



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
Sky News AM Agenda with Kieran Gilbert

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E&OE

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KEIRAN GILBERT: Good morning and welcome to the program.

The spring session of Parliament starts today and it will begin with a statement from Treasurer Wayne Swan on the state of the economy amid the faltering global international situation. There was a similar line from the Prime Minister yesterday ahead of the Cabinet meeting here in Canberra.

[Start of excerpt of speech given by the Prime Minister Julia Gillard]

JULIA GILLARD: We're also gathering at a time where people have who have watched instability in global markets and the global economy, and we obviously understand

Australians have watched that and watched it with some concern.

There's no better place in the world to be than Australia as we deal with this global instability.

[End of excerpt]

GILBERT: With me on the program this morning, the Trade Minister Craig Emerson and the Shadow Environment Minister Craig Hunt.

Gentlemen, good morning to you both.

CRAIG EMERSON: G'day.

GILBERT: Craig, first of all, is this economic statement from the Treasurer today all about reassurance?

EMERSON: It is. It obviously will point out that, again, while we're not immune from global financial turbulence, you want to be in no other country on earth than Australia. That, as a result of 25 years of visionary leadership, we have integrated our economy in the Asian region, in the Asian Century. Not good luck, but good management. And because this is the Asian Century, we've got partners who are growing very, very strongly.

As you know, I've just come back from China. A massive economy in the west of China, where there

are big new opportunities. It's growing faster than the national average, which is around 10 per cent. These big provincial areas, with cities of 10, 20 and 30 million people are growing at 15 and 17 per cent. So, it's as a result of that good management that we're well positioned to withstand any global turbulence.

GILBERT:

I guess part of the message today, Greg Hunt, will be attacking the Coalition - accusing the Coalition of talking down the economy.

This morning the Shadow Finance Minister Andrew Robb said this Government makes Australia very vulnerable to an economic meltdown. Is that the sort of language that the Opposition should be using?

GREG HUNT:

Well, the best protection against a global debt crisis is not to multiply the size of your debt. So Andrew is correct in that.

The last nine Labor Federal Budgets, across the Keating Government and then the Rudd Government and then the Gillard Government, have all been major deficits in excess of one and a half per cent. That's racked up \$220 billion of debt across those nine successive Labor Budgets. And that is a pattern which is a very bad sign. It's evidence of a pathology of over-spending; a practice of creating deficits on an annual basis and a commitment to debt as a fundamental to the way

they manage the economy. And that is not a sustainable process.

We are better placed than almost any other western country, because the Howard Government, by comparison, produced nine out of 11 budget surpluses. So, nine consecutive major deficits, versus nine out of 11 surpluses.

GILBERT: Okay, well our viewers might have spotted the cake on the table. That's a point that you're going to be making a bit later on: the first anniversary of the carbon tax. But ... or the carbon tax promise. But we'll get to that in a moment. I just wanted to make the points so people know why there's a cake on the table.

HUNT: Well, we're happy to be back, but I think sadly we have to acknowledge that today is the first anniversary of...

GILBERT: Yeah.

HUNT: ... of the no carbon tax pledge.

GILBERT: Well, we'll get to that in a moment. I do want to talk about the economy first and foremost though.

Why can't the Coalition make these points, when what Greg Hunt said there is truth about the Coalition reducing debt, but having a number of surpluses...

EMERSON: Well I'm glad ...

GILBERT: ... a string of surpluses...

EMERSON: ... I'm glad of the opportunity to respond to that, because our net debt is around 7 per cent of GDP.

GILBERT: But then you ... but you say the Coalition simply talks down the economy, when really what they're saying - isn't that just fact?

EMERSON: Well, no. You correctly quoted Andrew Robb this morning, saying that we're very vulnerable. That sort of language is designed to maximise the Coalition vote at the expense of the nation. At the expense of the nation. That sort of irresponsible statement is exactly what you'd expect of this Opposition, because they will put party political interests ahead of the national interest every time. Every time.

Our debt is 7 seven per cent of GDP. In the countries that we're talking about, the major advanced countries across the world, it's 75 per cent, compared with 7 per cent. Now I have, on this program and many other times, truly and clearly acknowledged that the Coalition did get a series of surpluses; that's true. But, we have to ask this question: when the deepest global recession since the Great Depression hits the world, is it now Coalition policy that we should not have gone into deficit? Because if it is, they should say so.

This revisionism - at the time they had about 23 different positions, oh, you know, some deficit, a lot of deficit, a bit of deficit; now it's no deficit, we should never have gone into deficit. That would have smashed the Australian economy. This latest Coalition prescription that we shouldn't have gone into debt would have smashed families; would have put tens of thousands of Australians out of work.

GILBERT: Are you worried, though, that Australia can talk itself into recession? Is there a prospect of that?

EMERSON: Well I'm not going to respond to that, for that very reason - for that very reason. What I am saying is that we are well positioned to withstand any global financial turmoil, which has not as yet translated itself into a real economy turmoil. It's been on the stock markets; let's hope that's exactly what happened, because the stock markets are recovering around the world.

GILBERT: Well Craig, but is it positive to...

EMERSON: But I'm not going to talk the economy down, because I ...

GILBERT: Okay, well let's get...

EMERSON: ... think it's in great shape. Let the...

GILBERT: ...Greg Hunt's response...

EMERSON: ...Coalition do that.

GILBERT: And about sentiment. Sentiment's obviously very important. The Coalition's arguments - are you concerned that at times you've overstepped the mark, like with the comments this morning from Andrew Robb that Australia, this Government makes Australia very vulnerable to a meltdown?

HUNT: Well this Government has increased vulnerability on three fronts. Firstly, it's blown the national financial position...

GILBERT: Did you agree that the Government makes Australia very vulnerable to a meltdown?

HUNT: Well, it does increase vulnerability and it's done it on three fronts.

EMERSON: Well here we go again.

HUNT: Firstly, by creating a sovereign risk around the mining tax. Secondly, by creating a sovereign risk around the carbon tax. And thirdly by creating an increasing debt load on Australians, which will have to be repaid.

GILBERT: Sovereign risk about the carbon tax? The US Ambassador, the other day, told Sky News that it's done nothing to impact on US investment in Australia.

HUNT: Well, I think what you'll find is that when you look at the allocation of scarce resources, there is every chance, every risk, every possibility that companies that can produce overseas as opposed to Australia will make those investment decisions to do so overseas...

EMERSON: It is an embarrassment...

GILBERT: Let Greg respond.

HUNT: ... and it is important to remember that this process is about building confidence. You don't build confidence when you go to an election with a pledge on the Monday which you break on the following Sunday.

GILBERT: Well, okay ... let's on that issue, I think we should move on from the economy because there's a few other issues around.

Tony Abbott last week said that farmers should have the right to say no to coal seam gas on their properties. Now it's about respecting farmers' rights. It only lasted a couple of days and now he's backing away from it.

HUNT: Tony has actually legitimately taken the lead on what is an environmental issue in relation to water ...

GILBERT: What is it? Do farmers have the right to say no or that they ... or is it just respecting their rights?

HUNT: Our view is that this is about balance and that we support a coal seam gas industry. But we recognise that it's fundamental to ensure that we have food security and fair rights. Only yesterday Anna Bligh, the Queensland Premier, set out a buffer zone around towns of two kilometres.

An interesting question for Mr Emerson is whether or not he supports that buffer zone, which took the principle that Tony set out of the States ensuring adequate protection for farmers and communities. Does he support that question?

GILBERT: Well, that's a good question because that was my next question. So we'll both ask that question. Anna Bligh announces a freeze on exploration permits within two kilometres of the boundary of a town with 1,000 people ...

EMERSON: I know, yeah.

GILBERT: ... is that simply succumbing to the "not in my backyard" campaign or is it legitimate as Greg Hunt said there for the farmers, you know, the communities to be respected?

EMERSON: I'll come to that as soon as we deal with the issue of sovereign risk. Greg says that multi-national corporations are making decisions to flee Australia,

to leave Australia. It is an embarrassment for the Coalition that there's more than \$200 billion worth of mineral investment on the drawing board; a very wide and long pipeline of mineral investment, much of it committed in the full knowledge of the carbon price, in the full knowledge of the mineral resource rent tax. Indeed, the very issue that we're addressing now - coal seam methane investment - was a new commitment, a big new commitment...

GILBERT: Well, what about this Anna Bligh point?

EMERSON: ... by ConocoPhillips and Origin. That's an embarrassment for the Coalition...

GILBERT: Do you support the Anna Bligh decision?

EMERSON: What I say is that those decisions are essentially matters for the state. What I support ...

GILBERT: So you don't support...

EMERSON: What I support ... what I support is a viable coal seam gas industry in this country and not ...

HUNT: It's not a difficult question.

EMERSON: ... not the overturning of fundamental property rights. You see you completely illustrate ...

GILBERT: Is that what Anna Bligh's doing? Is that an overturning of company rights?

EMERSON: I'll come to it in a second but you completely...

HUNT: It's a long second.

EMERSON: You completely destroy a market if you destroy property rights. That's what Tony Abbott sought to do on Friday when he said that explorers for minerals that are actually owned not by land holders but by the people of Australia can be vetoed in terms of mineral exploration. That is the destruction of the property rights of the people of Australia.

GILBERT: But he's not in government; Anna Bligh's in government. She's put a freeze on this.

EMERSON: Hold on, hold on ... and I ... but let me answer this. He says he ...

GILBERT: So this is hypothetical?

EMERSON: How hypothetical? He's the guy...

GILBERT: He's in opposition.

EMERSON: ... yeah, one heart beat

HUNT: It's a State Premier who has done this.

EMERSON: ... one heart beat ...So what are you saying? That Mr Abbott should not be called to account because he's in opposition?

GILBERT: No, no I'm saying that this issue should be called to account...

EMERSON: Are you saying that our policies don't matter?

GILBERT: No, no I want to ask if he should be called to account. But the Premier's done this.

EMERSON: Yes, that's right. And I'll say this about Anna Bligh's policies. Anna Bligh made this decision, which is a State decision, but she also made it in the context of local coal seam gas explorers and developers in Queensland expressing no concerns, no concerns whatsoever about Mr Abbott's fundamental overturning of property rights. And I think it's probably time that the coal seam gas industry expresses an opinion on Mr Abbott's views on completely destroying property rights; that is the property rights of the Australian people that [indistinct].

GILBERT: So do you back Anna Bligh's ... you still haven't said yes or no.

EMERSON: Ultimately, these are matters for the State and that's where they should decide.

GILBERT: So you still haven't actually said yes or no. Do you support the policy? It might be a matter for the State.

EMERSON: What I support is a policy of allowing coal seam gas exploration where it doesn't unduly intrude into, say, urban life or where it doesn't unduly intrude into affecting water tables. And that's why you have state environmental protection agencies applying very rigorous standards. But what you don't need is a reckless policy of a guy who's not just wafting...

HUNT: All right [indistinct]...

EMERSON: ... out there as an alternative opposition leader but a heartbeat away from ...

GILBERT: Let's hear Greg Hunt. I also want to ask you about Malcolm Turnbull's concerns about the impact on ground water but ... well what do you say about that from Tony Abbott and the concerns in the mining industry about the comments?

HUNT: I like Craig. Yesterday he was all fire and brimstone. Today he's sort of a much lighter froth and bubble on the issue of coal seam gas...

EMERSON: Gee, that's a very substantial comment. Why don't you get to the substance of the matter?

HUNT: ... and I'll ... he's walked back from the criticisms ...

EMERSON: You're embarrassed you missed a comment...

GILBERT: Let's hear Mr Hunt.

EMERSON: You're embarrassed with Mr Abbott's comments...

HUNT: Look, I am happy to let you answer if you behave like a cabinet minister of Australia...

EMERSON: Oh thank you very much for your lecture.

HUNT: ... not a toddler. So here's the answer. We support Anna Bligh's decision. We support coal seam gas production but we support balance. Now Malcolm and Tony and Barnaby Joyce have all made the point there is a real and genuine issue about water table preservation and about the protection and the integrity of aquifers.

In the United States we've seen the process of what's called fracking lead to damage in some aquifers which may take 100, 200 years ...

GILBERT: Okay.

HUNT: ... so we support coal seam gas but you really do need genuine deep review of the environmental concerns generally and around any particular process...

GILBERT: I'm sorry, I've got to interrupt because we've got a few other issues ...

HUNT: Sure.

GILBERT: ... including the carbon tax we're going to talk about after the break. So stay with us on *AM Agenda*.

[Unrelated items - advertisements]

GILBERT: Welcome back to *AM Agenda*. With me this morning, the Trade Minister and the Shadow Environment Minister.

Gentlemen, on the carbon tax rally - we'll get to this cake. Greg Hunt, are you going to attend the rally out the front?

HUNT: Yes, I am.

GILBERT: Are you concerned that the ... there might be some of those unsavoury signs that we saw last time?

HUNT: Well, free speech ca...

GILBERT: [Indistinct] groups.

HUNT: Free speech carries with it the possibility that people may say things you don't agree with.

Free speech actually only matters when people say things that are in disagreement with your own position. That's what we are as a country. We are a free, open democracy.

I hope people will be polite. I can't vouch for what everybody will do. I've seen union rallies, I've seen other rallies. But free speech is about just that.

GILBERT: Yeah. Well, that's true isn't it?

EMERSON: Oh well, indeed, indeed...

GILBERT: Everyone's got a right to voice their opinion.

EMERSON: ... people have a right to a voice, to voice their opinion in a great democracy. To associate yourself, however, as the Coalition did last time, with a sign saying - about the Prime Minister of Australia, "Bob Brown's bitch", and to stand up - one dozen Coalition MPs, including the Opposition Leader and Sophie Mirabella, a Shadow Cabinet Minister and a woman - in front of a sign for 10 minutes which said, "Bob Brown's bitch", and not at any point have the presence of mind to say, 'please take that sign down; otherwise we won't go on the stage'.

GILBERT: But it's only one or two people. Tony Abbott has confirmed he ...

EMERSON: No, no, it was a television image...

GILBERT: Tony Abbott's also attending today's rally.

EMERSON: No, no ...

HUNT: That's correct.

GILBERT: Do you think that he will be keen to try and avoid that sort of image that he and his office will say, 'okay, don't stand in front of a sign that says those sorts of things'?

HUNT: Look, I'll leave the rally conduct to the rally organisers. But we made it clear that whilst we didn't endorse those sorts of signs, we endorsed the right of free speech.

What is interesting is, to the best of my knowledge, the Labor Party has still not taken down from their official website something which the Prime Minister is aware, a comparison of Tony Abbott with a Nazi war criminal by the Deputy Minister for Climate Change, Mark Dreyfus. That's the official position of the Deputy Climate Minister of Australia, still on the official Labor Party website. So we can't control what private citizens can do, but Craig can control what members of the executive do.

GILBERT: Why don't ministers go down to the rally...

EMERSON: Well...

GILBERT: ... and confront the opponents on this?

EMERSON: ... I think some Coalit... Labor MPs have been to such a rally. But we won't associate ourselves with what I consider to be one of the most disgraceful episodes in modern political history...

HUNT: I think you're getting a little overcar... overstated there.

EMERSON: ... and that is ... and that is ... and that is the Leader of the Opposition seeing nothing wrong with standing in front of, and, therefore, associating himself with that sign. He had minders there well before.

HUNT: Do you see...

EMERSON: Not one min...

GILBERT: [Indistinct] early today.

EMERSON: Not one minder - well, we'll see what happens.

HUNT: Do you see anything wrong with a member of the Executive Council comparing Mr Abbott ...

EMERSON: But you haven't even checked the website.

HUNT: ... Mr Abbott...

EMERSON: You haven't even checked the website.

HUNT: Comparing Mr Abbott ...

EMERSON: You said, as far as I know...

HUNT: I have checked it repeatedly...

EMERSON: Check the website.

HUNT: ... month after month...

EMERSON: Yeah. Yeah, yeah, sure.

HUNT: ... and each day it's there.

GILBERT: Okay, well let's ...

EMERSON: I can ... I'll say to the Australian people...

HUNT: Do you accept Mr Dreyfus comparing the Leader of the Opposition with a Nazi war criminal?

EMERSON: ... do the Australian people consider it offensive to have the Prime Minister of Australia who - regardless of who she is, but as a woman - described as Bob Brown's bitch? I think it is totally disgraceful, disgusting and offensive, and ...

GILBERT: That was the last ... that was the last rally.

EMERSON: Yes. But I have not heard one word from Greg Hunt, Tony Abbott, Sophie Mirabella...

HUNT: That's completely false.

EMERSON: ... or any of the others disassociating themselves from that sign.

HUNT: That is completely false. On the night of that...

EMERSON: Yeah, I would have put it differently.

HUNT: On *Lateline*, I rejected it categorically.

EMERSON: You weren't out there, to your credit.

HUNT: Now, and on...

EMERSON: You weren't out there, to your credit.

HUNT: But not one member of the ALP...

EMERSON: But I have not heard Mr Abbott ... I have not heard...

HUNT: ... has rejected Mr Dreyfus's...

EMERSON: I have not heard Mr Abbott disassociate himself...

HUNT: ... comparison of the Leader of the Opposition with a Nazi war criminal.

GILBERT: Let's...

EMERSON: ... from that disgraceful episode in Australian history.

GILBERT: Well, it was ... yeah, well, it was the last rally, let's see what...

HUNT: Well, why are you silent about Mark Dreyfus?

GILBERT: Let's move on.

EMERSON: Check the website.

GILBERT: Let's move on.

HUNT: Why were you silent for months - month after month after month?

GILBERT: Asylum seekers. Asylum-seekers. Anna Burke.

EMERSON: Yes.

GILBERT: She says she's got real concerns. She's not the only one, is she, within Labor about the Malaysia deal, worried about that ... worried about Manus Island, worried that asylum-seekers will get a fair treatment.

EMERSON: Well, what we have to do ... what we have to do is break the people-smugglers' model. And that means showing real compassion here. And the real compassion is towards people who take that risky journey - and we saw, what, 45 of them lose their lives just before Christmas on Christmas Island, smashed up against the rocks, little kids drowned. Now, we have to stop people arriving by boat taking that risky journey while we're talking about compassion.

Four thousand genuine refugees, assessed as genuine refugees in Malaysia, will be coming to Australia. Most of them Burmese. That is compassion.

GILBERT: But what about the people that are sent back? Anna Burke says there's no guarantee for them. She's right, isn't she?

EMERSON: Well, we have been working with the UNHCR. And the UNHCR, in a defining difference between what Greg is about to advocate, which is Nauru, and Malaysia is that the UNHCR...

GILBERT: But Anna Burke is not the only one. There are a lot of...

HUNT: You are kidding, aren't you?

EMERSON: Which is the UNHCR works with ... is working with us on Malaysia. They did not work ...

GILBERT: There are a lot of Labor MPs...

EMERSON: ... with the Coalition on Nauru.

GILBERT: But there are a lot ... there are a lot of Labor MPs that agree with Anna Burke, don't they?

EMERSON: Well, I haven't heard them make that agreement. But the point is, this is government policy. Right, now...

GILBERT: So should she pull her head in?

EMERSON: No, she's got a view. She's expressed a view. What really matters is what is government policy ...

GILBERT: Okay.

EMERSON: What is the policy that we're pursuing. This is it.

GILBERT: Let's hear Greg Hunt. Now, to me, it seems both sides of politics are out of step with public opinion if you go by the Nielsen Poll today. More than 50 per cent of people say...

HUNT: Well...

GILBERT: ... asylum-seekers should be processed right here.

HUNT: The deep substantive point is that the people-smuggling business was broken. It had been

shattered. It was under control. It had effectively stopped and then it was recommenced with the change of policy which this Government brought in.

Now they are attempting to adopt some form of offshore processing. But the country does not have confidence either in the Government or in the Malaysian processing agreement.

GILBERT: So, the electorate's wrong? You're, you...

HUNT: Well, no, the country...

GILBERT: The two big parties are right that...

HUNT: The country...

GILBERT: ... offshore processing is the way to go?

HUNT: The country has repeatedly made it clear that they have supported a tough approach to break the people smuggling, but they don't support the approach which recreated people smuggling and which re ... which is sending unaccompanied minors to Malaysia to a system over ...

GILBERT: Okay. Well on ...

HUNT: ... which we have no control of.

GILBERT: ... a brighter note...

HUNT: A Malaysian...

EMERSON: The UNHCR don't support your Nauru solution.

HUNT: ... solution...

GILBERT: Okay...

HUNT: Broken confidence.

GILBERT: ... on a brighter note, more bipartisan, can we cut that chocolate cake. I'm looking forward to a bit of it.

HUNT: All right. Well, I'd like to wish Craig a, sort of, an unhappy first anniversary...

EMERSON: Oh, thank you very much.

GILBERT: [Laughs]

HUNT: ... but a happy cake. An unhappy first anniversary of a broken pledge.

GILBERT: It was meant to be a bipartisan thing.

EMERSON: But here's a bipartisan comment. This is, apparently, about a first anniversary. This year is the 21st anniversary of a major piece of research that was prepared.

HUNT: Oh, well there you go, Craig. There's your cake.

EMERSON: The 21st anniversary of this man, Greg Hunt, producing a thesis that supported a carbon tax.

GILBERT: Okay, all right.

HUNT: And let ... and let...can I just finish on that?

GILBERT: [Indistinct] No, no...

EMERSON: Oh no, no, you go.

GILBERT: We've got to go, we've got to go.

HUNT: No, no. I'm sure I can explain...

GILBERT: Next time. We'll be back next week.

EMERSON: I've got a copy.

GILBERT: We'll be back next week to do it.

I've got to go. I've been told I've got to go.

EMERSON: It's in writing. It's in writing.

HUNT: I stand by my thesis. Do you stand by the pink batts program...

GILBERT: Gentlemen...

HUNT: ... when you were Small Business Minister two years ago?

EMERSON: And your thesis supported a carbon tax...

GILBERT: Okay, we've got to go.

EMERSON: Happy twenty-first birthday.

GILBERT: Bye. That's all for *AM Agenda*. Thanks for your time.

