



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC 612 Mornings with Terri Begley

19 October 2011

E&OE

Subjects: air marshals, Abbott's carbon tax threats, ombudsman, Queen's visit.

TERRI BEGLEY:

And back to these air marshals' cutbacks. Will it really leave a hole in our terrorism strategy for our skies? Or is it a sensible idea to stop throwing good money ... bad money ... or good money after bad? We'll find out a bit more about that from our politicians.

Also, Tony Abbott's promise to repeal the carbon tax and his advice to big business not to get involved in the carbon credits just yet. Is that muddying the waters for no reason?

Let's go *Inside Canberra* now. Dr Craig Emerson is Trade Minister and Federal Member for Rankin. Good morning.

CRAIG EMERSON: Hello Terri.

BEGLEY: I'll put your microphone on.

EMERSON: Oh, hello Terri.

BEGLEY: Good morning. And Senator George Brandis is Deputy Leader of the Opposition in the Senate. Good morning to you, too.

GEORGE BRANDIS: Good morning Terri. Where's Madonna this morning?

BEGLEY: Madonna is feeling poorly, yes.

BRANDIS: I'm sorry to hear that; I thought this was going to be our farewell program.

BEGLEY: Yes, we would have liked that, but just metres from the finish line, she stumbled. We're saying "stumbled" - we're hoping she'll get back up and at least come back for Friday.

BRANDIS: Well, I hope she feels a lot better and can get back on air before the end of the week.

BEGLEY: Yeah, fingers crossed on that. Back to this news story that's doing the rounds this morning, coming out of the Senate estimates yesterday: this talk of the air marshals and a few of them being taken off, particularly, our

domestic flights - 36 domestic air marshals - being blamed on budget cuts by the AFP.

Senator Brandis. Taking some talkback on this so far this morning, the response so far has been in support of a winding-back of the air marshal program; that people think that they would feel safe in the sky anyway, whether these air marshals are on the planes. What's the Opposition position on this?

BRANDIS:

The Opposition position is that the sky marshal program should not be wound back. And I think it's more serious than winding it back, because there was some evidence yesterday that the domestic aspect of the program was in fact going to be wound back to nothing.

This has been an important part of Australia's counter-terrorism strategy since 9/11. It was introduced by John Howard and, although I didn't hear your callers this morning Terri, can I just make this point: people ... some people at least think because they feel safe there's nothing to worry about. But the threat level is assessed by the Australia's national security agencies, has not changed for years. The threat level is medium. And at a time when the threat level has not gone down, it is beyond belief to the Opposition that a key counter-terrorism measure is for ... which is not a particularly expensive one - the savings are

pretty modest; \$16.5 million over four years - is being abandoned.

BEGLEY:

But can you point to any evidence that this program has actually been affective in cutting terrorist attacks, particularly on our domestic airlines?

BRANDIS:

Well, you see this is the point Terri. The only way you assess the success of counter-terrorism is when nothing happens. So it's almost impossible to say whether a particular measure has been successful or not. But since ... can I just remind your listeners that it is now a little over 10 years since the 9/11 attacks? There has not been a single act of domestic terrorism executed in Australia in that time, but there have been several attempts - for example, at the Holsworthy Air Force Base west of Sydney a couple of years ago. And I can tell you because, as the Shadow Attorney-General, I am briefed by ASIO on a periodic basis. Without going into the detail of those briefings, which of course I wouldn't do, I can assure you that anybody who thinks that the threat of domestic terrorism in Australia no longer exists is a self-deluding fool.

BEGLEY:

But talking to a strategic thinker this morning on this issue, he said statistically you've got more chance, you know, of being hit by a bus walking outside the office this morning than

actually a terrorist attack on a domestic flight
...

BRANDIS: Look I don't ...

BEGLEY: The number of air marshals that have been brought up in Senate Estimates yesterday could not possibly prevent a terror attack in hundreds and hundreds of flights that take place across the country every day.

BRANDIS: Well of course the whole point of this program is that ... is its random nature. There aren't the resources to equip every flight with an air marshal, that's true. So, a person who might be minded to try and execute an attack on an Australian aircraft will never know, or should never know, whether a sky marshal is present on the aircraft.

But, I did hear some of your interview with Mr Suitor. And I don't like to hear the flippant talk that 'well, just because you've got more chance of being knocked over by a bus, therefore there's nothing to worry about. I can tell you Terri, without being alarmist, that for as long as there are cells operating in Australia - as there are, which are active; there aren't many but there are - who are linked with al-Qaeda and al-Qaeda ... aspects of the al-Qaeda network, there is something to be alert to. And both Governments so far have been very ... have

been very careful here. And I'm very sorry to see that for reasons of what are said to be budgetary restraints, this important element of the jigsaw of Australia's counter-terrorism policy is being scaled back by this Government. And I've called upon the Government to reverse that decision.

BEGLEY:

Craig Emerson, has this ... is this going to expose a hole in our counter-terrorism strategy if these air marshals and its program are wound back?

EMERSON:

This Government works very closely with its national security agencies, including the Australian Federal Police, to do everything possible to ensure the safety of Australian citizens, including safety from terrorist attacks. And to date, mercifully, that has been successful.

It's not by accident. The Government has committed \$760 million over four years on aviation security alone. And Mr Brandis just said the whole point of this air marshal program is its random nature. But the release of this information, which is a highly classified document, raises the real prospect of putting officers' lives at risk.

Now, they aren't my words; they are the words of the Commissioner of the Australian Federal

Police last night in the Senate Estimates, Tony Negus, saying the release of documents classified like this, quote, “puts my own officers’ lives at stake”. And I think it's grossly irresponsible of Senator Brandis to do this. And obviously the Coalition just plays politics all the time.

BEGLEY:

You're angry that this has come up in Senate Estimates? Senator Brandis, was this responsible: to bring this up in the public arena yesterday?

BRANDIS:

I ... test it this way: if I hadn't raised this yesterday, then nobody would ever know ... have known ... that covertly, the domestic sky marshal program was being wound back. What puts lives at risk is not having the appropriate counter-terrorism measures in place. And I hope, and I expect, that as a result of this being disclosed, the Government will reverse this terrible decision.

EMERSON:

Well, that of course is not the view of the Commissioner of the Australian Federal Police, Tony Negus. And I'm constrained, as I should be, in talking about the various counter-terrorism programs that are in place for the very reason that Senator Brandis just raised: that we don't want to tell terrorists or potential terrorists exactly what we're doing and where we're doing it. And the release of this

information, a highly classified document, is completely irresponsible.

BRANDIS:

Well, just a moment, Craig. Because as a result of disclosing that the Government proposed to abolish the domestic sky marshal program, what I expect will happen is the Government will reverse that decision so that what had been ... what was going to be lost as an element of Australia's counter terrorism strategy will be preserved. That's the whole point of Parliamentary oversight of government.

EMERSON:

We won't be dancing to your political tune, Senator Brandis. We'll be doing the right thing.

BRANDIS:

Well I hope you'll be protecting the national interest.

EMERSON:

We will. We always have. I think it's fair to say ...

BRANDIS:

Well then don't get rid of an important counter-terrorism program.

EMERSON:

... that both sides of politics, regardless of other political differences, are committed to protecting our citizens. And I think it's a clear breach of trust and a disgrace, Senator Brandis, that you have released this information.

BRANDIS: Well ...

EMERSON: And the release of this information is now the subject of an investigation by the Australian Federal Police. They don't see the funny side of it. Neither do I.

BRANDIS: There's nothing funny about it. The fact .. the outcome of this...

EMERSON: Well, stop playing politics.

BRANDIS: The outcome of this is that a decision that was made by your Government to remove the important element of Australia's counter-terrorism protections will, I hope, be reversed. And that is a good outcome.

EMERSON: We will make our decisions with the Federal Police. And we will not be told what to do by you, seeking to harvest votes out of this issue. This is a national security issue and you should have...

BRANDIS: It is a national security issue and...

EMERSON: ...a greater sense of responsibility for this nation.

BEGLEY: Okay. I think we're going around in circles on this one, so we will move on to some other

topics to discuss this morning on *Inside Canberra*. You're listening to Dr Craig Emerson, Trade Minister and Federal Member for Rankin, and Senator George Brandis, Deputy Leader of the Opposition in the Senate.

Back to the carbon tax: it's set to go through the Senate next month ... excuse me.

George Brandis, your leader is saying to big business, 'we will wind it back; just hold your horses on buying the carbon pollution permits'. This is just creating confusion, isn't it? I mean, the fact is that this tax - this carbon scheme - is going to go through. It's going to become law soon. Isn't this just muddying the waters?

BRANDIS: Well two things; first of all, it's not right to say that Mr Abbott has said 'we're going to wind it back'. What Mr Abbott has said ...

BEGLEY: Has he not given a commitment that he will repeal?

BRANDIS: No, no, no, let me finish.

What he has said is not that he's going to wind it back, but he's going to repeal it. He is not ... he's going to get rid of it entirely. So let's just be as clear as we can about this. This is not a matter of degree: it is black and white.

BEGLEY: Yes.

BRANDIS: The Labor Party stands for the carbon tax; the Liberal Party stands for the elimination of the carbon tax.

Now, as for muddying the waters, I don't know how Mr Abbott could be clearer than to say that it will be our black and white policy at the next election that if we were to be elected we will repeal the carbon tax. So all businesses, and indeed everyone in the country, is on notice what our clear intentions are.

BEGLEY: But this is ... the criticism has been in recent times that this is going to drive up power prices. It's going to stymie investment in green technology if ... You know, it's a whole industry that is at stake here that there's confusion over.

BRANDIS: Well, what will drive up power prices - electricity prices, gas prices, petrol prices, food and grocery prices, transport prices, municipal rates; anything ... almost anything you care to think of that goes to your cost of living - is the carbon tax.

In fact, in the Treasury's own modelling, they factor in an immediate 10 per cent increase in electricity prices as a result of the carbon tax. You see, Terry, that's the whole point of the

carbon tax. The point of the carbon tax is to make electricity prices more expensive so as to reduce usage of electricity, in particular by coal-fired generators. That's the whole policy purpose of this: change people's cost structure.

BEGLEY:

Craig Emerson, how will ... much ... will power prices go up what you say is true, that the Coalition is creating uncertainty? How is that going to increase power prices more than the introduction of a carbon tax?

EMERSON:

The claim comes from industry. It comes from the electricity generating industry. We agree with the claim, and it has been a fact that the electricity generation industry has been seeking some certainty about carbon pricing since 2005. And just when they have got some certainty through the passage of this legislation through the House of Representatives, and they can make investment decisions of the basis of that certainty, the Coalition comes along and injects a new round of uncertainty into it.

And what they are saying is that they will then withhold investment in conventional and in renewable energy investment. And as a result of that shortage of electricity generating capacity, electricity prices are going to go up.

Now, Senator Brandis has just said that this is a commitment given in black and white. Mr Abbott said it's a blood commitment. But Mr Abbott also said, when he was Health Minister, that he would give a rock-solid, iron-clad promise never to tamper with the Medicare safety net. And straight after the election, they tampered with it. You cannot believe them. I don't believe they will.

BRANDIS: I wouldn't be going ...

EMERSON: I don't believe they will. And the reason I don't believe they will ...

BRANDIS: I wouldn't be going there, Craig, when six days before the last Federal election...

EMERSON: The reason I don't believe ... the reason I don't believe that they will ...

BRANDIS: ...Julia Gillard said 'there will be no carbon tax under the Government I lead'.

EMERSON: The reason I don't believe that they will withdraw the carbon price is that they would have to cut the age pension and increase taxes; take the tax-free threshold down from \$18,000 to \$6,000; put another million people back into the tax system who we are taking out of the tax system. And the Australian public doesn't believe Mr Abbott is going to withdraw

the carbon price. And that's why you get these hysterical claims: 'this time it's a blood promise; it's black and white; this time we're really telling the truth'.

The fact is Mr Abbott will not be able to make any sums add up. And he will go to the Australian people with this proposition: 'believe me, I will remove the carbon price and under me, Tony Abbott, electricity prices will fall'. Well, pigs might fly. The Australian people won't believe that. They'll believe the electricity-generating industry, which says that under Mr Abbott electricity prices would rise.

BRANDIS: I couldn't ... I must say...

BEGLEY: A quick response, George Brandis.

BRANDIS: I must say, if you really wanted to make my day, Craig, you'd turn the next election into a credibility argument between Julia Gillard who, six days before the last election, said 'there will be no carbon tax under the government I lead', and Tony Abbott. You mark my words: if the Coalition ... the Coalition intends to make...

EMERSON: This time, you're really telling the truth?

BRANDIS: ...the carbon tax ... the Coalition intends to make the next election a referendum on the carbon tax. The public were lied to at the time

of the last election. This has been forced on them in breach of a commitment and against their will. But at the next election, we will make sure they get to have their say.

EMERSON: Terri, there are new figures out today from ...

BEGLEY: Very, very quickly, Craig Emerson.

EMERSON: ... yes, from NATSEM, which Tony Abbott has described as the most reputable modelling business in Australia. And they actually say that there will be significant net gains to low- and middle-income earners as a result of the legislation that we're passing, and that if anything, the Government's claims are understated; that the costs on households will be smaller and the compensation will be greater.

BEGLEY: Okay. Let's just move on to another quick couple of issues before we lose our line to Canberra with you, George Brandis.

Allan Asher, the Commonwealth Ombudsman, facing possible censure by the House of Representatives about collusion with the Greens. He's apologised to the Senate Estimates Committee. This was after it was revealed he'd sent suggested questions he thought should be asked at a committee hearing to a Greens Senator. Has this

damaged the Ombudsman's Office? Is there going to be collateral damage from this; the independence of the Ombudsman's Office because of this? George Brandis?

BRANDIS:

I think it was an unusual thing for Mr Asher to do. And I was at the Estimates Hearing the night before the last when he did express his regret as to his course of conduct. But I think there's a wider story here.

Mr Asher, who is a very reputable, very senior public servant, was driven by frustration to do this because, as he also pointing out to the Senate Estimates Committee, his office is so grossly underfunded by this Government that he doesn't feel that he can fulfil his statutory obligations sufficiently.

Now, I think he's gone about this in the wrong way and he's said so himself. But, you know, the Office of the Ombudsman is one of the integrity offices of the Government. And the fact that this Government is so averse to scrutiny that it won't even fund the Ombudsman properly is itself a story.

BEGLEY:

Craig Emerson?

EMERSON:

My understanding is funding for the Ombudsman has increased. I would suggest that your listeners, when they hear the word

“ombudsman”, think about impartiality and transparency. Mr Asher has not displayed that in this particular instance. What may or may not happen in respect of Mr Asher is a matter about which I do not know. But I'm simply saying that I believe that most of your listeners would think that someone who is in a position of impartiality and needing to demonstrate it may not have done so on this occasion.

BEGLEY:

Gentlemen, before we wrap up: of course, a very special guest arriving in Canberra later this evening on a whirlwind tour. Some pop stars can't fit in as many dates as this lady. Of course, I'm talking about the Queen, starting off her visit to Australia in Canberra.

I guess there's a lot of talk that this will be her last tour. What do you think, Craig Emerson?

EMERSON:

I don't know. I'm sure the Queen would have much greater information about that than I do. But I will be meeting the Queen for a second time on Friday evening.

BEGLEY:

For a second time?

EMERSON:

And I'm going to ask my daughter whether she would like to come along. She's 15. So, Laura, if you're listening, would you like to come and meet the Queen, darling?

BEGLEY: You haven't asked her yet? Isn't that wonderful? I'm sure she'll say yes.

Senator George Brandis, have you been invited to meet the Queen?

BRANDIS: Yes. I'm going to a reception for Her Majesty at Parliament House on Friday evening. I'm very much looking forward to it. And I think that you drew the comparison between the Queen and a pop star. I think the Queen is a much more impressive person than any pop star I ever heard of.

EMERSON: She's a pretty good singer too, I think.

BEGLEY: I'm talking about her marathon-like ability to be able to crisscross the globe and keep going.

BRANDIS: Well, she is an exemplar of public service over, you know, 60 years now. It's quite extraordinary.

EMERSON: There was a great rock band called Queen, but that was Freddie Mercury.

BEGLEY: Yeah, we won't go there. But you're obviously both, you know, very keen to be in her presence. How do you think the public is going to respond to this tour? There has been talk that perhaps she doesn't have the crowd-

pulling power that she may have in times gone by.

EMERSON: I think she will.

BRANDIS: Well, I don't think that's the point. I mean, the point is that the vast majority of Australians - whether they are supporters of the existing constitutional arrangements or whether they're republicans; whether they're one of the dwindling number of republicans - have an enormous amount of affection and respect for Her Majesty, and so they ought to.

EMERSON: I agree. I think that whenever there have been any controversies associated with the Monarchy, and the debates here in Australia about republicans versus monarchists, most people agree that they hold Queen Elizabeth II in very high regard; with great affection.

BEGLEY: And I know even Federal MPs, like yourselves, would be given strict instructions on what you can and can't say and how you should behave around the Queen. Any particular rules that you'll both be abiding by, or any topics for discussion that you'd like to bring up with her if you get the opportunity for a short chat?

EMERSON: I'll probably stay off the English performance in the Rugby World Cup. I'll probably leave that alone.

BEGLEY: Definitely a no-go. George Brandis, anything you'd like, if you had the opportunity, to bring up with the Queen?

BRANDIS: Look, I'll let things happen as they may. I understand the protocol is that you wait for Her Majesty to initiate the conversation.

BEGLEY: And definitely hands off.

BRANDIS: Indeed.

BEGLEY: Both of you [laughs]. Gentlemen, thank you again for your time this morning.

BRANDIS: Thanks very much, Terri.

EMERSON: Thank you, Terri.

BEGLEY: *Inside Canberra* - Senator George Brandis and Craig Emerson, the Trade Minister. And, unfortunately, neither of them getting their proper chance to say goodbye to Madonna King today. But who knows? They might ...

EMERSON: Bye-bye, Madonna.

BEGLEY: Yes, I think that's ... will suffice, probably for today. Maybe you'll get the opportunity on Friday, if she's back.

EMERSON: If she'll have me on the program.

BEGLEY: Thank you both, gentlemen.

