



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
2CC WITH MARK PARTON
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E&OE

Subjects: republican debate, carbon price, asylum-seekers.

MARK PARTON: Federal Trade Minister Craig Emerson joins us, as he always does on a Wednesday morning. Morning, Craig.

CRIAG EMERSON: Hello Mark.

PARTON: Are you a republican or a monarchist?

EMERSON: I'm a little bit indifferent, to be honest. I would be a republican, but not in a terrible hurry.

PARTON: I think you're the same as me.

EMERSON: The Australian people will probably vote that way at some stage in the future. But if you put it to them now or in the very near future, the outcome would be pretty similar to the one in 1999.

PARTON: You've got a fairly similar view to mine. And when I state my case when I'm asked by passionate people, they suggest that I'm apathetic. Are you apathetic, Craig?

EMERSON: I don't think it's the most pressing issue facing Australia at the moment. And it will come in time. I think that a new generation of people will just say 'okay, well why are we linked to the British Monarchy?'. And they can take care of that at the time. But if it were pressed now, we'd be back to where we were in 1999. And so, for those who say we should do so, I think they would be arguing for a strategy that was against their own interests. But that's happened before I suppose.

PARTON: Craig, you spend more time at Parliament House than me. Simple question: who is the Government of the day today? Is it the ALP, is it the Greens or is it the Liberal Party?

EMERSON: Well it is the ALP led by Julia Gillard; it's always been the case.

PARTON: Okay, okay. If that's the case ... if that's the case, if you're running the country, why do you spend so much of your time trying to discredit Tony Abbott? Now, you've been accused on this radio station of being much more negative than Mr Negativity himself. Why does he dominate your thoughts?

EMERSON: That would be a big contest, being more negative than Mr Negativity. But, of course, I shouldn't say anything against Tony Abbott because some of your listeners might get a bit upset. It's always been the case that a government needs the support of minor parties or independents to get legislation through the Senate, with the exception of a period from 2004 to 2007, and then a period under Fraser. And then you have to go way back in order to find a time when the government of the day has not relied on independents or minor parties to get their legislation through.

PARTON: The question I'm asking is: why is it that you seem obsessed with Tony Abbott?

EMERSON: You see, I just didn't answer by criticising Tony Abbott. And then you're just saying 'well, Craig, why won't you criticise Tony Abbott, so that I can get some callers saying "that man Emerson always criticises Tony Abbott"'. All right; all right, I'll succumb to the intense pressure and I'll criticise Tony Abbott. Tony Abbott has made now a blood promise that he's going to get rid of the carbon pricing mechanism ...

PARTON: He has.

EMERSON: ... just like his rock-solid, iron-clad promise that he wouldn't tamper with the Medicare safety net. He can't be believed.

PARTON: So, if indeed he does win government - and certainly I know you don't read the polls but the rest of us out here do; it looks as though it's basically a *fait accompli* that he will at some stage - you don't believe that he won't turn things around and reverse the carbon tax and shut it all down?

EMERSON: I think there's real serious doubt about it. He's written in an opinion piece fairly recently that "even the firmest positions arrived at in Opposition can be overturned in Government". And what he would need to do is cut the age pension and increase taxes. And we've seen today NATSEM, which Mr Abbott himself has described as a highly reputable organisation, has proven through its modelling that even Treasury estimates in relation to compensation ...

PARTON: Craig, Craig. I've got a bit of a problem on this phone line. I'm losing you for some reason.

EMERSON: All right.

PARTON: That sounds a lot better.

EMERSON: Okay, that even Government estimates are underestimates of the compensation; that people will be better off in net terms by a greater amount than even the Government has estimated. And that is a reputable firm, NATSEM, described as reputable even by the Opposition Leader.

PARTON: Look, I saw this stuff this morning. And it fascinates me, because when I look at these predictions and these do look very good for the Government, all this money has got to come from somewhere. You know, money doesn't grow on trees. And if someone is better off then someone has to be worse off. You can't just get this amazing all-encompassing money-shuffling scheme started: a scheme which includes thousands of new public servants. You can't just shuffle billions of dollars around and somehow everyone is better off. It's fairytale stuff.

EMERSON: It is true that some will be worse off, and that includes the 500 largest polluters who will be worse off.

PARTON: Who will pass those costs on.

EMERSON: Well, they will seek to pass those costs on. And that's why there will be a cost of living impact equivalent to 0.7 per cent of the CPI, which is a very, very modest impact; far less than one-third of the impact of the GST. But, more importantly, that modest impact on the cost of living will be more than fully compensated in aggregate as a result of the compensation measures in the

form of increases in pensions and cuts in tax, including a trebling of the tax-free threshold. And that's what NATSEM finds. They actually suggest that the Government's figures are out a bit; that the story is better than that which the Government has been telling the Australian people.

PARTON: There's a lot made of the defeat ... well, not the defeat; the fact that the Bill didn't even go before the House regarding offshore processing last week, and so effectively it was defeated before it even hit the ground. A lot made of it in terms of it was never going to make it through the Senate anyway, was it?

EMERSON: Well, you do need, when you believe in a policy, to pursue that policy. And we have sought to pursue the policy of offshore processing for one simple reason: and that is we don't want people losing their lives at sea. And that happens when more boats arrive. Mr Abbott has said that he's always been a supporter of offshore processing, but voted for onshore processing. Why? Because he wants more boats to arrive. He wants more boats to arrive.

PARTON: Well, the vote never happened though, did it?

EMERSON: Well he indicated absolutely clearly that he would not under any circumstances support the Government's legislation. That means ...

PARTON: I wonder if Anna Burke would have supported it.

EMERSON: ...more boats will arrive.

PARTON: We'll never know, will we?

EMERSON: These are very hypothetical issues. But what we know is that Mr Abbott and his entire team - Mr Hockey, the lot - were going to vote for onshore processing, for more boats. And I think that's a very cruel thing to do, because more boats means the risk of more people risking their lives at sea. And I can't believe that we've got an Opposition Leader that's quite willing to risk the lives of asylum-seekers because he thinks he will benefit from it in advancing his cause to become Prime Minister. I think the Australian people were pretty sickened by that.

PARTON: Craig, before I let you go, I've got Kev standing by with a brief question or comment. Hello, Kev?

CALLER: Yeah, g'day mate. My question is, the gentlemen has just said that if Tony Abbott was to repeal the carbon tax, that to cover the tax loss that we'd get from that he'd have to decrease pensions and increase other taxes.

EMERSON: That's right.

CALLER: And immediately then says that the compensation going to be paid to Australians is going to outweigh the amount of money that's generated by the carbon tax. So how are they going to spend more money than they earn if they don't increase taxes somewhere else?

PARTON: Yeah and see I'm with Kev. I'm with Kev. The sums don't work out, Craig.

EMERSON: Even the Opposition, even the Opposition has said that our scheme involves spending

\$4 billion more - and this is partly through the steel industry transformation plan - than we collect. We collect it from the 500 biggest polluters. And Mr Abbott and Mr Robb and Mr Hockey all know that they've got already a \$70 billion hit to the Budget bottom line. They have actually said that if they repeal the carbon price, yes, they will have to increase taxes and cut the pension. It's their statements; it's their statements that they would need to increase taxes and cut the age pension. And they said 'that's fine, because we don't have to compensate people because electricity prices will fall under us.' Well pigs might fly.

Their proposition is that if they repeal the carbon tax, electricity prices will fall under Mr Abbott. Just yesterday it was revealed by the industry if they repeal this carbon price, electricity prices will rise because of the uncertainty that's created for electricity generators. That didn't come out of my mouth; that came out of the mouths of the electricity industry.

PARTON: Craig, thanks for the response. And thanks for coming on this morning.

EMERSON: Thanks very much, Mark.