Doug Cameron puts his name to the statements that he makes, unlike Coalition front-

benchers who warned Tony Abbott not to withdraw the compensation from a carbon price. Now, why don't they put their names to it? At least Doug's, you know, there; puts his name to it.

We have robust debates. We should. That actually assists in quality decision-making and quality democracy.

LIPSON: Okay Peter, a response to that?

DUTTON: Well, again, it's just a ... it's great Craig Emerson spin. I mean, this is a government that's split right down the middle, and many other ways apart from that. I mean, this is a government...

EMERSON: Struggling now there...

DUTTON: ... obviously, that they have problems with not just Dougie Cameron but, you know ... and Dougie is back - don't discard Doug's influence in the party, because he leads the whole left faction.

Not only that, they've really got problems with the Green alliance. They want to revisit the issue of the mining tax. There's business uncertainty around that again now, around asylum-seekers, around ...

LIPSON: Yeah, okay...

DUTTON: ... cattle exports. This is a disastrous [indistinct]...

EMERSON: Joe Hockey says to Tony Abbott...

DAVID LIPSON: Gentleman, we ... I'm sorry to say that we are out...

EMERSON:

... "you've pulled the rug out from under me".

LIPSON:

We are out of time. Thank you both very much for joining us ...

DUTTON:

A pleasure.

LIPSON:

... on *AM Agenda* and thanks for your company, too. We'll see you next time.

