



THE HON DR CRAIG EMERSON MP
MINISTER FOR TRADE

Transcript
ABC 612 Mornings with Terri Begley

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TERRI BEGLEY: It's a quarter past nine. While most of us were sleeping, just before three o'clock this morning, the Government's mining tax Bills passed through the House of Representatives - but not before some last-minute horse trading was done with the Greens to make up a \$20 million a year shortfall. Let's go *Inside Canberra* to talk on the tax and other issues dominating Federal politics. Dr Craig Emerson is the Trade Minister. Good morning.

CRAIG EMERSON: Hello Terri.

BEGLEY: Did you get any sleep at all between the Bills going through and now?

EMERSON: Yeah, I got back to where I stay a bit after three o'clock, and slept from three till 7.30.

BEGLEY: That's probably a long sleep for a politician. And Senator George Brandis is the Deputy Opposition Leader in the Senate. Good morning, Senator.

GEORGE BRANDIS: Good morning Terri.

BEGLEY: Are you feeling fresher than Craig Emerson?

BRANDIS: Not much. The Senate also sat till the early hours this morning.

BEGLEY: Yes indeed. So I guess you're in a competition as to who can stay awake the longest this morning. We'll try and keep you awake. Craig Emerson, on the mining tax: can you assure us this deal with the Greens to plug this hole - this \$20 million hole a year - won't come out of our pockets, our hospitals, our schools?

EMERSON: We will find savings, as we do in ordinary Budgets. We are going to find savings in the mid-year economic and fiscal outlook; that's a pretty standard operating procedure. And the good news is that this tax has passed, so the benefits of the mining boom will be fairly shared. I would point out that Mr Abbott had pledged support for superannuation increases for working Australians, but last night after falling asleep was able to wake up and vote no. He actually called the division to oppose the increase in superannuation for working Australians from 9 to 12 per cent.

BEGLEY: Senator Brandis?

BRANDIS: Well that's not the truth.

EMERSON: It is. I was sitting there.

BRANDIS: The Bill before the House of Representatives last night was the mining tax Bill, as you've correctly said Terri. I must say I think it's very, very sad that we've got to this pass, that to this day we don't ... today we don't know the terms of the deal between the Labor Party and the Green Member of Parliament Mr Bandt, which was the price of his support for the Bill - because it's a secret deal. Mr Bandt actually said on the

television about an hour ago that that was so; that he wasn't ready to announce.

BEGLEY: But we will be hearing it from the Government at some stage?

BRANDIS: We might be, but we're not going to be hearing it before the Parliament voted on the legislation. This is the whole point, because the Greens and the Labor Party last night conspired to pervert the democratic process. You had Members of Parliament asked to vote on an important piece of tax legislation being deliberately kept in the dark about the terms of the deal done between the Labor Party and the Greens to buy the Green Member of Parliament's vote. It was a disgusting thing to do. Today I think people should - certainly Labor Party and Green Party Members of Parliament - should be feeling pretty shabby.

EMERSON: Terri, you don't vote on Budgets until Budgets are presented. And if the Coalition does not want to vote for savings, that is a complete reversal of the decision they were adopting yesterday: and that is that the Government should be finding more savings. And the fact is George has sought to deny the truth. The truth is that the Bills - last night I was in the Parliament - included superannuation Bills. Mr Abbott publicly said that he would now support an increase in superannuation for working Australians, from 9 to 12 per cent, but voted against it. He woke up from his slumber.

BRANDIS: That's an incorrect statement of Mr Abbott's position.

EMERSON: I was there. You weren't there, George. You wouldn't know.

BRANDIS: Craig, that is an incorrect statement of the Coalition's position. What the Coalition said is that we will not rescind this increase.

BEGLEY: Okay.

EMERSON: They voted against it and therefore are against the spreading of the benefits of the mining boom to 8.4 million working Australians; against the spreading of the mining boom to 2.7 million small businesses, up and down the Sunshine Coast, the Gold Coast - we know that South-East Queensland is the small business capital of Australia. Mr Abbott will give the money back to the big mining companies, who are quite prepared to pay it, and deny - in fact rescind - tax relief for small business.

BEGLEY: Just another quick one ...

BRANDIS: That is not the truth.

EMERSON: It is the truth.

BRANDIS: I sit here week in and week out and hear you engage, Craig, in this dishonest rhetoric.

EMERSON: You tell us the position.

BRANDIS: The fact is that at the next Federal election - whenever that is, and most people in this country can't wait for it to happen - we'll be going to the public with a more generous tax measures than you are proposing. And they will be announced at the appropriate time, before the next election.

EMERSON: So this is new policy?

BRANDIS: That is what Mr Abbott has said all along.

EMERSON: He has said repeatedly he will rescind tax relief for small businesses.

BEGLEY: Well actually, just on that ...

BRANDIS: Craig, he has never said that. And your statement that he would rescind tax relief for small business is not the truth.

BEGLEY: But the Opposition Leader, Senator Brandis ... Moving on, though: the Opposition Leader, Senator Brandis, has said you will rescind the carbon tax if you win office.

EMERSON: And the mining tax.

BRANDIS: That's absolutely true.

BEGLEY: It appears cracks, though, are starting to appear on your side, with reports Coalition backbenchers this week are now speaking up opposing that plan. Should Tony Abbott be listening to his backbenchers, who are starting to feel uneasy about bringing this tax back?

BRANDIS: Well, I assume you're referring to the Coalition party meeting yesterday which was the subject of some reports in this morning's paper. No Coalition backbencher said that. Nobody said anything like that, so I don't know where those reports came from. But that statement that you've just put to me - that some backbenchers are saying that we should vacate that position - is not right.

EMERSON: What they're actually saying, Terri, is that Mr Abbott is being run by the National Party. And they want a say in decisions that Mr Abbott is making in consultation with the National Party. Kelly O'Dwyer ...

BRANDIS: Craig, I was in the meeting; you weren't. So please ...

EMERSON: It was in every newspaper.

BRANDIS: Please don't tell me what was said at a meeting that I attended and you didn't.

EMERSON: So every newspaper has misled the country about Kelly O'Dwyer saying she'd had a gutful of Mr Abbott being led and driven by the National Party? And the truth is that there are a number of Coalition Members ...

BRANDIS: Craig, that statement was not made.

EMERSON: So every newspaper in the country is lying?

BRANDIS: That statement was not made by either Ms O'Dwyer or anybody.

EMERSON: Every newspaper in the country is lying.

BEGLEY: Alright, well let's ...

BRANDIS: Wouldn't be the first time there's been a false report.

EMERSON: In every newspaper? Okay.

BEGLEY: Let's put that one to bed. Moving away ...

BRANDIS: Let's set the record straight. That statement was not made by anybody.

BEGLEY: Thank you Senator Brandis.

EMERSON: What about Kelly O'Dwyer? Didn't happen?

BEGLEY: Moving away from the mining tax passing. Of course, also that's been in the news this week Peter Slipper. The LNP executive is meeting today, George Brandis, to decide what disciplinary action if any should be taken against the Sunshine Coast MP. As you'd be aware, he has angered Members for having Kevin Rudd in his electorate last week, and also for publicly criticising fellow Liberal Alex Somlyay. What should be done, George Brandis, with Peter Slipper?

BRANDIS: Well that's an organisational matter. I'm not a member of the LNP executive, so it's not for me either publicly or privately to express views on what they may or may not choose to do.

BEGLEY: Do you support an early pre-selection in the seat of Fisher?

BRANDIS: It's an organisational matter on which I don't propose to comment.

EMERSON: Terri, Peter Slipper's days are numbered because Mal Brough is up there on the Sunshine Coast challenging Peter Slipper. It's well known. It's inevitable that Mal Brough will challenge Peter Slipper for pre-selection. The only question is when.

BEGLEY: This is distracting, then ...

BRANDIS: Well, we in the Liberal Party actually do have an open and democratic process. All of our pre-selectors are ordinary people in the branches. They're not, as is the case with the Labor Party, 50 per cent-plus union heavies who pick which Labor Party activists get to sit in Parliament. So we're not afraid of an open and democratic process. And that process will occur at an appropriate time, which will be decided by the organisational wing of the party.

EMERSON: And Mal Brough will win.

BEGLEY: It's a distraction leading into the next election.

BRANDIS: He may win; he may not be the only other candidate as well. It's very odd to hear a politician suggest that it's to the discredit of a political party that there is competition for a pre-selection. That's the way democratic political parties work, Craig. But because you're in the Labor Party you wouldn't be familiar with it.

EMERSON: I didn't say that at all; I just said his days are numbered. And Mal Brough has a number of pre-selectors who sooner rather than later are going to have their full year as members of the LNP. They will then be able to vote, and they will seek to remove Peter Slipper because he doesn't do what he's told.

BEGLEY: You're listening to *Inside Canberra*, coming to you live from Canberra today. Two tired game players here this morning: Senator Brandis and Craig Emerson. Not game players, but participants in *Inside Canberra*. On to the Commonwealth Games: there's real anger on the Gold Coast this morning about an apparent lack of interest, Craig Emerson, by the Federal Government on funding these Games. We know that Canberra kicked in about \$100 million to the Melbourne Games five years ago. Treasurer Swan promised he would talk to the State Government and the Council, but it appears that nothing's come out of this so far for the Gold Coast there.

EMERSON: I consider it pretty early days for Commonwealth Games planning, so let's just allow these matters to take their course. And people shouldn't just jump to conclusions because we haven't in a very short period of time made a definitive decision on this matter.

BRANDIS: Nobody, Terri, should be surprised if they were misled or lied to by this Labor Government.

EMERSON: Geez, George is in fine form this morning.

BRANDIS: I'm just telling it like it is, Craig.

EMERSON: Cheer up, George.

BRANDIS: Don't forget that this is the Government that got elected on the promise that there would be no

carbon tax, and now you're celebrating the breach of that promise. You're celebrating, apparently, the breach now of undertakings given by Mr Swan to the people of the Gold Coast. I don't think there is a level below which this Labor Government will not stoop.

EMERSON: We're actually celebrating the passage of a mining tax which will share the benefits of the mining boom. The only person in the country who believes the mining industry pays too much tax is Tony Abbott. And that's why he'll rescind it; rescind the benefits associated ...

BRANDIS: We don't actually believe in killing the goose that laid the golden egg, Craig.

EMERSON: \$430 billion...

BRANDIS: You don't, you don't...

EMERSON: \$430 billion worth of investment in the pipeline. This is an unprecedented mining boom, and in the full knowledge of a mining tax -because most actually believe it's fair.

BEGLEY: We have covered the mining tax this morning, though. I think we will move on to one more final subject before we lose you both: this tobacco plain packaging legislation. Within hours of these plain packaging laws passing through the Houses, the tobacco giant Phillip Morris has announced it's going to follow through with court action against the Government. There are warnings, gentlemen, that this challenge could cost billions of dollars. The tobacco giants we know have very deep pockets. Is this going to end up costing us big time, Craig Emerson, this challenge to these plain packaging laws? Is it worth it?

EMERSON: It is worth it. This is an initiative that we've taken. It's supported by the World Health Organisation. I

don't know any smoker who wants his or her children to take up smoking.

BEGLEY: Absolutely, but how ...

EMERSON: This is actually a measure, believe it or not, that ostensibly is supported by the Coalition. It went through the Parliament with the support of the Coalition.

BEGLEY: Senator Brandis, how confident are you that this legislation, these laws, are going to hold up against a big challenge from the big tobacco giants on this? Everyone is watching this.

BRANDIS: There was a package of two Bills. There was the principal Bill, and there were some amendments to the Trademark Act, which the Coalition opposed ...

EMERSON: Oh, there's a surprise!

BRANDIS: ... because we thought they were poorly drafted. And as I understand it the Phillip Morris action is based, at least in part, on the defective legislation which the Coalition warned was defective, and which we opposed. But we were ignored by the Government, so we'll see what the High Court makes of it, Terri.

BEGLEY: Craig Emerson, did you want to respond to that?

EMERSON: No. We think this is a fundamentally important health measure. As I said, I thought it would enjoy the support of the Coalition. They've managed to find a way of saying no; we shouldn't be surprised by that.

BRANDIS: But we supported the plain packaging legislation.

EMERSON: We're determined to implement this measure for the health and welfare of the Australian people.

Something like 6,000 people die of smoking-related diseases every year.

BRANDIS: Look, let me just clarify that further misstatement of the Coalition's position. The Coalition supported the plain packaging legislation. We warned that a related Bill which amended the Trademark Act was defective for various technical reasons. The Government ignored our advice. As I understand it, that is one of the grounds upon which the entire suite of Bills is now being challenged in the High Court.

EMERSON: And another way just to say no.

BEGLEY: Do you think, Senator Brandis, do you think there is a weakness there that could be exploited, and that we could be spending a lot of money defending a legal action that we ultimately lose. That's the question.

BRANDIS: Well, I sat on the Senate committee that heard evidence on these Bills. And we actually had the counsel for Phillip Morris appear before the Senate committee, who outlined the legal arguments that they were proposing to run in the event that the legislation was passed. They are weighty legal arguments. I'm not going to predict what the High Court will ultimately say. But if the Government is foolish enough to think that, particularly having disregarded the Coalition's warning about the technical defects in the Trademarks Act, that this is going to be plain sailing in the High Court, well they're very foolish.

BEGLEY: Okay, I have to end it there gentlemen. We're about to lose our line. Thank you for your time.

EMERSON: Thanks Terri.

BRANDIS: Thanks Terri.

BEGLEY:

George Brandis, Senator George Brandis, and Craig Emerson, the Minister for Trade ending *Inside Canberra* this morning. And you can probably tell they're both a little tetchy this morning. Both have been up till all hours of the night with the passage of legislation through the Senate and the House of Representatives.