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MINISTER FOR TRADE

Transcript
Sky News AM Agenda with Kieran Gilbert

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KIERAN GILBERT:

Good morning and welcome to *AM Agenda*.

The Opposition Leader, Tony Abbott, is continuing his push for a plebiscite on the carbon tax. Is it a stunt? Or is it simply giving voters the right to a say on an important issue?

Mr Abbott this morning was on the Seven Network. He was asked 'aren't governments elected to make the tough decisions?'

[Start of excerpt]

TONY ABBOTT:

We don't elect governments to break promises. Let's never forget, this is the Prime Minister who said six days before the election 'there will be no carbon tax under the Government I lead'. This is the big lie on which this Government is based. And if they want to

make an honest government of themselves, they will have this vote.

[End of excerpt]

GILBERT: Tony Abbott there on Channel Seven this morning.

With me on *AM Agenda* this morning, I have the Trade Minister Craig Emerson, the Shadow Health Minister Peter Dutton. Good morning gents.

CRAIG EMERSON: G'day.

PETER DUTTON: G'day.

GILBERT: Peter, does it look like the Coalition is going to get the support of the Independents in the Senate to at least get this through the Senate this week?

DUTTON: Well, the negotiations are still ongoing Kieran. I think it's important that the Labor Party realises, as I think the Independents do, that people feel very strongly about this issue of the carbon tax and they want to have their say. They were told before the election that there would never be a carbon tax under a government that Julia Gillard led.

She flipped on that soon after the elections, and I think people really are quite amazed at the Government's inept performance at the moment and this is just the latest example.

GILBERT: Well, Senator Xenophon is apparently very close to agreeing with the Coalition on this, Craig Emerson.

That would be - well first and foremost, if it does get through the Senate - a bit embarrassing, wouldn't it?

EMERSON:

Oh, there's resolutions all the time and your description, or your description that you've deployed on behalf of others, that's it's a stunt is right. It is a stunt. It's an \$80 million stunt, by the way. Mr Abbott is fond of saying that, you know, we shouldn't be wasting money. But he's happy to waste \$80 million and not even he is committed to ... if there were to be such a plebiscite and we don't support one, but if there were, he hasn't committed to the outcome of it.

So basically, he's just trying to draw attention again to the issue of carbon pricing. He's opposed to it. We support it. That's where it is.

GILBERT:

But wouldn't it be politically a bit of insurance for the Government as well, to say 'okay, we'll take it to a plebiscite, put it to the people - they decide on that issue'. It doesn't mean there's going to be an election. Why not do that and make the case? Therefore, you have that sense that ...

EMERSON:

Well, every time...

GILBERT:

...consensus that Julia Gillard wanted before the last election?

EMERSON:

Every time that there's an economic reform proposal around, and this is one of them, we don't have plebiscites. You know, governments are elected to govern.

Julia Gillard did say before the election that we would be putting a price on carbon. I'm sure Peter will come

back and say she said no carbon tax. But whether we had a fixed price in the form of an early carbon tax or a floating price, Tony Abbott would be saying that's a carbon tax and we must have a plebiscite.

Now the fact is we're elected to govern in the long-term interests of the Australian people. This is an important reform and we'll get on with the job.

GILBERT:

Peter Dutton, is that a, you know, a fair point? That over the years, what, there's been three plebiscites, I think. The conscription in ... there were two on the conscription in World War I, one on the national anthem. They're not had every time there are big issues or big debates. But this isn't the first time the Government's changed their mind is it?

DUTTON:

Kieran, but let's look at the circumstances here. I mean, when John Howard wanted to introduce the GST, he did it at the '98 election. He didn't do it after he was elected in '96, because he said then that he wouldn't introduce the GST.

He changed his mind and he thought it was good for the economy. So he was open and upfront with the people and went to the '98 election, which we almost lost, saying that 'I think it's in the long-term interest for this country to introduce the GST' .

Now at the time the Labor Party was opposed to it. They ran fierce opposition to it in the '98 campaign. Ultimately we won the election. We introduced the legislation and the rest is history.

The big difference here is that the Government would not have been elected had they said to the people that

they were going to introduce carbon tax before the election. And Julia Gillard, hours before the polling booths opened, said that there would be no carbon tax under a government she leads and that's the big difference here.

There's no legitimacy, no moral legitimacy to the Government's position and I think that's why they're all at sea at the moment. So that's why their internal fighting is so prolific and being fought out on a daily basis, right across the papers. And I think people say 'well, if you believe so strongly in this come to us, ask for our approval', if you like, and that would bring an end to the Labor Party's political woes at the moment if they had an endorsement from the Australian people.

EMERSON: Let me raise a related issue...

GILBERT: But you can also throw in, you know, if you respond to the GST comparison, because it's been made before. But I'm not sure it's been answered sufficiently. Why not do as John Howard did in '98?

EMERSON: Well, we said that we would put a price on carbon and the parallel that I'm going to draw now is WorkChoices.

Now, before the 2004 election there was not a word about WorkChoices. I was actually the Shadow Industrial Relations Minister and Coalition spokesperson, Ministers and the Prime Minister of the day, they were asked about it and not one breath of WorkChoices, now....

GILBERT: The Coalition got thumped for that.

EMERSON: Yeah, but I don't remember...

- GILBERT: So you, you ... well I'm getting...
- EMERSON: No, what I'm saying is I don't remember Peter, John Howard or anyone else saying after the election 'look, what we really need to do is have a plebiscite on WorkChoices, because we didn't mention it before the election'.
- GILBERT: It's not as a big a reform though is it? This is total economy reform.
- EMERSON: This is ... WorkChoices I wouldn't call a reform. I would call it a massive retrograde step, and the Coalition didn't after the election say 'look, we didn't fully articulate this before the election and therefore we need a plebiscite'. Where were they then? They didn't believe it now ... then ... they don't really believe in it now. It's just a matter of trying to get a stunt, get some more publicity about carbon pricing, about which we're happy
- DUTTON: This is not stunt, mate. I mean this is a cascading tax.
- EMERSON: About which we're happy ...
- DUTTON: It's a cascading tax that raises \$11 billion ...
- EMERSON: [Interrupts] That's what they used to say about the GST.
- DUTTON: It raises more. It's what you used to say and now you support the GST.
- EMERSON: No, I never said that about the GST.

DUTTON: The point is that it raises \$11 billion a year. I mean, every time somebody has any interaction, moves into their car, moves into the bedroom, into the bathroom, they are hit by this tax.

EMERSON: Mars Bars are going to double in price and ...

DUTTON: No, nobody's...

EMERSON: ... milk is going to go up 50 per cent and..

DUTTON: Nobody's saying that. But don't be dismissive of the fact that people are hurting at the moment, Craig.

EMERSON: I'm not dismissing that ...

DUTTON: People have huge, huge problems...

EMERSON: [Interrupts] I'm not dismissing that in the slightest.

DUTTON: ...with balancing their budgets each week, and you're going to put this massive tax on them. Small business, I can tell you...

EMERSON: Yeah.

DUTTON: ...and you would talk to them in your electorate, as I do in mine. They are absolutely on their knees at the moment, and I think that this is why you need to say to the people why is this point in time the best point in time to introduce this massive tax?

EMERSON: Well, I know the Liberal view on this: Why put off 'til tomorrow what you can put off forever?

The Liberals have been talking about an emissions trading scheme, putting a price on carbon, since 2006 and 2007. But it's never the right time and the truth is they don't believe in it. They don't believe in climate change. They are sceptical about climate change. Even last week in Parliament I talked about it. Tony Abbott saying an intelligent sceptic would do what? An intelligent sceptic would do what? Apply a carbon tax. They are the words of Tony Abbott, written down, gospel truth and now ...

GILBERT: [Interrupts] Let me ask Peter...

EMERSON: ... he says 'oh no, I never said that. I didn't write that down. It was an opinion piece and a speech'.

GILBERT: Okay. Well, let me ask Peter about the comments from John Key yesterday, the conservative leader in New Zealand. They've got an emissions trading scheme. He says it's worked and it's changing behaviour and that it hasn't had that dramatic impact on prices across the board. They're having a review. But that's an ETS which is running and by a conservative, you know, counterpart of yours.

DUTTON: Well, a couple of points here. I mean the New Zealand economy is very, very different from the Australian economy. They don't export the coal or iron ore like we do. They aren't reliant on the mining industry like we are in Australia. So they're not a competitor in that sense, and many of our competitors aren't imposing this tax on industry, which is so important to the Australian economy. That's the first point.

The second point is that their trading scheme was introduced before Copenhagen, so they thought at that time that there was going to be world consensus, as

Kevin Rudd did and as we believed there was a possibility of. Copenhagen was a spectacular failure.

The third point, of course, is that John Key has actually watered down the emissions trading scheme in New Zealand. So it is a very, very different environment.

I mean, he's not proposing this massive tax on his economy at the moment. In fact, the New Zealand economy is doing quite well. But they are ...

EMERSON: [interjects] Oh, despite the emissions trading scheme!

DUTTON: Well, it's not doing well because of that. It's not doing well because of an emissions trading scheme, which has a very low price. They aren't a carbon-intensive industry like our mining industry is and I think that they are chalk and cheese.

GILBERT: But isn't there an argument that because we're carbon-intensive, that there needs to be movement now in order to put the economy on a sustainable footing for the future? That's the argument that Ross Garnaut and others make.

DUTTON: Kieran, our argument is not against reducing carbon emissions. I mean we've got a legitimate plan on the table and we, like the Labor Party, want to see emissions come down and do things in a sustainable way.

But we don't want to impose this massive tax on Australian industry when our competitors, who are the miners of the sorts of resources that we're mining, don't have that tax.

GILBERT: Okay. Let's get Craig's response to that, because...

DUTTON: What they want to do ...

GILBERT: That's a difficulty, isn't it? Because no matter what the government says, a lot of the comparable countries - like Canada, a similar sort of makeup in their economies - don't have anything like an economy-wide ETS.

EMERSON: What they want ...

GILBERT: Or tax.

EMERSON: Peter said they don't want to apply a massive tax on the Australian people. They do. They do. Their scheme, called Direct Action, is a \$30 billion taxpayer slug. It actually slugs the taxpayers and lets those who emit pollution, carbon pollution, off the hook.

So this is a tax on consumers and not on polluters ... \$30 billion, \$720 per household. And by the way, it's a very ineffective scheme.

GILBERT: How do you come up with that number? What is it?

EMERSON: It is the cost ...

GILBERT: What was it: \$750 you said?

EMERSON: \$720 per household.

GILBERT: Per year?

- EMERSON: Yes. And it is the cost ...
- DUTTON: What else can you pluck out of the sky?
- GILBERT: I'll get you to respond in a moment, Peter.
- EMERSON: This is from ... you know these figures, Peter.
- GILBERT: Where is this from?
- EMERSON: It is from this: that already the Coalition has conceded that their Direct Action plan would cost \$10.5 billion. The \$20 billion to make up the \$30 billion is as a result of the ineffectiveness of the Direct Action plan, and the fact that the Coalition has committed to a 5 per cent reduction on 2000 levels by 2020; the same as us.
- So they are saying that they would reduce emissions by the same amount as us, but their scheme is so ineffective that they would have to buy \$20 billion worth of permits from overseas. Who's going to pay for that? Not the polluters. Not the polluters; the Australian public.
- GILBERT: Who's done the modelling on that?
- EMERSON: The Department of Climate Change.
- GILBERT: Okay. Let's get Pete on that issue, because the Coalition, while you do have that commitment to a 5 per cent reduction, there is no commitment to provide compensation, is there?
- DUTTON: No, because we're not imposing a tax on people.

GILBERT: You've got to raise the revenue, don't you?

DUTTON: Kieran, by thrashing the hell out of the Australian mining industry and every other small business across the economy, suggesting somehow that that's going to be the solution, the way forward, is a nonsense.

EMERSON: Where are you getting \$30 billion?

DUTTON: Dampening ... There is a cost. There is a cost. The Labor figures are completely false, I might say. But there is a cost to reducing carbon ...

EMERSON: They are absolutely spot-on.

DUTTON: ... and there's no question about that. There's a cost within our budget process at the moment; there was when we were in government. We spent money when we were in government on abatement and that will continue under this Government; it will continue when there's a change at the next election.

But all we're saying is 'why would you drive Australian jobs and industry offshore?' That's going to have a massive negative impact on the economy.

GILBERT: Okay, we've got to...

EMERSON: They want to tax the consumers, not the polluters. That's the difference.

GILBERT: We've got to take a quick break. We'll be right back. Stay with us.

[Unrelated item - advertisement break]

GILBERT: Welcome back to *AM Agenda*. With me this morning, the Shadow Minister for Health, Peter Dutton and the Trade Minister, Craig Emerson.

Trade Minister, let me ask you about live animal exports. How soon can we expect the appropriate safeguards to be in place? Minister Ludwig met with his counterpart yesterday, but no final deal done.

EMERSON: No, no-one expected a final deal to be done yesterday. We are working on this basis: that the international standards be applied - where stunning, by the way, is encouraged but not mandatory - and we've made that clear. I see some coverage in the papers today saying, 'oh, there mightn't be stunning'. We would encourage it, but we're not insisting upon that.

And it will reopen as soon as we can get that verification of animal welfare: that is, that we can trace the Australian animals right the way through the system and they are slaughtered humanely.

So I don't think it'll be a long period of time. The idea is to start with a relatively limited number of processing facilities: get them - or confirm them as being at the appropriate level - and then...

GILBERT: [Interrupts] So it'll be...

EMERSON: ... keep working to get others...

GILBERT: ...incremental?

EMERSON: ...up. Yes, that's the idea. And there's 600. You wouldn't want to wait till 600 processing facilities were

all up to those international standards. So that's what we're seeking to do: get a number fully accredited - and we're not doing the licensing by the way. But we're just saying that the exporters need to know and be able to verify...

GILBERT: [Interrupts] And there's scope for this?

EMERSON: ... that this is happening.

GILBERT: There's scope for this to be broadened across the international markets; all the markets?

EMERSON: Well, Bill Farmer - you're talking about other animals and other markets?

GILBERT: Yes.

EMERSON: Yes, well Bill Farmer's doing a review that's due by the end of August to look at the situation in other markets. Obviously this has arisen out of the *Four Corners* program. I think most Australians believe that something needed to happen; there needed to be some sort of suspension. But we're working with our counterparts to get the trade resumed by ensuring that there are those appropriate standards are in place, at least for a limited number of facilities in the short term.

GILBERT: Peter Dutton, there is a move within the Parliament - Andrew Wilkie and Nick Xenophon want a total ban eventually. Are there some of your colleagues who would support that view, while the party doesn't?

DUTTON: No, look Kieran, if this weren't such a serious issue it'd be laughable, the Government's actions in this area. I

mean, they may well arrive at what's a reasonable outcome, but they had an initial response and then they had a knee-jerk response which went too far. They closed the whole industry down. They've got cattle sitting in trucks in sale yards, waiting in ships. Australian cattle would have been slaughtered in Indonesia last night.

This is a government that should have had this sorted out before. They knew about the footage on *Four Corners* before it went to air. They've had time to respond since. And, really, I just think this really highlights the incompetence of the Government and it's just very disappointing...

EMERSON:

Let me ask a question.

DUTTON:

...because - sure. I mean, it's very disappointing for a government that just can't have a mature response. And they went too far; they're now obviously pulling back. There's a big movement within their own party to close the whole thing down. Which, rightly, the Minister and the Prime Minister have resisted so far, and I think it just shows the incompetence of the Government in its present form.

EMERSON:

That's all very fun from Opposition. What is the Coalition's policy on this? Are you saying that there should be no suspension; that it should have just continued unabated? We could have, you know, kind of worked through 600 processing facilities, but in the meantime, continue the live cattle trade to Indonesia. Is that your position?

DUTTON:

We would have stopped them going to those abattoirs that have been highlighted, with those barbaric...

EMERSON: [Interrupts] So, only those where *Four Corners* were? Not any of the other 600?

DUTTON: See, Craig, the problem is...

EMERSON: Now he's trying to get out of it.

DUTTON: No, well you've asked me a question so I'll answer it.

EMERSON: Yeah, good.

DUTTON: The problem is that you've been in government for the last four years. You've allowed this problem to get away from you. You haven't handled it well. You've offended Indonesia ...

EMERSON: I'm asking what the alternative is. What policy...

DUTTON: Well, we wouldn't have offended Indonesia, one of our major trading partners. We wouldn't have...

EMERSON: So, there would be no suspension, or a full suspension?

DUTTON: We wouldn't have had a full suspension. We would have stopped the cattle from going to those abattoirs where we saw that horrific action.

EMERSON: Identified by *Four Corners*. I mean, this is...

DUTTON: Instead of you closing down the whole industry. The industry's on its knees at the moment and they are waiting anxiously for you to come up with what you say

is probably going to be a compromised outcome. That should have been your initial response.

EMERSON:

This is the point I'm trying to make: that because *Four Corners* identified less than 11, by the way, the Coalition's policy response is that there would be a suspension only for those facilities identified by *Four Corners*. And they wouldn't know whether these practices were occurring in others, therefore it wouldn't be suspended in the others.

That is a crazy policy, because it is quite possible that it is occurring in others. But this is the Coalition saying 'we'll just suspend it on a very small number and then we'll just let it rock'.

GILBERT:

All right. I think we're going to have to move on from this. I want to ask Peter Dutton about ... and quickly, Craig, something about the Labor Party. But just Stockdale-Reith, this battle that seems to have gotten nasty. Who are you going to support? Who do you advocate to take the presidency of the Liberal Party?

DUTTON:

Look, Kieran, I don't enter into these internal debates. I know that Craig's a big factional player within the Labor Party...

[Laughter]

EMERSON:

I would be the least likely to be regarded as a factional powerbroker, my friend.

DUTTON:

I stay away from these things. I try to build you up Craig, and now you've put yourself down.

- EMERSON: I don't need your help, brother.
- DUTTON: Look, I think the public's got very little interest in that. In the Beltway, people have got an interest in it. It will be sorted out on Saturday. And I don't think the move ... whatever happens, I don't think the world will change too much for the Australian public come Sunday morning.
- GILBERT: All right. Craig Emerson, what about the return of serve - well not really return of serve - Kevin Rudd's office has responded to the suggestion by Peter Beattie that he leave the Parliament. He says, well, no, he's going to recontest the next election; he's not going anywhere. His presence remains a thorn in the side of the Government in some respects, when he puts his head up and, approaching the anniversary. Whether he means to or not, isn't it inevitable that every time he is out there, creates that sort of conjecture?
- DUTTON: That's a sweat on your forehead, too.
- EMERSON: I've actually been playing touch footy.
- DUTTON: You're breaking into a sweat.
- EMERSON: I've been playing touch footy and you haven't, so...
- GILBERT: Yeah, he's crazy - despite the minus four degrees.
- EMERSON: Yeah, a howling wind out there. But there I was and I was looking for Peter, but no...
- GILBERT: Okay, onto Rudd please.

GILBERT: Okay, well gentlemen, thank you for that and a nice positive way to finish the show.

DUTTON: Yeah, if only it were true. There you go.

GILBERT: Peter Dutton and Craig Emerson, thanks for that. That's all for *AM Agenda*.