



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
2CC WITH MARK PARTON
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Subjects: carbon price legislation.

MARK PARTON: Well, what a day! What a day it's going to be in Federal politics: 14 to 9; Prime Minister Julia Gillard's carbon tax set to pass the House of Representatives this morning after having survived its second reading vote last night 74-73. That was before a late sitting to debate amendments. The passing of the package was made even easier late last night after Opposition MP Sophie Mirabella was thrown out of the House for 24 hours, 'cause I think she looked at Craig Emerson the wrong way or something.

I don't know. Maybe he can explain. The Federal Trade Minister Craig Emerson joins us right now. G'day Craig.

CRAIG EMERSON: [laughing] Good morning Mark. I've been accused of many things, but not of that.

PARTON: What is ... I haven't seen any of the footage: what did Sophie Mirabella actually do last night?

EMERSON: I didn't see it on the monitor, but what you said was right about debating amendments

- it's called "consideration in detail". Each person has five minutes, and then someone else has a go from the other side. And I understand that Sophie was still talking after the sixth minute, seeking to table documents that the Deputy Speaker Mr Peter Slipper said she was not entitled to table. And she disagreed very clearly with his ruling. And so he warned her and she continued, as I understand, to disagree vociferously with his ruling. And so he named her.

PARTON: Why would you do that?

EMERSON: I think it gets to the point if you've warned an MP and then they continue to misbehave - no matter whether they are Liberal, Labor or Callithumpian - and they continue to defy the Speaker it really leaves the Speaker with no option.

PARTON: It seems absurd to me, though, when there's such a crucial vote that's on today. I don't understand why you would do it. So she's suspended until 10.30 tonight?

EMERSON: Tonight, yes. That's a 24 hour suspension - that's right.

PARTON: And, look, you know, even if Sophie Mirabella was there, I think it's unlikely that somehow that extra vote would have come from anywhere. But you never know, do you?

EMERSON: Well you don't, but, again, you're right. Yesterday when the votes were taken on what's called the "second reading speech", the numbers were, as you said ... there was a majority of one in favour of the legislation. So that would carry through to today. But now there's an extra spot, so Sophie's vote

will not be counted because she won't be there.

PARTON:

So it will pass today, and that's despite the continuing calls from the Opposition this week. They've been saying, 'hey, if this is so important and it's something you've really got to do it, it really should have been put to a vote'. I don't think that the Australian public will ever forgive you and your Government for not putting it to a vote.

EMERSON:

Well, we'll see. As I've said before with you, we are introducing an emissions trading scheme with a three-year fixed price on carbon, compared with an emissions trading scheme before with a one-year fixed price on carbon. The difference is two years.

But I think the question will now turn to this, Mark: and that is, Mr Abbott says he will definitely rescind this; he will have a double dissolution and a double, double dissolution and a quadruple dissolution. 'Believe me,' he's saying, 'I will rescind it'. But will he actually go through those processes if he were to be elected Prime Minister, and reduce the age pension, increase taxes, remove the trebling of the tax-free threshold and then say to people, 'well, but your electricity bills will fall - trust me'? I think it's far more likely that he will talk about rescinding it and, if he were to become Prime Minister, he'd just say it's too hard.

PARTON:

On the other side of the coin, though - and I haven't heard much from your side - but I've heard a bit of the Senate this week. And Penny Wong is continuing to trumpet that the Opposition's climate action plan is actually going to be more expensive; whereas I would have thought that the

reality is - you talk about telling fibs before an election - they're not going to institute that plan if they get in. Are they? I mean let's get serious.

EMERSON:

Well, I think you make a fair point. And that is you can't have it both ways. You know they're saying they're going to institute their plan, which would increase costs for households - from \$720 was the original estimate - but they won't link it to any international permit trading, so that takes it up to the \$1,300.

PARTON:

They just won't do it; they just won't do it. They've put it on the table to try and capture as much of the middle ground - the Malcolm Turnbuls of the world - as they can. There's no way they're going to actually run this action plan.

EMERSON:

Well many people will ask the very point that you're asking here, or make the very point. Mr Abbott on the same day, a little while ago, said that the Coalition recommit to Labor's 5 per cent reduction in emissions by 2020 compared with 2000 levels - and on that same day described that target as crazy! So what you see is a fellow who doesn't really believe in anything.

And he's been going around steelworks around Australia, Mark - Whyalla and in the Illawarra - saying 'I'm the steelworker's friend; the steel industry's friend'. There was a stand-alone Bill yesterday, the Steel Industry Transformation Bill. It was voted on straight after the carbon pricing mechanism. And what did the Coalition do? They voted against it. Now, it was a stand-alone. This is assistance for the steel industry: are you for or against? They voted against it.

PARTON: I understand that it was put that way, but obviously they see it as not being a stand-alone as though ...

EMERSON: Well it either was or it wasn't. And the fact is it was a stand-alone Bill for the steel industry.

PARTON: It was a stand-alone Bill, but it was very much linked to the big picture of the carbon tax, isn't it?

EMERSON: Well, let's suppose that somehow they had the numbers to defeat that Bill, then we would have had the carbon pricing mechanism - and it does have effects on the steel industry; that is true - but that had already gone through, Mark. That had already gone through. The next question is 'do you support assistance for the steel industry?'. And Mr Abbott instructed his MPs to vote against assistance for steelworkers.

PARTON: It would appear that by the time we get to the end of the day that the whole carbon tax mechanism is going to have passed the Lower House of Parliament. I know there is some concern from business leaders that, 'okay, if we're going to have this, that's fine'. But do we need to look at the starting price, in that it's very much higher than what's on the table in Europe, for arguments sake, and is that going to hurt us? Is it carved in stone that we must start at this \$23 figure?

EMERSON: Yes, it is. And everyone who was voting on that knows that. But, ironically, only two weeks ago, Mark, there was another great expression of concern based on a study: and the expression of concern was by the business community that the carbon price might fall too low. So, I don't think you can

have it both ways: that they're worried that it might be too high and they're worried that it might be too low. We've said this, as you know: there's a fixed price for three years then the market determines that price. And they're worried - I'm not saying all business people are speaking with one voice - but business people then say 'our real worry is that the carbon price might be too low'. You just can't have it both ways.

PARTON: Warren has called us in closing and says: "If Labor brings in the carbon tax, it will be their downfall." Craig Emerson, are you prepared to lose your job over this?

EMERSON: Well, we have to govern in the nation's interest; in the long-term interest of this country. We can't simply respond to opinion polls every day. There has been legitimate criticism of both sides of politics that we govern for the short term; we just check out opinion polls; we just take the populist route. We haven't done this, because we think this is a fundamentally important reform, not only environmentally but to set Australia up for a clean energy future.

We're not the first mover; we're not the last mover; we're in the middle of the pack. But I'll leave the last word to John Howard, who said there are big advantages in being a first mover on this. We're not actually doing that, but you'd hardly regard John Howard as some Green Left Pinko Socialist. And he actually supported an emissions trading scheme.

PARTON: Thanks for your time this morning.

EMERSON: Thanks Mark.

PARTON: Federal Trade Minister, Dr Craig Emerson.