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Transcript
AM Agenda, Sky News
Tuesday 6 October 2009
Other Panelist: Sophie Mirabella – Shadow Minister for Childcare and the Status of
Women.

Subjects: Newspann comments, Emissions Trading Scheme, interest rates, asylum
seekers, Nobel Prize winner.

GILBERT: Good morning and welcome to AM Agenda. The Coalition's internal differences over the Emissions Trading Scheme have been messy. The Liberal leader has decided to take on dissenters in his own ranks and all the uncertainty is having an impact in the opinion polls.

Joining me this morning is the Small Business Minister Craig Emerson and the Shadow Minister for Childcare and the Status of Women, Sophie Mirabella. Good morning to you both.

EMERSON: Hello Kieran.

MIRABELLA: Good morning.

GILBERT: Sophie first to you, some difficult times for the Coalition but you can't be seen to be brawling publicly and expect anything different in the polls can you?

MIRABELLA: Well opposition is never easy and the time for a new opposition is the hardest time and opposition leaders early on in parties' opposition period have got the most difficult task and yes it doesn't help when a party sends out mixed messages and that certainly hasn't helped at all, but polls do go up and down and there's a message there from the Australian people that we can't be sending mixed messages. Yes we can have vigorous debate which we do and I think that's a very healthy thing to have a vigorous debate within the party.

GILBERT: One of your front bench colleagues Mitch Fifield spoke out yesterday against the leader's approach. Are you talking about that sort of thing when you are talking about mixed messages?

MIRABELLA: Well I think there have been mixed messages for some weeks now and I'm not specifically directing anything at Mitch and I think, and I've read his comments and I don't think he was directly contradicting the leader or he was giving his own interpretation of his understanding of party policy and the reality is we need to keep discussing policy and what's in the best interests of Australia far more than discussing about ourselves publicly.

GILBERT: Well what do you think though? Do you agree with Malcolm Turnbull that amendments might be negotiated before Copenhagen or are you with the Mitch Fifield school of thought?

MIRABELLA: Well I'm with the party room understanding on this issue and I was there at the last party room meeting and the understanding was that the Shadow Minister would go away, look at drafting some amendments and we would have further discussions on that. I don't think you can have a very simplistic 'yes'- 'no' approach. We are very serious about climate change and we want to be as constructive as possible. We've done that and this is a problem for the Government. The problem has started with the Government's utterly flawed legislation that no Senators, no other non-Government Senators really feel comfortable with and we're in the process of trying to be constructive and those amendments will be further discussed before any decisions are taken.

GILBERT: All right. Craig Emerson does the Government need to avoid the sense of hubris or you know getting ahead of yourselves with the lead as strong as it is?

EMERSON: Kieran, our focus was and remains on the needs of the Australian people, dealing with the concerns of the Australian people about jobs, about climate change, about their health care and we'll continue to govern in the national interest. The polls will tell whatever story they may but we will not be distracted or diverted from governing in the national interest in those three really important areas - the jobs of Australians, climate change and health care. The problem at the moment with the Coalition is that they consider their jobs to be more important than the jobs of average Australians and I guess a judgement is being made about that.

GILBERT: Well you've got a lot of political capital there, there's no doubt about it in the polls. Would you consider then the prospect of maybe reining in the spending, changing the nature of the spending? It does seem hard to believe that you got it right exactly from the outset when you announced all those stimulus plans before we realised it was going to be as milder downturn as it was?

EMERSON: Well just very recently the Secretary of the Treasury and then last week the Governor of the Reserve Bank gave testimony to a Senate Committee hearing both of them sharing the view, with the Government, that the stimulus initiative has been very successful in keeping Australia out of recession making us the only developed country in the world to be recession-free. And that the stimulus was appropriate and remains appropriate to the task of locking in as best we can the jobs of the Australian people. International forecasts are still saying that global unemployment has got a long way to go. It hasn't peaked by any means. So there are a lot of challenges coming from overseas from the deepest recession since the global depression and it would be irresponsible in the extreme for any party to advocate early withdrawal of the stimulus. Unfortunately that is exactly the prescription of the Coalition.

MIRABELLA: What is irresponsible ...

GILBERT: Sophie just pause for one moment for me. I'm going to be speaking just quickly with Martin O'Shannessy from Newspoll before we move on to other matters. Martin the polling numbers, terrible numbers for the Coalition, is this simply a reflection of a messy few weeks for Malcolm Turnbull and Co?

Comment from Newspoll

GILBERT: Craig Emerson the prospect of the early poll that Martin is playing down there, it must be tempting if you don't get that big piece of legislation through and with the lead as large as it is in the polls?

EMERSON: Again the Australian people elected the Rudd Government to govern and that's what we're doing. We're not speculating about early elections. We want to continue our work in supporting Australian jobs, supporting health care and getting

an outcome on climate change. That's what the Australian people expect of the Government, that's why they voted for us and that's what we're delivering. That is our one and only focus getting that program, the basis upon which we were elected, through the Parliament, supporting those jobs, supporting a solution to climate change and one that goes beyond this rhetoric of the Coalition now saying, as Sophie just did, a deeply flawed Emissions Trading Scheme. That fills me with foreboding Kieran because it's pretty clear what's going to happen is that the only amendments that Malcolm Turnbull will be able to get through the party room are amendments that effectively gut the Emissions Trading Scheme. That's the new agenda of the Coalition and that will not serve the short term or the long term interests of the Australian people and the Coalition needs to start focussing on that.

GILBERT: And Sophie Mirabella it looks like you will be having to focus on the reality that a trigger for a double dissolution at the very least Mitch Fifield, the latest Mathias Cormann from WA, now the WA State Liberal Conference at the weekend moving a motion calling on your leader to reconsider his position on the Emissions Trading Scheme? It looks now increasingly likely that the Government will have that trigger. Are some of your colleagues naïve about the politics of this, that you could end up at the polls sooner rather than later?

MIRABELLA: Look the Government has played politics with the ETS from the very beginning, it is not a piece of legislation ...

EMERSON: Yeah, yeah, sure.

MIRABELLA: Craig, mate, just settle down.

EMERSON: I'm fine, I'm fine Sophie.

MIRABELLA: In their arrogance they have played politics with this particular issue and it is absolutely arrogant of Craig to assume that the repository of all knowledge and all wisdom about this issue rests with the Federal Labor Party. It doesn't. You've got to be open to new ideas; you've got to be open to discussion. Every government when it tries to pass significant legislation in the past has negotiated in good faith with other senate parties and that's what you need to do, not play politics with this issue and the Australian public deserves better. There is concern about growing debt when you see \$45 million supposedly spent on Aboriginal housing and there's not one house been built. We saw yesterday the social housing interim report of \$42 million and they could only point to one house being built in Tasmania. The stimulus package is full of waste, billions of dollars of waste and the Government needs to remember that even though it might be riding high in the polls, Australians know they are wasting money. They see it left right and centre and they read about it in their local press and the national press every single day of the week. You can't hide behind the skirts of the Reserve Bank and other economists because there are many economists who don't agree with you who are saying rein in, you've wasted money, all this money that was supposed to stimulate the economy and create jobs, a lot of it isn't even out there in the community yet, and you're just ...

GILBERT: All right Sophie, we're going to take a break now. Sorry Sophie we are going to have to take a break, we'll be back in a moment on AM Agenda.

Break

GILBERT: Welcome back to AM Agenda with me the Small Business Minister Craig Emerson and Liberal front bencher Sophie Mirabella. Craig Emerson the official cash rate could rise today for the first time in 18 months. Are you worried about the potential for a political backlash from rising rates?

EMERSON: Well needless to say the Government can't and won't speculate about what the independent Reserve Bank might do today but the Governor of the Reserve Bank has said repeatedly that the cash rate is at emergency low levels and at some stage, at some stage, and we don't know when because it is a decision for an independent authority, interest rates will rise. We've up front about that. As the global economy begins to recover then global interest rates will rise. We will not get into the caper of the previous Coalition Government promising that interest rates will be at record lows only then to preside over 10 interest rate rises. They are at present at a 50-year-low so it is likely that at some stage will they will go up and we've been honest with the Australian people about that.

GILBERT: Will there be any political impact do you think?

EMERSON: Look I don't know, that's for the Australian people to judge but I think the Australian people know that as the global economy recovers there will be an increase in interest rates. It's a quarter of one percentage point in the United States. There's only one direction for interest rates in the United States to go - up and certainly the Governor of the Reserve Bank in the same testimony that we were referring to before the break said about Australia's debt and deficit that they are very, very moderate and that they will have no impact, no impact on Australian interest rates.

GILBERT: Sophie Mirabella it's a fair point isn't it, Glen Stevens has made the point that these are at emergency levels three percent lowest in 50 years? They've got to move back up to more normal settings don't they?

MIRABELLA: Well the best thing for the Australian economy is for interest rates to remain low but with the Government's extraordinary historic high levels of spending and debt it's bound to push interest rates up. The Australian public know that, they know that when their interest rates go up, hopefully they won't go up in a hurry and hopefully they'll stay at sustainable levels but if interest rates do go up and up and up and up it will be because this Government has gone into extraordinary debt, borrowed extraordinary amounts of money and totally and utterly mismanaged that money in the economy. They will be directly liable for interest rate rises and the Australian public and mortgage holders will know that and will feel that very, very deeply.

GILBERT: There are a few other issues I want to get to now before we wrap up the program. Craig Emerson, reports that security officials may move to expel some Sri Lankan detainees at Christmas Island over fears that they could be Tamil Tigers. What does the Government know about these claims?

EMERSON: We don't have any information, certainly I don't have any information to hand on that but the whole purpose of detention Kieran is to do identity checks, security checks and health checks, those three and they will be done on anyone coming to this country claiming asylum including of course those at Christmas Island.

GILBERT: Craig, intelligence agencies again reportedly warning the Government to expect another surge, already around 1500 asylum seekers arriving on around 30 vessels. Is it simply the push factors as you say, can you argue that's it's just the push factors involved or has the Government's different policies encouraged these unsafe practices?

EMERSON: It is the push factors. There is a lot of instability in and around our region at the moment whether it is in Sri Lanka, in South Asia more generally there are real problems there Kieran so that's explaining the increase in unauthorised arrivals. It's certainly not the abandonment of the farcical and extraordinarily expensive 'Pacific Solution' that the Coalition put in place. Some of the more enlightened members of the Coalition have criticised the previous Government's

'Pacific Solution'. We think it was absolutely the right thing to do to get rid of that farcical situation but that has not contributed to the rate of boat arrivals here in Australia. It has been the push factors and we will do those checks, we'll do the three checks that I said, they will need to be genuine asylum seekers in order to gain entry into this country and they will need to satisfy those three checks.

GILBERT: And that's a fair approach Sophie Mirabella, the Coalition has made criticisms but report after report suggests that asylum seekers aren't aware of even who's in Government in Australia let alone specific policies?

MIRABELLA: Well I'm sure that will disturb Kevin Rudd to know that he's not known abroad but seriously

EMERSON: What a disingenuous comment.

MIRABELLA: This is a very, very, this is a very serious issue. What is disingenuous is for Craig Emerson to say, to criticise the policies of the former Government and then on the other hand say nothing's changed. It's not us we haven't done anything, but they have. This Labor Government is true to form as all previous Labor Governments. They are soft on border protection, they are soft on illegal immigrants, the Australian public knows it and the boats will still keep coming in. It is as simple as that.

EMERSON: So you are supporting the 'Pacific Solution'?

MIRABELLA: They are sending out the messages loudly and clearly 'we are a new Government, we're a Labor Government the shores are *open*' ...

EMERSON: You just said they didn't know that Kevin Rudd was the Prime Minister.

MIRABELLA: ... and that's the real issue, the real issue in spite of Craig's concern and that's why he's interjecting because he knows this is an issue out there in the electorate that is a huge concern. A Government, a Government in a supposedly western civilised democracy with all the ability and the power to make laws to govern itself if it can't govern who comes into this country and to be able to stop people smuggling and illegal immigration knows that's a very, very dangerous situation and the Australian public do know that and no amount of expensive spin and advertising and advertising agencies abroad trying to sell a different message is going to fix it. This Government thinks the more they spend

EMERSON: Take a breath.

MIRABELLA: The more they spend on public advertising the more that they can pull the wool over peoples' eyes and the reality is sometimes the chickens come home to roost Craig and people can see through the fraud this Government is pretending to bare.

EMERSON: So you're going to bring back the 'Pacific Solution' Sophie?

MIRABELLA: The public can see through the fraudulent acts of this Government.

GILBERT: All right I am going to finish now.

MIRABELLA: They are soft on border protection

GILBERT: We are going to finish on another subject, a more positive subject to wrap up on. That is the molecular biologist Elizabeth Blackburn, the first Australian woman to win a Nobel Prize. Craig Emerson you are the acting Science Minister your response to this great news from Stockholm?

EMERSON: It is a great day for Australia. We are thrilled with Elizabeth's achievements and those of her colleagues. She's the first Australian woman to be awarded the Nobel Prize and she's an inspiration Kieran. Elizabeth Blackburn is an inspiration to all those young people who are considering a career in science, but of course especially to young women and we would encourage young people to follow in the footsteps of Elizabeth Blackburn, starting in Tasmania, very humble beginnings and here we are now, thrilled, absolutely thrilled that Elizabeth Blackburn has brought this great honour on herself and on Australia.

GILBERT: Sophie I'm sure you would agree and as Shadow Minister for the Status of Women I suppose the question is why has it taken us so long given that we have so many capable female scientists and other professionals around Australia?

MIRABELLA: Well Elizabeth is an extraordinary role model and the sort of role model I like young women to look up to, and she did point to a couple of factors and one of them significantly was that so many woman after their doctoral work do drop off in the science and medical area and we do need to look at more flexible programs more flexible work arrangements for woman and she did look at the ability to be engaged in the sector on a part time level and in other ways, and I think we need to look at that right across not just in the science and medical industries but right across the board. How can we come up with a diverse mix for women to be able to enter and exit the workforce as their personal choices and family choices determine and I think that's a really key issue for the future if we want to make it easier for skilled, talented, educated women to be able to make the contribution to their chosen field.

GILBERT: Absolutely, it's nice to finish on a positive bi-partisan note. Craig Emerson, Sophie Mirabella appreciate your time this morning

EMERSON: Righto Kieran.

MIRABELLA: Pleasure.

GILBERT: That's all for the program, David Speers will be along 4.15 eastern daylight savings time, I'm Kieran Gilbert thanks for your company.

Ends.