



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky News AM Agenda with Kieran Gilbert

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KIERAN GILBERT:

Let's go to our panel now. Deputy Opposition Leader in the Senate, Senator George Brandis. And from Perth, the Trade Minister, Craig Emerson.

Minister, first to you to ask you: the Prime Minister obviously starts this fight well behind on every front. On the tax you heard Martin saying 59 per cent of people opposed to the idea. On the party support, well, this is bottom, rock bottom, and on her own support, trailing. So, on every front she's well behind.

CRAIG EMERSON:

Oh well, of course, the criticism of governments in the last few years is that they're poll-driven. We're not. We're doing the right thing by the country and making the transition to a clean energy future, Kieran.

But we were obviously under no illusions about the size of the task, given the campaign particularly that Mr

Abbott has run. He has been telling people for months and months, more than 20 times, that petrol will go up by 6.5 cents a litre, and it's not true. And, of course, he said that the coal industry will die under a carbon price. And, of course, you've just said in your introduction, Kieran, that there's been a very large takeover bid for an important coal asset.

So Mr Abbott's scare campaign has obviously had some effect, but now that the details are out, we'll be explaining those very carefully to the Australian people. So if I were the Coalition, I wouldn't be measuring up the ministerial suites just yet.

GILBERT:

Yeah, we'll get to that takeover bid because it does seem the action doesn't match the coal industry's rhetoric. But let's get Senator Brandis' view on this Newspoll.

Look, Senator, obviously so far in front, the Coalition. Is hubris the biggest risk at the moment?

GEORGE BRANDIS:

Well, we understand that there's still probably more than two years to go in this Parliament, unless the Independents have a change of heart and decide to do the right thing by their constituents, which they haven't shown any sign of doing hitherto. So we're taking nothing for granted.

It's early ... it's early days yet as far as we're concerned. I think what the polls obviously show is complete collapse in public respect for Julia Gillard because everyone in the country now knows that the reason Julia Gillard is in The Lodge is because she lied to them. Six days before the last election, she looked down the barrel of a television camera and said there 'will be no carbon tax under the government I lead'.

And everybody now knows that this is a Prime Minister whose word can't be trusted; they can't believe a thing she says, and I think that's being reflected in her very poor poll ratings.

GILBERT:

Senator Brandis, what about this point that the Minister referred to there: about Peabody Energy, the world's biggest coalminer, launching a record bid for Macarthur Coal? It hardly shows any concern about the future of the industry under a carbon tax.

BRANDIS:

Well, a couple of points to make about that, Kieran. First of all, I don't think we should get carried away by one market transaction, albeit a large market transaction. Nobody ever said that the coal industry was going to disappear overnight.

But, you know, this Government is held in power by a political party, namely The Greens, whose declared objective is to eliminate the Australian coal industry over time. Some Green senators say that that should happen within the next 10 years.

Now, the second point I'd make to you is that there might be transactions between multinational coal companies, but that's going to be of absolutely no comfort to the 5,000 workers in the Australian coal industry whose jobs will be lost, according to independent economic assessments, as a result of the coal tax; nor the 18 coal mines that will close because of the carbon tax.

So I think that we need to make it ... to make it perfectly clear that this is a debate not about transactions on the international stock exchanges; this is a debate about the effect of the carbon tax on day-to-day Australians, on their costs of living, on their

livelihoods, and on their jobs. And one thing we know for sure is that the coal industry will be massively impacted as a result of this tax.

GILBERT:

Craig Emerson, we obviously know the sensitivity on both sides to this because yesterday the Climate Change Minister went straight to the Hunter, coal-producing, coalmining area, and the Opposition Leader and the Nationals Leader in the Senate, Barnaby Joyce, both up in Singleton, similar area, making this point.

EMERSON:

Well, we've had George again saying, 'well, the coalmining industry is going to die over time; there's going to be 18 coal mines closed...'

BRANDIS:

No, no, I didn't say that, Craig. I said your alliance partners wanted it to die over time.

EMERSON:

Your leader did, your leader did. Your leader did, your leader did. He said that the coal industry in Australia will die over time. You've just said 18 coal mines will close, thousands of people will lose their jobs. You've got a major corporation that is voting with its chequebook about the future of the coal industry in Australia, and I'd rather believe actions of a major corporation prepared to put up nearly \$5 billion than statements, George, from you and from Tony Abbott.

I'll remind your viewers, Kieran, that just a couple of weeks ago - two weeks ago, on another matter - George Brandis said that there'll be no live cattle export import permits issued for three months. A reckless statement, but in fact, they've been reissued.

Now, the point I'm making here is that the Coalition, whether it be John ... whether it be Tony Abbott or George Brandis or any of them, will say anything and do anything to try to scare people. The realities are expressed in the marketplace. A very big vote of confidence in the future of coal industry.

GILBERT: Okay, I want to ask you about something...

BRANDIS: I think it's fair enough for the Opposition to point out to the public the consequences of your policies, Craig. And the assessments that I've quoted were the Acil Tasman assessments, an independent agency, not the Coalition's assessments, that at least 5000 jobs will be lost from the coal industry; up to 18 coal mines are at risk of closure.

Now, you know, you might try and, you know, spin this line, but you can't keep those facts away...

EMERSON: I'm not spinning any line. That's not spinning any line at all.

BRANDIS: ... from the families who are in the Illawarra and in the Hunter and in Central Queensland and the Bowen Basin who are going to be directly and immediately impacted by your Government's policies.

GILBERT: Okay, let's look at another element of this.

EMERSON: This is not the only expression of confidence.

GILBERT: You've both had a good say on this. Minister, let me finish this. Minister, please...

EMERSON: ...there is a very large - can I just finish this? There is a very large ...

GILBERT: Minister, let me ask you the question, then you can make your point.

EMERSON: All right, then I'll finish my answer. That's right.

GILBERT: Okay. You demand the Coalition provide savings. I want to ask you a question, if I can get a word in on the show. You demand the Coalition provide savings to fund its \$3.2 billion expenditure over the next four years. Your package has found \$4.3 billion. Where - isn't that - doesn't that reflect double standards that you're being so high and mighty about the Coalition's \$3.2 billion expenditure over four years, yet your package has come up out of thin air with \$4.3 billion.

EMERSON: Okay, I'll answer that, but I'll finish my previous answer. What is the reality here for the coal industry is a massive pipeline of new investment in coalmining in Australia. That's the truth of the matter, and this \$5 billion bid is just one example of that.

In terms of savings, budget savings, we have coming up both a MYEFO, a mid-year economic fiscal outlook, and also the regular Budget. In both of those, in both of those you will see the return to surplus and you will see how the Government is returning to surplus in 2012/13, as we committed.

Now, Kieran, it's not \$3.2 billion. The truth is Mr Abbott has committed to a direct action plan that would cost \$10.7 billion, plus he has to buy \$20 billion worth of permits to hit the bipartisan target of a 5 per cent

reduction in emissions by 2020 compared with 2000 levels.

Now, that is a total of \$30 billion, or \$720 per household. But it just got worse because on Sunday, astonishingly, Mr Abbott said he would not under his plan link any scheme to overseas carbon markets and would not buy any permits from overseas. So he has to now pursue even higher cost measures, which is an even higher slug on taxpayers.

And of course, Mr Abbott won't say where the money's coming from because he's already \$11 billion in the ... behind the eight ball...

GILBERT: Okay.

EMERSON: ...as a result of unrepudiated election promises at the last election...

GILBERT: Senator...

EMERSON: ... as proven by Finance and Treasury.

GILBERT: Well, let's put this to Senator Brandis because he's ... the Opposition Leader is saying that he's not going to back anything. But by the same token he's got to fund his own commitments here, and that includes tax cuts; that includes a direct action plan without buying the cheapest abatement possible, overseas permits, overseas abatement certificates.

And then on top of that, Senator Brandis, I want to ask you ... yesterday the Opposition Leader seemed to

claim credit for the steel assistance package, but then says he's going to vote against it.

EMERSON: That'd be right. [Laughs]

GILBERT: Where's the logic in that?

BRANDIS: Well, Kieran, let's deal with each of those two issues in turn. At the last election campaign, the Coalition took \$50 billion of expenditure reductions to the public and ...

EMERSON: Not true.

BRANDIS: Well, it is true - the \$50 billion of expenditure reductions. They were costed, they were documented, they were independently verified. We will take a package of expenditure reductions to the next election, and that will be released at the appropriate time as we come into the election cycle.

In relation to the carbon tax, we don't support it. I mean, we don't support it. We don't support the package, and what the Government is pleased to call compensation is no compensation at all. I mean, as Tony Abbott always says, compensation is what you pay to people when you've injured them.

Now, and it doesn't wash with us. We think that this carbon ...

GILBERT: But he seemed to claim credit for the steel support package and then says he's going to vote against it. It doesn't seem logical.

BRANDIS: Well, I...

EMERSON: Weirder and weirder.

BRANDIS: ... I didn't see the remarks of Mr Abbott to which you were referring. But I can tell you this, Kieran, that the Coalition's position is as simple as it could possibly be. We will oppose this carbon tax. We will oppose these measures because we believe they are very, very bad for Australia. They are lethal for jobs, particularly in sectors like the coalmining industry. They are lethal ...

GILBERT: Okay, let's ...

BRANDIS: ... they are lethal for the cost of living. According to the Treasury's own modelling, the Treasury's own modelling, they'll increase the cost of living of the average householder ...

GILBERT: Okay, all right, we've got to take...

BRANDIS: ... by more than \$500 a year.

GILBERT: ... we've got to take a quick break and we're going to be right back. Stay with us on *AM Agenda*.

[Ad break]

GILBERT: Welcome back to *AM Agenda*. With me this morning, the Shadow Attorney-General, Senator George Brandis, and in Perth the Trade Minister, Craig Emerson.

Minister, let me ask you about something the Coalition is making a lot of this morning, and this is the Finance

Minister, Penny Wong, was asked yesterday how much will the carbon tax raise. The minister said about \$18 billion, from memory, over the forward estimates. Christopher Pyne, the Opposition frontbencher, corrected her to say it's \$21 billion.

So the Finance Minister, you know, either a lapse of memory or a mistake, a gaffe. But it shows you, doesn't it, just how difficult it is for the Government to not make mistakes in such a detailed policy argument here?

EMERSON:

Oh well, there's no doubt that this is a big reform and it has a lot of detail around it. And obviously our task is to explain to the Australian people how it would affect them.

George finished his last comments there with cost-of-living increases: 0.7 per cent is the cost-of-living impact of this tax on the CPI. And on average, that would be \$9.90 a week. But the compensation on average is \$10.10 a week; for low-income earners, there's a 20 per cent buffer. So there's a few details that I think the Australian people are interested in.

But I was really fascinated that George re-embraced the \$50 billion shonky savings figure that he says justifies their move to scrap all of this and also, interestingly, scrap the mining tax. Because you know that \$50 billion, Kieran, actually includes not proceeding with income tax cuts for small businesses and for corporations, but Tony Abbott keeps the mining tax revenue. Isn't that curious? He keeps the mining tax revenue, having pledged to get rid of the mining tax, and yet counts as savings not providing tax cuts for small business and companies across the board,

plus infrastructure spending, plus superannuation. Shonky as all get-up.

GILBERT: We've had that debate. We have had that debate a few times before.

EMERSON: Well, George keeps raising the \$50 billion, and it is shonky as all get-up.

GILBERT: Okay, let's move on. I want to ask Senator Brandis about the promise to rescind the whole box and dice. Once the tax is in place, the low-income - or the tax-free threshold - has increased, which most analysts are saying that is a genuine reform - pulling people out of the tax system. It's very hard to rescind, isn't it? It does resemble the promise of Kim Beazley a few years ago to roll back the GST.

BRANDIS: Well, I mean, that's our commitment. And can I just make this observation, please Kieran? The Government and the spin doctors keep calling this a reform. It's not a reform. It's a setback. Anything that forces up the cost of living; that throws people out of work by their thousands in some of Australia's great industries; which makes Australia less internationally competitive, for no good purpose, for no environmental impact ...

EMERSON: George, two years ago you supported it.

BRANDIS: ... with no environmental impact whatsoever is not a reform, it's a setback. This is a redistribution of wealth policy masquerading as a reform to improve the climate. It's nothing of the sort. It won't have ... make one iota of difference on global temperatures.

Now, in relation to our overall attitude to this package, we think that it is a package based on a lie, constructed around a bad idea, and we are completely un ... we think we are ... we're unashamed about opposing it. And, in fact, we think we are doing what an opposition should do in protecting the public interest against a government that promises one thing and does the opposite ...

GILBERT: Okay.

BRANDIS: ... in committing to rescind it.

GILBERT: Well, we are almost out of time. There's one last issue...

EMERSON: George was one of the strongest advocates.

GILBERT: ... I want to get to, and we've only got about a minute each to respond to this, if I can keep the reins on this one. The asylum-seeker issue.

It looks like the message might be getting through, Minister. The ... a group of Sri Lankan asylum-seekers with signs saying, "we need New Zealand", apparently intercepted by Indonesian authorities on their way ... hoping to get to Indo ... hoping to get to New Zealand, I should say. Is this a good sign?

EMERSON: Oh look, let's just wait and see. I do want to finish with this remark on what George just said. Two years ago, he was a very strong advocate of what he now calls a bad idea. That is an emissions trading scheme ...

BRANDIS: That's not ... that is a lie, Craig.

EMERSON: ...under Malcolm Turnbull. You were a very strong advocate.

BRANDIS: I'm sorry, you can't ... you just can't, you just can't, you just can't lie to people like that, Craig.

EMERSON: You were a very strong advocate of an emissions trading scheme, as John Howard was...

BRANDIS: I've never been a supporter of the carbon tax at any time.

EMERSON: ...as he sought to introduce. It's an emissions trading scheme and you know it is. And on the question ... you were a supporter of an emissions trading scheme, and that's what this is. You supported it two years ago ...

BRANDIS: No, it's not, Craig. It's not an emissions trading scheme.

EMERSON: ...your leader, John Howard, supported it...

BRANDIS: It's a carbon tax from a government who promised not to introduce one.

EMERSON: ... of course it is. Go and have a look; read it up. Read up, read up a few documents rather than your propaganda sheet.

GILBERT: Okay. Now Minister, if I can get you to answer the question. I feel like Harry Jenkins this morning ...

EMERSON: Yeah look, on the asylum seeker issue - sorry? Yeah, you do. Mr Speaker! Mr Speaker! Order! Order! Relevance! Relevance!

GILBERT: I feel like Harry Jenkins because you're ignoring the question. Please, answer the question.

EMERSON: Look, we will do whatever we can to ensure that people don't make this risky journey. People's lives have been lost. There's an inquiry going on now. If the announcements that we've made have provided a deterrent effect, all the better. Because we don't want people to risk their lives and pay people smugglers to come across those oceans. And, you know, there have been tragedies. And if this has had some effect already, well, that's a good thing.

GILBERT: Senator Brandis, what do you make of that: the fact that this group was heading to New Zealand? It seems that the message might be getting through.

BRANDIS: Well look, you know, this is one instance. We don't know all the facts. But I'll tell you what facts we do know. There wasn't a problem before this Government weakened the Howard Government's policies in 2008. In all the years since, many lives have been lost. More than 150 boats have arrived. Today there are more than 6,000 people in immigration detention, including 1,000 children. This has been a monumental policy failure because this Government didn't have the policy courage to stick to the tough policies that the Howard Government had introduced and had proven to be successful.

GILBERT: Okay. Senator Brandis, ...

EMERSON: How quickly they forget the SIEV-X and the "Children Overboard" affair.

GILBERT: ...Trade Minister. Trade Minister and Senator Brandis, thank you very much for a feisty discussion, as always.

EMERSON: Okay, thanks, Kieran.

GILBERT: That's all for this edition of *AM Agenda*.