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SKY NEWS AM AGENDA

Interview with Ashleigh Gillon

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SUBJECTS: Carbon Pollution Reduction Scheme, National Broadband Network.

GILLON: Welcome to AM Agenda. Joining me both from Sydney, Small Business Minister Craig Emerson and Opposition MP Michael Johnson. Thanks for joining us here this morning. Michael, firstly to you. We know the Opposition has commissioned this independent analysis of the white paper but what was your initial reaction to the plan and the reaction of your colleagues?

JOHNSON: Well good morning Ashleigh. Well I'm pleased to say the Coalition and Malcolm Turnbull are going to give this very strong consideration. I think this is perhaps more to the side of the Coalition than most people would have expected so we're not surprised by it but still there is a lot of work that needs to be done. The Government has had a full 12 months to consider this with the full resources of Government but we're going to be very constructive, we're going to be a very good Opposition and do what's in the national interest.

GILLON: Well Barnaby Joyce already seems to have made up his mind. He says the scheme won't do a thing to save the environment but it will cost jobs and investment. Do you agree with that assessment?

JOHNSON: Look Barnaby's a great Queenslander like Craig Emerson and myself. Look, he'll do what's in the interests of the state of Queensland and Australia and I'm more than confident that he's going to do what's right.

GILLON: But Michael you must acknowledge that this is going to be a huge challenge for the Opposition to come up with a united position on this?

JOHNSON: I'm not so sure about that. Our guiding principle is always going to be what's in the national interest. The most important thing is jobs. The most important thing is economic prosperity and we'll do what we have to, say what we have to, in the interests of the country, in the interests of those companies that might lose jobs.

GILLON: Well Craig Emerson, Coalition support in the Senate is now pretty crucial isn't it given that now the Greens are furious over the targets set yesterday?

EMERSON: Well the Leader of the National Party in the Senate Barnaby Joyce says he totally opposes this. Just yesterday Opposition spokesperson Andrew Robb in an opinion piece in The Australian described the start up date as "reckless" and a "shemozzle". Today they have a different position. We won't know what position the Coalition has on this from one day to another. Michael talks about the national interest which is welcome but I fear again that Malcolm Turnbull will operate in his own political interest and not in the national interest. He needs to rein in Barnaby Joyce. I don't mind

at all for them to be doing modelling, that's reasonable, but they can't seem to hold a position from one day to the next.

GILLON: Well Craig Emerson that means getting it through the Senate is going to be a pretty difficult task isn't it as the Greens are offside of course as we all saw yesterday and people within the Opposition look doubtful as well?

EMERSON: Well it could be. Michael has just assured us that Barnaby Joyce will fall into line but we'll have to wait and see. What we've done here Ashleigh is chart a course right down the middle and of course there will be some Green groups who are very strongly opposed to what we are doing. Some sections of industry in Australia are not very happy and some are a little bit more relaxed about it but what we've had to do is find that middle course where we are making a very substantial contribution to reducing our own emissions here in Australia and taking a leadership role in the world. I understand that when people say "oh well, you're not doing as much as Europe" - well we are on a per capita basis and that's been the criticism that we're the third or second biggest per capita polluter in the world. On a per capita basis we're doing more than Europe.

GILLON: Okay. Michael just getting back to the Opposition stance on this. Is the Opposition still opposed to starting this scheme in the Year 2010?

JOHNSON: Look Malcolm Turnbull and Andrew Robb have indicated that the starting date will depend on what's in the national interest, that the dates and timelines the Government has set are in the interests of the country. We'll look at that pretty carefully.

GILLON: That's a pretty clear shift in policy position Michael. That's quite a back down isn't it?

JOHNSON: Ah, look I don't think so. We're being guided by what's in the national interest. Jobs, industries, I mean if they can't survive in the competitive global environment there's no way from a position of unemployment, from economic weakness, we'll be able to make any impact on climate change.

EMERSON: So for six months your party has been saying it is implacably opposed to a 2010 start up date. As recently as yesterday in an opinion piece in The Australian newspaper Andrew Robb described the 2010 start up date as "reckless" and a "shemozzle". Last night Malcolm Turnbull is saying "we're open to a 2010 start up date" and a lot of the industry people are saying.....

GILLON: Well Michael this is an interesting point. Malcolm Turnbull all year has been saying and I've got a quote here "why would you want to build an emissions trading scheme in the dark? We need to know what the US is going to do. We need to know what the global international agreement is going to look like after Copenhagen". Those two factors don't seem to have changed in this white paper. The Copenhagen meeting is a year off and we're still not sure what the US President is going to do at that meeting.

JOHNSON: I mean all along the Labor Party, Kevin Rudd, have been promising to the Australian people they would be doing something very substantial in the interests of the country. The reason why we're seeing the Greens attack the Labor Government is because during the campaign they promised the world to the Greens. We didn't see any protests during the election campaign and now we're seeing the Greens attack the Labor Government. I think that indicates where the shift has happened is in the Government side.

EMERSON: So what are you saying Michael that we should adopt the Greens' position? This would be a new Coalition position.

JOHNSON: Certainly not. I actually think you've moved closer to the Opposition's position to be more responsible and to set targets that may be achievable.

EMERSON: There's endorsement from the Coalition.....

JOHNSON: Rather than the pie in the sky target that you promised in the campaign and which you actually misled the people of Australia I would say.

EMERSON: That's a pretty strong accusation.

GILLON: Craig Emerson, the Government all along has said it's an ambition to introduce the scheme in 2010. The use of the word ambition, that seems to indicate there is no guarantee that will be the start date: What's the likelihood do you think that it could be delayed given the Senate.....

EMERSON: Well that's right. You point to a very real constraint. We'll do everything we can. That's why we describe it as an ambition. It doesn't need a rocket scientist to calculate that we do not have a majority in the Senate. The Greens are obviously implacably opposed to the policy that was released just yesterday. We need therefore the Coalition's support on this and I don't know whether we'll get it or not because they do change their position from one day to the next.

If I could say something very quickly about the Greens' position: Christine Milne has said this will be the end of the Great Barrier Reef. Well let's just do a bit of arithmetic. We actually contribute, that is Australia, a little over one per cent of global emissions. If we stopped emitting overnight, that is shut down Australia, 99 per cent of emissions would still go into the atmosphere so Christine Milne's position is that Australia's one per cent is what's killing the Great Barrier Reef not the world's 99 per cent. You can't deal constructively with that kind of false logic.

GILLON: Okay we are running out of time and I do need to move on to the Government's national broadband system. Yesterday the Government rejected Telstra's bid because it didn't meet some legal conditions. The Opposition and Telstra say the reasons behind that decision were trivial and spurious. Does it make sense to exclude the country's biggest telco from such an important process?

EMERSON: Well it was the independent panel that excluded it and based on legal advice. You can't have one set of rules for a number of bidders and another set of rules for Telstra. Telstra was asked to comply with the conditions of the bid. They didn't do so. In doing so you're not being fair to the other bidders by saying we'll make a special dispensation for Telstra. They knew what they were doing. They failed to comply. The independent panel ruled, including on the basis of legal advice and Telstra's out.

GILLON: Well Michael Johnson some communications analysts say that Telstra is realistically the only company that can roll out this new system in the Government's timeframe. Is that the Opposition's take on this too?

JOHNSON: Look I think Craig was not very persuasive in his arguments there. If you look across the Labor Government, so many departments, so many portfolios Ministers are all over the place and if there is one area that really is a shemozzle this is it and I know Craig will try and put a better spin on this.....

EMERSON: We just respect tendering processes.

JOHNSON: This is an absolute mess. I'm not sure how a real tender process can take place in this country without the largest telco. I mean this is \$4.7 billion of taxpayers money that could be going to an Australian company and if, don't take it from me Craig, if you look at the share price of Telstra it's dropped by 11 per cent, \$6 billion wiped off. I think the market has spoken very convincingly about how they feel.....

EMERSON: Your argument Michael is that you don't need to comply with the conditions of a tender process, just pick Telstra. Well that is not the way we're going to operate.

GILLON: Michael it is pretty ironic that the Opposition is going in to bat for Telstra after being at loggerheads with this company for years under the Howard Government? Do you think Telstra is the only company that can realistically deliver on this?

JOHNSON: What's important is that every stakeholder gets the chance to bid.....

EMERSON: It is.

JOHNSON: What the Government has said that is that Telstra you, an Australian company with Australian shareholders, are not permitted to bid.....

EMERSON: They were permitted to bid. They didn't comply.

JOHNSON: I think all the shareholders of Telstra will have great reservations about supporting this Government....

EMERSON: inaudible....

JOHNSON:at the next election. I would certainly encourage all shareholders to look very carefully, who've probably had thousands of dollars wiped off their savings and investments.

EMERSON: We need a fair and open tendering process and you can't have one big telco saying we're not going to play by the rules, just pick us. We're not going to get intimidated by a particularly company....

GILLON: Well Craig I just wanted to ask you that a lot people who voted for Labor thought they would get a much tougher emissions trading scheme and a high speed broadband network much sooner than it now seems likely. Has the reality of government set in?

EMERSON: Well we are operating in the national interest. A 27 per cent reduction in emissions on a per capita basis is an ambitious target. As Penny Wong has said we could have set all sorts of targets with no intention of achieving them but what we've done is set a realistic target which is actually more ambitious than Europe. So I think that if people want to judge this objectively this is an ambitious target, there is a plan to achieve it, not everyone is happy and I could not imagine how we could have made people from the very dark green side and industry happy. We've gone straight down the middle in the national interest and we're proud of that. Penny Wong, Kevin Rudd and the whole team who've done this have done a very good job and if you ask industry they'll say the consultation process.....

JOHNSON: inaudible.

GILLON: Gentlemen thanks for your insight this morning. Michael Johnson and Craig Emerson thank you for your time.

ENDS.