



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC 612 WITH MADONNA KING

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E&OE

Subjects: carbon price legislation, Malcolm Turnbull, Qantas strike, leadership rumours, Bali teenager, The Lodge.

MADONNA KING: Today the carbon tax has passed the House of Representatives. Now this is history. How will that work, and has the Coalition kicked an own-goal, with one of its MPs being kicked out, and then missing the vote?

Dr Emerson is Trade Minister and Federal Member for Rankin. Craig Emerson, good morning.

CRAIG EMERSON: And good morning to you, Madonna.

KING: And Senator Brandis, Deputy Leader of the Opposition in the Senate. Hello. Good morning, Senator.

GEORGE BRANDIS: Morning, Madonna; morning, Craig.

EMERSON: And g'day to you.

KING: Have you got the flu, Senator Brandis?

BRANDIS: I do, yes.

EMERSON: He's got his husky voice on.

KING: Yeah, you don't sound well at all. Well, I hope you get better, and I hope it doesn't affect your ...

EMERSON: Husky is good.

KING: ... I hope it doesn't affect your performance this morning. But let's go to this carbon tax. What was the final vote, Craig Emerson?

EMERSON: There was a gap of two, or three in fact. Sophie Mirabella's vote didn't matter. Because as your listeners would be aware, Madonna, we had enough support through the Independents and the one Green Member of Parliament. So Oakeshott, Windsor, Wilkie and Bandt voted with us. But the absence of Sophie Mirabella, while not changing the result, made the margin just that little bit bigger.

KING: Alright. Senator Brandis, I suppose the Coalition would be a little bit disappointed that one of your own MPs was thrown out ahead of the vote?

BRANDIS: Well, I think it's a bit much to think that a Member of Parliament was thrown out because she tried to present a petition on behalf of thousands of Australians objecting to the carbon tax. But I also don't think we should be distracted from that ... by that from the bigger issue: and the bigger issue here is that we've just, within the last hour, seen every Labor Member of Parliament, all 74 of them, stab their constituents in the back.

This was a government that was elected because, six days before the election, Julia Gillard promised there would be 'no carbon tax under the government I lead', and they've just voted to introduce the world's biggest carbon tax.

KING: Alright. Now, let me pull you up there. This morning we're talking about Parliamentary standards, and the language we use. You're saying that these Labor MPs have "stabbed their electorate in the back". A lot of the electorate would support a carbon tax, wouldn't they?

BRANDIS: Well, so far as you can draw conclusions from the polling evidence, by about two and a half to one now Australians are against a carbon tax. So the public don't want it. The Prime Minister, Julia Gillard, promised there wouldn't be one; and now we have one. Go figure.

EMERSON: Can I say in response to that, I think your listeners should know that it wasn't the Speaker who ejected ...

KING: Yes, I do, that's a fair point.

EMERSON: ...Sophie Mirabella. It was the Deputy Speaker...

KING: Who is a Coalition MP...

EMERSON: ... the Member for Fisher, who is a Coalition MP. So let's not have any inferences of unfair treatment here.

KING: Alright, now ...

EMERSON: In...

KING: ...yes, go on, Craig Emerson, just briefly?

EMERSON: Well, in respect of, you know, what has just passed: we did say through the previous Parliament that we would have an emissions

trading scheme with a one-year fixed price permit; this is an emissions trading scheme with a three-year fixed price for carbon. It's a difference of two years. We've always sought to introduce an emissions trading scheme, and that's what we've done.

KING:

Yes, okay, alright, okay. I want you to stick to the questions, because we have done a lot of this before. But I want to guide listeners on what will happen from here.

One thing though, Craig Emerson: I know business wanted a last-minute appeal that the carbon price could be wound back if the economy deteriorated. Did you consider that, or the fixed price - and what is it: \$23 - ...

EMERSON:

Twenty-three dollars - that's right. And, no, we didn't; we've been through a long consultation process with business. And there is a bit of an irony here in that only two weeks ago some business representatives were expressing concerns that the carbon price, when it becomes a floating price, might be too low - and that this would be a problem for business.

So we've got some businesses worried that it might be too low; some businesses worried that it might be too high.

KING:

Okay...

EMERSON: And what we've done is set it at a price that has been negotiated as best we can with business and the broader...

KING: Alright ...

EMERSON: ... group of people who are directly associated with these issues.

KING: Senator Brandis, just explain to my listeners the process from here, now it's gone through the Lower House.

BRANDIS: Well, the Bills will be presented to the Senate next month. And the Labor-Green alliance control the Senate by a comfortable majority. So there's no question that if Labor Senators do what their House of Representative colleagues did, and go back on their word to the people, it will be passed through the Senate. And that will be the last legislative step.

But let me make this as clear as I can, Madonna: if there ... the Coalition will make this, front and centre, the issue of the next Federal election...

KING: Alright. I'm going to come to that ... come to that. I asked you about the procedure from here. Craig Emerson, so it will become law, let's say, when it goes through the Senate next

month. What happens from there? Just in a minute explain how this works, and how my listeners will know whether they're compensated for it - or not.

EMERSON:

Sure, the top 500 emitting companies in Australia will bear this carbon price, which is fixed, as you say, at \$23 in the first year; rises at a small rate for the second and third year; and then becomes a market-based price. It is true that some of those businesses will seek to pass on at least part of this extra impost, which is there to provide an incentive for them to reduce their emissions - that's the whole purpose of this. And because there will be a modest cost-of-living impact of 0.7 per cent or, in terms of weekly bills, an increase on average of \$9.90 a week, we are providing compensation, which on average is \$10.10. That compensation will be provided in the form of tax cuts, and increased benefits and pensions.

KING:

So who will get that tax cut?

EMERSON:

Lower and middle income earners will get tax cuts, including a tripling of the tax-free threshold from \$6,000 to more than \$18,000. And that will take one million taxpayers out of the tax system; they won't have to do their tax.

KING: Alright. I just want the answer; just answer the question. And I don't mean to be rude saying that.

EMERSON: Well, I am answering the question.

KING: ...yes, okay. The top 500 emitting companies: where can we get a list of those?

EMERSON: I don't have a list for you here, and I wouldn't have time to read them out, but ...

KING: No, but where can my listeners go? Is there a website? Have you substantiated who the...

EMERSON: At this stage I'm not sure whether there's a website. But it's not going to be a state secret, because they'll be paying this tax ...

BRANDIS: It has been a state secret so far; you've never disclosed who they are.

EMERSON: George, they will be paying the tax from 1 July, so let's not get into the cloak and dagger stuff. But there was another Bill that was passed today - against the Opposition's desire to vote it down - which was the Steel Industry Assistance Bill. Your listeners should know that Tony Abbott called the division; said he was opposed to assistance for the steel industry. It was a stand-alone Bill; it was not linked to the carbon price at all ...

KING: Okay, but then look...

EMERSON: ... and he is not the steel industry workers' friend.

KING: ...both of you, both of you: I want my listeners to understand what happened today, and what that then means to them. And now the top 500 emitting companies is surely an important part of that, Craig Emerson. At what point will we be able to say, 'these are the 500 biggest polluters, emitters, in our country'? Because surely that's crucial to what you want to do.

EMERSON: Well, they will know who they are. And it will be implemented by 1 July, and I ...

KING: But don't we have a right to know?

EMERSON: Yes, of course. It's not a secret ...

BRANDIS: [Laughs] You're just passing a tax law, and you won't even tell us who is liable to pay the tax: it's the most extraordinary thing I've ever seen in my public career...

KING: Well that's a beat-up. It's not the most extraordinary...

BRANDIS: No it's not ... it is the most ... this is the most extraordinary aspect of this shocking sequence

of events: that to this day, the Government, having passed this, the biggest carbon tax in the world, will not say who the taxpayers are who will suffer from it.

KING: Alright. One last question on this, Craig Emerson: when will we know who those who have to pay are? Or do they currently know? Have you told them?

EMERSON: Yes, they know. I mean, if they're a major power ...

BRANDIS: Well who are they?

EMERSON: I don't have the time to list 500 companies ...

BRANDIS: But you have ... that's not the point ...

EMERSON: They are major power station emitters; they are steel industry companies; they are major corporations that emit large amounts of carbon dioxide into the atmosphere.

KING: Alright, okay. I'm going to leave that there. But if a list is available, I would love you to come back to us so I can refer my listeners to that list, and they know who the biggest polluters are.

George Brandis, back to you. This is a topic Malcolm Turnbull is so passionate about. Why didn't he end up speaking on it?

BRANDIS: Well, I want to have the opportunity to reply to what Craig just said, Madonna...

EMERSON: You already have.

KING: No, no, you already have...

BRANDIS: No, no, I want ... I haven't had an opportunity to reply to what Craig has said...

EMERSON: George is all fired up.

KING: To what?

BRANDIS: This claim that Craig doesn't ... can't tell you who the taxpayers...

KING: No, I'm not interested in hearing your view on that. I was asking him a question; he was responding to me. I'm now asking you a question. He wasn't criticising you or the Coalition in any way. I want to ask you the question of why Malcolm Turnbull - in your party, passionate about this, but wasn't given a speaking spot?

BRANDIS: The Government has refused to name the 500 companies, Madonna.

EMERSON: What's that got to do with Malcolm Turnbull?

BRANDIS: That is the point.

EMERSON: I haven't refused to do it.

BRANDIS: It is not the truth to say...

EMERSON: Answer the question, George.

BRANDIS: ...we can't tell you the 500. The Government has refused...

EMERSON: Not true.

BRANDIS: ...to name the 500.

KING: Alright. George Brandis, can you answer the question that I've just asked you in relation to Malcolm Turnbull?

BRANDIS: My point. The Government ... the Opposition has asked this question of Senator Wong in the Senate time and time again.

KING: Alright. George Brandis, I'm going to give you one more chance to answer that question, or I think it's probably that I'll just pull the plug on

this whole ...this whole interview. Can you tell me why Malcolm Turnbull, passionate about this, wasn't given the chance to talk?

BRANDIS: He was given every chance to talk and he's spoken about the issue many times.

EMERSON: Not on this Bill.

KING: Why didn't he choose to speak on this Bill?

BRANDIS: You'd have to ask him that question.

EMERSON: I know the answer.

KING: You should ... you should know.

BRANDIS: I haven't had ... I haven't had a conversation with Malcolm Turnbull about this. I don't know who the speakers' list was in the House of Representatives but...

KING: But surely on something as important as this, you would know.

BRANDIS: Malcolm Turnbull...

KING: Surely when the carbon tax is so important...

BRANDIS: I'm not a Member. I'm not a Member of the House of Representatives. I don't know who

the Opposition speakers were. Malcolm Turnbull isn't the shadow minister responsible.

KING: Didn't you watch the debate?

EMERSON: It wasn't limited to shadow ministers. There were dozens of Coalition MPs who spoke. Dozens. And Malcolm Turnbull wasn't one of them.

BRANDIS: There may well have been and they may well have been making the points about the impact this will have on ...

EMERSON: Sure.

BRANDIS: ...the cost of living and the jobs of ordinary Australians. But the fact that a person who is not the shadow minister for the area doesn't happen to speak in a particular debate but, of course, votes with the Opposition - as was always Mr Turnbull's plan - is neither here nor there.

EMERSON: He has strong views on this and his strong view is that he doesn't support the Coalition's position and does support an emissions trading scheme and lost the leadership over that very issue.

KING: George Brandis, your response to that? Because that is ... that is a fact.

BRANDIS: Well, I mean, Malcolm Turnbull's views, as Craig says, are well known. And his views have always been to oppose a carbon tax. There was a debate two years ago about the architecture of an emissions trading scheme. We all know what happened. The Coalition's policy changed at the end of 2009. That policy change has been emphatically endorsed by the public, I might say.

There has never been a point in his career when Malcolm Turnbull has supported a carbon tax, or this legislation.

KING: Alright. So, George Brandis, is it still the intention of the Coalition, if it is elected at the next poll, to repeal this carbon tax?

BRANDIS: Yes, emphatically.

KING: And have you a plan on how you would actually dismantle it? Because, presumably, it would be very complex.

BRANDIS: Well, it is a complex suite of Bills, and the Government has decided to try and booby-trap the legislation, to use Mr Combet's words, to make it more difficult to repeal. But any Bill can ... any Act of Parliament can be repealed by a subsequent Parliament.

KING: All right. So we're going to leave carbon tax there. But I think we can very well expect that it will be front and centre of the next election campaign. You're listening to Dr Craig Emerson and Senator George Brandis.

The Qantas strike is going on and on, threatening people's Christmas plans. And suggestions this morning, Craig Emerson, that the Gillard Government might have to create emergency powers to ban more airline strikes. How do those powers work?

EMERSON: I imagine that you - I'm not familiar with the detail of the Fair Work legislation - but it has been the case in the past that there have been emergency power provisions in industrial relations legislation. I think that we all would like to see this matter resolved, and let's just give it a bit more time...

KING: Yeah.

EMERSON: ... to see if the parties can come to an accommodation.

KING: Are the emergency powers used often? Can you remember the last time, or tell us...

EMERSON: No, I think the Coalition used them on a number of occasions in different areas, or certainly said they were. I'm not saying that

previous Labor Governments have never used such powers. They may have.

KING: Yes.

EMERSON: I think if you go back to Ben Chifley, I think he used emergency powers in 1949. But I can't say to you, Madonna, that there are, you know, that there are emergency powers in this legislation. There may well be, but I think it won't need to come to that.

KING: Why do you say it won't need to come to that?

EMERSON: Well, you know, this has been a protracted dispute. It obviously has caused a lot of disruption. I don't believe either management or the unions take any joy out of doing that. They are seeking to come to an accommodation, and I think we should allow them to continue to negotiate. I understand discussions are ongoing. It's not pleasant; it's a tough negotiation.

KING: Yeah, and the ...

EMERSON: Obviously, Qantas doesn't believe it can afford the wage rises that the union is seeking.

KING: Yeah.

EMERSON: It's made a counter-offer.

MADONNA KING: Alright. We've gone through all that over the past couple of days, but the union also saying that it could go on for 12 months. And if you're at home this morning, I'm interested after 10 for your view on if there are emergency powers that could ban more airline strikes, whether that is something you would like to see the Government do.

Let's move on to the next issue, which is Graham Perrett threatening to resign, and a by-election the Government doesn't want if Julia Gillard was dumped from the leadership.

Has he been put back in his box, Craig Emerson?

EMERSON: I don't know whether anyone has spoken directly to Graham Perrett. He's a friend of mine and a neighbour in the Seat of Moreton. I'm right next door in the Seat of Rankin. Graham has said last night and overnight that people should chill out; it won't come to that. And, indeed, he's right. It won't come to that because Julia Gillard will lead us to the next election. She will be Prime Minister and here's a tip: I think Labor has a very good chance at winning the next election, because Mr Abbott will not - will not, I repeat - rescind the carbon price, and everyone knows that he will ...

KING:

Alright, okay. I just see a picture on Twitter appearing from someone in the Canberra press gallery where Julia Gillard and Kevin Rudd kissed at the end of that carbon legislation. I'm sure that will get a run in the next few days.

But, George Brandis, coming back to Graham Perrett: do you admire him for listening to his constituents and saying that he will do what he thinks is actually right?

BRANDIS:

I don't admire Mr Perrett. I think he's a particularly mediocre Member of Parliament. And the fact that he made this outburst a couple of ... I think it was yesterday morning, just, I think, goes to show that this Government is starting to fall apart at the seams.

Craig will not admit this because he can't. But I can assure you and your listeners, Madonna, that all the talk in the corridors in Parliament House today and yesterday, among Labor Senators and Labor Members of the House of Representatives - but I see it more from the Senate side where more of the faceless Labor powerbrokers exist - is about a leadership change.

EMERSON:

And, George, it's just over two bottles of wine.

BRANDIS: The Labor ... the Labor Party ... the Labor Party is in complete meltdown this week. And I don't think it's going to improve for them any time soon.

KING: Of course ...

EMERSON: The last time we had reports from the Liberal Party about this was over two bottles of wine involving Senator Scullion, who says a phone call occurred ...

BRANDIS: That's right.

EMERSON: ... which didn't occur.

BRANDIS: It did occur.

EMERSON: And here they go again.

KING: Alright. Well, look, I think we'll let the public decide there. But Kevin Rudd, or certainly Craig Emerson, you've been unable, or Labor has been unable, to kill off speculation about Kevin Rudd. And, indeed, Kevin Rudd has chosen probably not to kill off speculation about Kevin Rudd.

EMERSON: Well, I was asked a question yesterday: 'is it appropriate for a foreign minister to be campaigning in marginal seats and saying that

he's committed to defeating Tony Abbott at the next election?'. I said 'absolutely'.

KING: It's all in how you say it, though, isn't it?

EMERSON: I said 'absolutely', and that's what I'm doing and I'm committed; and so is the Prime Minister Julia Gillard; every frontbencher; every Member of the Parliament.

KING: All right, let's move onto the next topic. And there's just a couple of things to go that I want to get through in the next couple of minutes. This child on the drug charges in Bali: is it dignified to use a 14-year-old in Bali on drug charges as a political opportunity? Because that's the claim: that Kevin Rudd and Julia Gillard appear to be doing that in a race to who can bring him home first.

BRANDIS: It's a despicable thing to see the Prime Minister and the Foreign Minister in a competition for media attention by latching onto this kid, which is what ... precisely what they are doing: using a kid in difficult circumstances and a family in distressed circumstances as a pawn in a competition for media attention for their own sake.

KING: Alright. Craig Emerson, how do you respond there?

EMERSON: That was a despicable comment. The only people who are politicising the plight of this young boy in Bali is the Coalition; first Julie Bishop, now George Brandis. Why wouldn't the Foreign Minister and the Prime Minister take a direct interest in this issue? If they had failed to take a direct interest in this issue, the Coalition legitimately could claim that the Government is not showing sufficient concern about it, leaving it only to the Ambassador...

BRANDIS: The best way to take a direct interest in this issue would be to allow the Ambassador to get on with his job rather than try and grandstand about it.

EMERSON: And that is exactly what's happening. But there is absolutely nothing wrong - indeed, it is thoroughly appropriate - that the Prime Minister and the Foreign Minister take a personal interest. And I condemn completely the statements that George has just made, and Julie Bishop have made, because it is they who seek to politicise this issue.

KING: Just before I let you go, the Prime Minister's going to be out of The Lodge for 18 months for renovation work. Where's she going to stay, Craig Emerson?

EMERSON: Well, you won't be shocked to know that I haven't discussed this with the Prime Minister.

KING: But 18 months, and it's the leader of our country. It would have to be a fairly safe place. It would have to be somewhere ... You have no idea?

EMERSON: No, I don't. And we've been flat out on the very issue that we spent three-quarters of the program discussing.

KING: Yes, okay, all right. George ...

EMERSON: I didn't see it as a priority to discuss with the Prime Minister where she's moving.

KING: George Brandis, there's land set aside for a new prime ministerial residence, I read this morning. No party has moved on it to date, and it's been there for a while. Would it be politically unpalatable for either party to start building a brand new swish prime ministerial residence that'll probably sit there vacant for a long time?

BRANDIS: Well, I myself don't see the need for one, but The Lodge is a comfortable house. It's not a mansion, but it's a very comfortable home. It's adequate for the ceremonial obligations of the Prime Minister. But I must say, Madonna, I think whether Julia Gillard ... whether The Lodge is being renovated for 18 months is ...

EMERSON: Here comes a political point.

BRANDIS: ...is an academic question for Julia Gillard, because it's not her who will be being inconvenienced.

KING: Alright. Can I just say that thank you, thank you. I think I probably should have kept a tighter rein on you both this week. But we get to have ... do it again next week, for the last time with me. And I look forward to that very much.

Senator George Brandis, Craig Emerson, I look forward to talking to you then.

EMERSON: Will do, Madonna. Thank you.

BRANDIS: Thank you.

KING: Yes, that's George Brandis and Craig Emerson *Inside Canberra*. And next week, the last one with me in the chair.

