



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
2CC Breakfast with Mark Parton

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E&OE

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*Subjects: Carbon price.*

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MARK PARTON: Sixteen to nine - as usual on a Wednesday morning we're joined by the Federal Trade Minister Craig Emerson. Morning, Craig.

CRAIG EMERSON: Good Morning, Mark.

PARTON: An invitation went out this morning from Chris Smith to you if you'd like to attend the "No Carbon Tax" rally.

EMERSON: I'm on the other side of the argument.

PARTON: Oh but, gee, I don't know if it's all about that. I think it's about democracy, isn't it?

EMERSON: It is, absolutely, and they have every entitlement to come along and make their views known and that's perfectly fine; that's what democracy's all about. I think Greg Combet is receiving a submission, a petition of 12,000 signatures in favour of putting a price on carbon, so that's the exercising of democracy as well.

PARTON: But are we in danger here with this debate; that there's so much time, money and energy being spent from both sides here that ultimately we are getting spin from both sides?

EMERSON: I don't think so, the big reforms in Australia ...

PARTON: Are you saying we're getting spin from the other side but there's no spin from your side?

EMERSON: No, no, I think we're getting the release of policy positions and the big reform and debates of the last quarter century have attracted a lot of public attention. There's nothing wrong with that. We in Government in the 1980s and early 1990s did some major economic reforms and, by and large, Mark, they got the bipartisan support of John Howard when he was Opposition Leader - for those reforms. On this occasion this, too, is a big environmental reform but it's an equally big economic reform. We're not getting that bipartisan support - that's a decision that Tony Abbott has made, but that's one of the reasons why there's, you know, even more noise in and around this debate. We understand that. We're going to see this argument through because it's a very important reform to set Australia up for the 21<sup>st</sup> century.

PARTON: You speak of, you know, the various points that are being made from all sorts of people: those that say they're on this side, those that say they're in the middle. I know that energy producers said today - this new modelling that's going to be laid on the table - energy producers would need to spend at least \$30 billion on power stations that use gas and other clean technologies over the next decade to comply with even a modest emissions-reduction target. This is going to be released at a business forum in Canberra today and, like, when you read those figures you sit back and say, 'well hang on, how are we gonna do this?'

EMERSON: Well of course I haven't had the opportunity to see the report, but I will make this point and that is that making the transition to a low-carbon economy is not something that can be done for free. Tony Abbott would have you believe that he can achieve the same targets with his alternative plan of actually subsidising those who emit carbon into the atmosphere. What we're doing is putting a price on carbon so that those who emit carbon into the atmosphere - that's less than a thousand of the big emitters - are faced with that price and then they have incentives to reduce their carbon emissions. This isn't a tax that is applied in the supermarket at the cash register, but we're not pretending that it can be done for free - unlike Tony Abbott who says, 'well, you know, follow my plan'. The trouble is, Mark, with his plan it will actually cost taxpayers \$30 billion to hit that target. Now, \$30 billion as a direct hit on taxpayers is a much bigger impact than what we're talking about, but particularly when we would provide generous compensation for lower and middle income earners.

PARTON: Okay. Won't these energy producers get a double whammy in that, you know, there's going to be a carbon tax imposed on them, at the same time when they've got to go down the path of spending enormous amounts of money to change what they do?

EMERSON: Well, the point of the price on carbon is to encourage them to change what they do; that's the whole point of it. And if they want to reduce their liability that they're paying the carbon price, then they will reduce their emissions - that's the exact purpose of it. By the way, that radical old lefty John Howard understood this and advocated an emissions trading scheme as the most efficient way of reducing emissions.

PARTON: Which continues to be one of the most ironic things about this whole, whole like, line of events doesn't it?

EMERSON: Yeah, yeah. Well, he was Tony Abbott's mentor so you've got comrade Howard saying 'we've got to have an emissions trading scheme', and Tony Abbott far to the right of him, dancing to the tune of One Nation saying 'well I don't know that carbon dioxide is the villain that people suggest it is' and climate change is 'absolute crap'.

PARTON: It's one of the things that the Conservatives choose to forget. Having said that, I know that many in the ALP choose to forget that um ..

JULIA GILLARD  
AUDIO: "There will be no carbon tax under the government I lead."

PARTON: That particular line as well, that ah ...

EMERSON: Well, let me just say about that, we tried three times in the last parliament to put a price on carbon. Julia said in the election campaign we would put a price on carbon; she wanted to do that. Blocked three times, not only by the Coalition but also by the Greens. We're going to put it into the Parliament again and Tony Abbott has said not only will he seek to block it, to stop it, he will remove the carbon price. And when he removes the carbon price if he becomes Prime Minister, he will cut the age pension and he will increase taxes. That's what they are pledged to do and he expects consumers to believe that the electricity prices would fall if he pulled the carbon price out. I'd ask your listeners to think about if they would they believe that the electricity prices would fall if a carbon price was removed. I'd think that people would find that an amazing statement and similarly amazing that a party that it says it's for small

government, lower taxes, would actually increase taxes and reduce pensions after it yanked the carbon price.

PARTON: Craig, I've got to go. Thanks for your time

EMERSON: Thanks Mark.

PARTON: Federal Trade Minister, Craig Emerson.