



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

Transcript  
2CC WITH MARK PARTON  
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*Subjects: carbon tax.*

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**MARK PARTON:** I do know what's going on in the big house under the flagpole. I don't know if you saw any of Question Time yesterday - and look, it's wonderfully entertaining theatre at the moment. But you've just got to worry about the tone of it. And we've seen now the detail of the carbon tax - all however many hundreds of pages have been released - and I'm sure it'll be on for young and old again today. We've got Dr Craig Emerson on the line right now. G'day Craig.

**CRAIG EMERSON:** G'day Mark. I'm looking out of my Parliament House window at a beautiful blue sky on a spring day; it's gorgeous. How are you going?

**PARTON:** There's no beautiful blue sky in the House, though, at the moment; we're all thinking about the green jobs and the bright new future. Why are we doing this again when no-one else is?

**EMERSON:** Well it's not true that no-one else is. And we're doing it because we take our responsibility to reduce carbon emissions

seriously. The world is moving, and this is not part of a one-world conspiracy as some in the Coalition would have people believe. You've got UK Prime Minister David Cameron, who's got an emissions trading scheme, and he's on the conservative side of politics of course. And then in New Zealand, John Key has got an emissions trading scheme. I think 10 states in the United States are going to have an emissions trading scheme, including California which is bigger than the Australian economy. And, of course, you also have the European Union.

PARTON:

If those 10 states are ... and I know the Prime Minister was asked yesterday in the House to basically come up with any statement that's been made by any Federal American politician to go down this path and, of course, she couldn't 'cause there hasn't been any.

EMERSON:

Well, in fact, President Obama wanted to do that but he recognised the reality of the Congress. But that isn't stopping states from doing it.

PARTON:

So why can't Julia Gillard recognise the reality of what it is the Australian people want in this instance?

EMERSON:

We're governing for the long-term interests of this nation. We took to the Parliament last time an emissions trading scheme with a fixed price permit for one year. This is an emissions trading scheme with a fixed price permit for three years and then a full market-based price. That's the difference: two years; a few other relatively minor differences between the schemes that were debated in the last parliamentary term, which Malcolm

Turnbull supported. You might recall he lost his leadership over that.

PARTON: Yes, yes he did.

EMERSON: And we've been saying for a very long time that we wanted to introduce an emissions trading scheme. And, by the way, so had Prime Minister John Howard. In fact he had developed one based on the work of Peter Shergold, who was a former head of the Prime Minister's Department.

PARTON It is one of the ironic things about this debate, isn't it?

EMERSON: Yeah, so to have it categorised as some sort of radical versus conservative debate is not right. I've just listed to you, Mark, a whole range of conservative leaders who support an emissions trading scheme.

PARTON: In the days soon after the poll, when it became apparent that Julia Gillard- despite her pre-election promise - when it became apparent that she would pursue a carbon tax, she was asked about the fact that Australians haven't had the chance to vote on this scheme. And she made the call that in reality Australians could vote on it after experiencing a year of the scheme; that we would go to an election a year into the scheme, and if people really didn't like it they could vote against it. Now, the reality is - as Greg Combet pointed out last night on *Lateline* - that the scheme is so complex, that there are so many fundamental changes that will have to be made to business and the tax mechanism, that once it's in, whether you like it or not, it's going to be just about impossible to wind it back.

EMERSON: Well, Mr Abbott - and he only tells the Gospel truth because he told us that - he says he will unwind it, so there's a choice between a Gillard Government seeking re-election that will press ahead with the scheme. It will be implemented, as you say Mark, but Tony Abbott sees no difficulty in unwinding it, increasing taxes and cutting the age pension. He said that is what he will do, so there's a choice for the Australian people.

PARTON: Combet virtually said last night that it would be impossible to do that.

EMERSON: Well I think it would be very hard, but Mr Abbott doesn't agree with that.

PARTON: So, then, where's this promise of we get to vote on it a year into the scheme whether we like it or not, because the reality is whether we like it or not it'll be here to stay.

EMERSON: Not according to Mr Abbott. And everyone believes everything that Mr Abbott says, because he says he only speaks the Gospel truth! And he says he'll have no difficulty unwinding it, so if people believe him that's fine; that's what he says he's going to do. He will unwind it, and in the process damage tax reform. We've tripled the tax-free threshold as part of this whole process, which takes one million people out of the tax system and allows people to earn at least \$18,000 a year paying no tax. So it's got a tax reform dimension to it as well. But there is, as usual, a choice for the Australian people between pressing ahead with reducing carbon emissions, which we think is very important to a low-

carbon future for this country. It's really an investment in the future, Mark. And as you know I'm an economist and I used to be the head of the Environment Department in Queensland. And, on both counts - economic policy and environmental policy - I'm absolutely sure this is the right way to go for our country.

PARTON:

Dr Craig Emerson is with me, as he is every Wednesday morning at this time. We don't often do this, but I just thought I'd bring Noel in to the conversation, because Noel you've got a question for Emmo?

CALLER:

Yeah look, Doctor, Labor voters have been conned now because of The Greens; you've got into bed with The Greens, and you people will rue the day you did it. But if it's so important, this carbon tax, why didn't you take it to the last election instead of springing it on us straight after. And Julia said 'I've walked away from that now'. So, you just can't help not believe you, sir.

EMERSON:

What Julia Gillard said before the last election - that's true, that there wouldn't be a carbon tax - but she did not rule out, and she said this quite clearly, 'I do not rule out an emissions trading scheme'. Now, what we have is an emissions trading scheme with a fixed price for three years. Before, in the last term, we had an emissions trading scheme with a fixed price for one year. That's a difference of two years. So, we could spend the rest of our time talking about whether that is a tax or isn't a tax; we've decided not to spend all our time talking about the semantics, or whether the difference of two years constitutes a tax

or doesn't constitute a tax. We're just going ahead with an emissions trading scheme, which we tried to introduce twice last time in the last Parliament; which Malcolm Turnbull supported, lost his leadership over. And it's the same sort of emissions trading scheme that John Howard wanted to introduce.

PARTON: Craig, thanks for facing the music this morning. Really appreciate it.

EMERSON: My pleasure. Thanks Mark.

PARTON: Dr Craig Emerson, the Federal Trade Minister.