



HON CRAIG EMERSON MP
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND THE
SERVICE ECONOMY
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS
MINISTER ASSISTING THE MINISTER FOR FINANCE ON DEREGULATION

Transcript
AM Agenda, Sky News
Monday 10 August 2009

Interviewer Ashleigh Gillon with Liberal Senator Mitch Fifield

*Subjects: Emissions Trading Scheme; poll results; Ozcar; privileges committee;
Coalition disunity.*

GILLON: Well today the Opposition Leader, Malcolm Turnbull, will try to get back on the front foot by announcing an alternative plan to tackle climate change.

SKY News understands the Coalition will claim its plan is twice as green and will cost significantly less than the Government's emissions trading scheme.

Under the plan, sources tell us the Coalition will commit to an unconditional target to cut emissions by 10 per cent; that's compared to the Government's unconditional target of just five per cent.

Plus the Coalition's plan would see electricity bills rise by just \$8 a year, as opposed to \$260 a year under the Government's scheme. And the Opposition says it will save thousands of jobs on top of all of that.

Joining me here in Canberra this morning is Small Business Minister Craig Emerson.

Good morning.

EMERSON: Good morning Ashleigh.

GILLON: And Liberal Senator, Mitch Fifield. Good morning to you.

FIFIELD: Good morning Ashleigh.

GILLON: Welcome back after what seemed like a...

FIFIELD: Yeah.

GILLON: ...long winter break from Parliament.

Senator Fifield I'm going to start with you. Your leader's going to release this plan today - obviously we'll get the details a bit later on this morning - but already a lot of leaks have told us what we should be expecting.

This plan is apparently going to be cutting more emissions and costing less while saving jobs. Is it too good to be true?

FIFIELD: Well it sounds like a good plan already [laughs]. Look Ashleigh what we've been arguing all along is that if it's possible to define a model which cuts emissions by as much or more than the Government's plan, does so at less of a cost to the economy, does so at less of a cost to jobs and does so at less cost to consumers, then why wouldn't you look at such a model? And that's what we've been arguing all along.

We've offered to sit down with the Government, we've offered to negotiate; the Government has refused that offer. But we think what the Government should have done at the outset is look at alternatives. The Government has looked at no alternatives. This ETS has become an end in itself.

An ETS is not an end in itself, it's a mechanism to reduce emissions, and if we can find a better way then we should look at that.

GILLON: Well your alternative plan looks like a sort of hybrid model where it has the Government's emissions trading scheme for most industries but then when it looks at - when we look at electricity generators it would operate under what's called a baseline and credit model.

What's your understanding of exactly how all of that works and what it means for emissions?

FIFIELD: Look I think we've got to wait until we have the announcement later today. I think it's being made at 11 o'clock, so we don't have the benefit of that detail as yet. But the important thing is that the Government commits today to look at our new policy proposal. There's no reason for them not to do so.

The Government themselves have delayed their own legislation, they've delayed the starting date of their own scheme. We used to hear that it was going to be plague and pestilence of biblical proportions if there was any delay to the implementation of the ETS.

The Government have delayed their own introduction, so clearly it's not the end of the world to take a bit of time to look at these things. We need to take the time. We need to make sure we get it right.

GILLON: Does it annoy you that all of the newspapers this morning have details about this alternative plan that will be announced today, yet it hasn't been put to the party room and obviously a lot of people don't know many of the details in your own party?

FIFIELD: No I'm not frustrated at all. I think it's terrific that we have a plan, that we have a policy, that we have something to sit down with the Government and talk about.

GILLON: You just don't know what it is?

FIFIELD: Well there's been a lot of work that's been done on this. Andrew Robb, Malcolm Turnbull and Nick Xenophon commissioned Frontier Economics. And yeah, you're quite right, Nick Xenophon at the moment knows more about this proposal than I do but the important thing is that the work has been done.

We'll all have the opportunity to take a look at it at 11 o'clock. I'll be studying it closely, our party room will be studying it closely but as importantly the Government should study it closely. And the Government should commit that they will look at this because this will be the only alternative on the table.

The Government themselves haven't looked at alternatives so we don't know if there's a better way of doing things. We don't know if we can reduce emissions by more and at less cost to the economy.

It sounds like this plan will do just that, and if it does that then the Government should seriously look at it.

GILLON: Well Minister the Government's been calling on the Opposition to be more precise about exactly what it wants changed on your ETS. It looks like we might get some movement on that today. Is that something you welcome? Will you be happy so sit down and look at it?

EMERSON: I thought Mitch summarised the Coalition's objective very well when he said it sounds like a good plan. It's meant to sound like a good plan. With all due respect to Mitch, he doesn't know what's in it.

FIFIELD: That's semantics.

EMERSON: He doesn't know what's in it. It's meant to sound like a good plan. It's a plan that is - as you said Ashleigh, purportedly is twice as green as the Government's scheme but doesn't affect anyone. I mean that is so typically Malcolm Turnbull. This scheme has been in use in Canada and they are moving away from it to an emissions trading scheme.

This scheme, to be released at 11 o'clock this morning, is opposed by the Business Council of Australia and is opposed by the Electricity Supply Association who want to just get on with the job. And the job is supporting the Government's legislation here, not playing games with this sort of magic pudding economics that it's going to be twice as green without affecting anyone.

GILLON: I'm not sure that those business groups can actually oppose this

because we don't know what it is yet. Are you saying that you look at the baseline and...

EMERSON: The scheme is in place in Canada. This is a baseline scheme and emissions above that baseline would then be subject to some sort of constraint.

Now that opens up this other very big question as to whether a scheme like that would lead to credits or permits that could be traded with other countries. And as we know this is a global issue and therefore global trading permits becomes very important.

It's unlikely that our system, under Malcolm Turnbull's magic pudding proposal, would lead to internationally tradeable credits, so it's got problems left, right and centre.

GILLON: So you're saying that a hybrid - a hybrid model you think just won't work?

EMERSON: Well the evidence from Canada is pretty obvious and that is they've had it and they're moving away from it. It's being opposed by industry here in Australia and yet Malcolm Turnbull's saying look at my wonderful new scheme, twice as green but doesn't affect anyone.

FIFIELD: Ashleigh I think it's very telling that the Government, before they've even seen the detail of this scheme, is criticising it.

EMERSON: Well I know more about it than you do Mitch.

FIFIELD: That just goes to show the level of intransigence and the pig-headedness of this Government. Before they've seen a policy, they're already out attacking it. They don't want to negotiate. They don't want to sit down. They don't want to talk.

If getting this legislation through was as critical as they say it is, they would be sitting down. They would be talking and they would be welcoming the fact that the Opposition has commissioned work, that the Opposition has a plan, that we want to look at it.

GILLON: Just to clarify...

FIFIELD: The fact is they don't want to talk. This is all about politics. This is all about putting an ETS there, their design as the mark of environmental commitment. That's what this is about.

GILLON: Just to clarify, are you saying the Government isn't even interested at looking at the details of this plan? They're not willing to negotiate?

EMERSON: We're putting our legislation forward. We've developed that legislation over a long period of time. It'll be there for a vote on Thursday and

the Coalition position is: come what may, it will vote it down on Thursday, but in November it will vote it up. It will vote it down on Thursday...

GILLON: Only if there's...

FIFIELD: Craig knows more about what we're doing than we do.

GILLON: Only if there's amendments though.

EMERSON: Well this is what Malcolm Turnbull and Tony Abbott have been saying and I'd be very interested - that's right, isn't it, that you're going to vote it up in November, this scheme?

FIFIELD: Well we're taking it one vote at a time. We've said that if the legislation in its current form is put forward this week, we will vote against it.

EMERSON: And in November?

FIFIELD: Now we hope - now we hope that the Government will sit down and talk to us.

Now Craig I mean, I actually hold out great hope for you. You're one of the few people in Labor who are actually committed to good policy. You hit the ground running when you took your new portfolio responsibilities.

EMERSON: Oh thank you very much Mitch. This is high praise.

FIFIELD: You took the axe to...

EMERSON: This is a high accolade.

FIFIELD: You took the axe to...

GILLON: I'm waiting for the dagger to cut...

[Laughter]

FIFIELD: No, no, no. There's no dagger.

EMERSON: There's a sting in the tail there I think.

FIFIELD: No, no, no, there's no sting. Craig took the axe to Grocery Choice which I think was a smart thing to do. It shows that Craig understands good policy...

EMERSON: He's moved off ETS pretty quickly.

FIFIELD: No, no - understands good policy better than a lot of his colleagues and I would hope that Craig is arguing inside the Labor Party that this ETS is deeply flawed, that it's important to look at alternatives, because Craig's

someone who's committed to evidence-based policy. And Craig would want to look at alternatives.

EMERSON: And I hope that you'll confirm now, here on this program, that you will vote the legislation up in November as already indicated by your leader, Malcolm Turnbull and Tony Abbott.

FIFIELD: Well I can't confirm what's going to happen in November.

EMERSON: New position.

FIFIELD: No, not a new position at all. We still hope that you sit down and talk to us. You know we're eternally optimistic.

GILLON: Well the nine-point proposal that Malcolm Turnbull put forward a couple of weeks ago, that - there's no way that they will be turned into actual amendments by the vote on Thursday is there? So are you resigned that this scheme will be voted down on Thursday?

FIFIELD: Well I've got a radical suggestion. There doesn't have to be a vote on Thursday. The Government can sit down and they can talk to us. We can have a vote the week after. We can have a vote a few weeks after that. It doesn't have to be this Thursday. This is a completely artificial barrier.

EMERSON: This has been coming for months.

FIFIELD: It's a completely artificial barrier.

GILLON: Minister are you resigned that this will be voted down on Thursday?

EMERSON: That's what I'm told.

GILLON: The Greens aren't going to budge. The Coalition seems unlikely to budge as well.

EMERSON: Yeah well it appears it's certain to be voted down if the Coalition stays with its current position.

GILLON: And a delay on the vote isn't an option for the Upper...

EMERSON: Well what's the point of delaying a vote so that they can vote it down later? When they've said...

FIFIELD: What's the point of being reasonable?

EMERSON: What's the point of - they said well we want to negotiate but whatever happens we're going to vote the legislation down and we're going to vote it up in November.

FIFIELD: No.

EMERSON: It's an absurd position.

FIFIELD: No that's not our position at all. Our position is we want to sit down and talk. Now, we've got experience from when we were in government. Most of the time we didn't have a majority in the Senate and we appreciated the mathematics of the Senate. If you don't have the numbers, you've got to talk to parties who do have the numbers.

GILLON: Well, tied in with the Government's emission trading scheme is the legislation for the renewable energy scheme. Why is that tied together, Minister? Why can't they be separated so that you can get this renewable energy scheme up and running?

EMERSON: For the very simple reason that we are going ahead with an integrated plan to reduce emissions in Australia by having a cap and trade system, which is the common system being either developed or implemented around the world, and having strong incentives for renewable energy. It's an integrated package. It makes sense, absolute sense.

GILLON: But aren't there thousands of jobs at stake here? Couldn't you get this legislation through, create all these jobs, obviously at a time when that would be of great benefit to the economy?

EMERSON: Well, when the Coalition supports this in November, and if they did change their mind and support it on Thursday, then we're all systems go.

GILLON: But they don't have to be linked. Isn't this pure politics on the Government's behalf?

EMERSON: Well, I think all Australians appreciate that in order to tackle climate change you need an integrated plan. You can't just say, well, we'll do a bit here and bit there. It needs to be a whole and that's what this legislation is.

We've got an emissions trading scheme, supported by Malcolm Turnbull by the way, supported by Malcolm Turnbull. He says "I was the architect of John Howard's emissions trading scheme", and now he says he's against emissions trading.

GILLON: But let's get...

FIFIELD: No, no.

EMERSON: He is.

FIFIELD: He's not.

GILLON: Let's just get back to this point of the renewable energy.

FIFIELD: He's against your design.

GILLON: The Opposition has said that it would support the renewable energy scheme, so why can't we just get this up and running and going? The Government keeps telling us...

FIFIELD: Good question.

GILLON: ...this is so urgent, that climate change is this urgent need and we need...

EMERSON: It is. It is.

GILLON: ...to tackle it straight away and you've got the option to do that.

EMERSON: And that's why we want the Coalition to support the legislation, including the renewable energy legislation, as a whole. This is a holistic response and having little stunts like a special scheme for the coal industry, the electricity generation industry, that is opposed by industry itself, doesn't advance the debate.

You see, all this is about is Malcolm Turnbull trying to find some sort of accommodation through a completely fractured party room. There is no position that he can put that has the support of the party.

We don't know what's going to happen in the Senate. People are likely to cross the floor, if not this time then next time, left, right and centre from the Coalition. Barnaby Joyce calls it an employment termination scheme and won't vote for it under any circumstances, and Malcolm Turnbull says we must have an ETS. Barnaby Joyce says under no circumstances.

GILLON: Okay, well we're going to be hearing a lot more about this in the coming days, of course, as these votes approach.

EMERSON: I'm sure we will.

GILLON: We'll come back after the break and look at what else we can expect when Parliament returns tomorrow.

[Unrelated items - advertisements]

Welcome back to AM Agenda. Joining on me on our panel of politicians this morning, the Small Business Minister, Craig Emerson, and the Liberal Senator, Mitch Fifield.

Now, Senator Fifield when you woke up today and looked at The Australian newspaper you would have seen some more devastating poll results for Malcolm Turnbull today.

We're seeing that Mr Turnbull's still trailing Kevin Rudd by a huge margin when it comes to the question of better Prime Minister and who would make a better Prime Minister. Mr Rudd is on 65 per cent; Mr Turnbull's on 17 per cent. Granted that is one point up for Malcolm Turnbull but still pretty disastrous results. Probably not surprising?

FIFIELD: Well, we've had a shocking month. We've got to be honest about that. So these poll numbers are no surprise. Malcolm is doing a solid job in very difficult circumstances. What we're keen to do, and what I hope the Government is also keen to do, is start talking about policy and that's what we'll be doing later today when Malcolm makes the announcement about our proposal for a different style of emissions trading scheme.

GILLON: Are you worried that now that all the MPs and senators will be back here in Canberra this week all under the one roof that we'll see more and more speculation about the Liberal leadership?

Over the last couple of weeks we've seen stories that Andrew Robb is being asked to take over, that Tony Abbott is positioning himself for the leadership. Are you worried that your colleagues might get a bit excited on that issue over the next couple of weeks?

FIFIELD: No, I tend to find the colleagues are less excited when they're all together. They tend to be a little more excited when they're spread across Australia.

[Laughter]

Everyone tends to be a bit calmer and a bit more rational when we're under the same roof. So look, I think it's going to be a week where we focus on the big issues, focus on ETS, focus on debt and deficit. That's what we're here to talk about.

GILLON: Well, we also saw in these polls Mr Turnbull's dissatisfaction rating has really taken a blow. The per cent of people who are dissatisfied with the way Malcolm Turnbull's doing his job has jumped seven points to 57 per cent. Just 26 per cent of people are satisfied.

Minister, I guess the Government might try to claim credit for this. Over the last few weeks we've seen this sustained attack on the Opposition Leader over the whole OzCar affair, the Godwin Grech revelations over the last couple of weeks. Are you just trying to prolong that over the next couple of weeks by talking about referring this to the Parliamentary Privileges Committee?

EMERSON: Well, Malcolm Turnbull's refused to apologise. He's refused to express any remorse except some self-pity towards himself. I don't think that that's going to change now and so we should move on.

In my view we should move on to the debate that Mitch and I have just been having which will be played out in the Parliament. There is a Senate Privileges matter - let that take its course.

But I guess the one thing I can say, is that I think Malcolm thought that this was the quick and easy way to the Lodge. There's no substitute for the hard policy work, for the debates that the Australian people expect us to have as to different political parties on many things we agree on, other things we disagree.

They want to see those debates, they want to see good policy, so do I. I think Mitch does too, let's move on.

GILLON: Minister, that's a bit of a change of tune from last week. The Prime Minister, the Deputy Prime Minister - basically every minister, I think yourself included...

EMERSON: Including me, yeah.

GILLON: ...last week were really hammering Malcolm Turnbull on this...

EMERSON: Because we were trying to get...

GILLON: Your own internal polling told you...

FIFIELD: As I say, Craig's not bad, he really likes good policy.

EMERSON: We were trying to get Malcolm Turnbull at least to express some remorse, some regret. And he said the only thing I regreted is ever meeting Godwin Grech.

Now he had an hour-long press conference, wouldn't change his position, went to ground after that. I don't think he's going to hold a press conference today or when he releases this, you know, magic pudding as he - as he would have it - to reducing carbon, that when he's asked about this I don't think he's going to say, I am sorry. I don't think he's going to express remorse for misleading the Australian people, which he did through the process of getting questions and answers arranged with Godwin Grech.

So in those circumstances the Australian people are making their judgment. Let's move on with the full debates on policy issues.

GILLON: Do you think Malcolm Turnbull could have handled the fallout from the OzCar affair a lot better?

FIFIELD: Look I think all of us wish that this saga had never happened. All of us can learn from this particular episode.

I'm glad to hear Craig's language changing. But the important thing is the

focus on the big issues. That is a big departure from what the Government was saying last week.

We agree with that wholeheartedly. The Australian public, they don't want to be focused on this OzCar issue. They don't want to be focused on who said what and to whom. They want to move on. We want to move on. Let's focus on the issues.

EMERSON: So Minister, does that mean that Government won't be pushing anymore for the Privileges Committee?

EMERSON: Oh no, I said let that take its course...

GILLON: Right.

EMERSON: ...and I understand Barnaby Joyce has said that he supports it. The best I can interpret Malcolm Turnbull's position on this is that he supports it. Eric Abetz had something to say about it the other day. Let's go ahead with that.

I think there's a very significant chance of it having bipartisan support or referral to the Privileges Committee. That will probably or may well reveal further information.

But it's just a matter now of Malcolm Turnbull understanding that there's no quick and dirty way to the Lodge. You've got to actually do the hard policy work and engage in the debates.

GILLON: How damaging could that inquiry be if it does happen - the Privileges Committee examining this case? What do you think is the likely outcome of that?

FIFIELD: I don't think an inquiry would be damaging at all. The important thing is to make sure that it is a properly constituted inquiry.

One of the great strengths of the Parliament is the Privileges Committee. It's always chaired by an Opposition senator. It always conducts its work on a bipartisan basis and that's why we voted against the earlier reference because it was clearly an effort to bring the Privileges Committee into the heart of a partisan debate for partisan purposes.

If the Government sit down with the Opposition and talk about terms of reference, then I'm sure it's possible to find a form for the committee which will focus on procedural issues, which will focus on evidence given at the committee.

We want to make sure that the Senate's committees operate properly and as long as the Government is prepared to sit down and talk about that then I'm sure it would be possible to find a way through.

GILLON: Looking back to the real business of Parliament, other pieces of legislation to be voted on the Senate this week. We're going to see the Government's tax hike on alcopops, also the changes to the private health insurance rebate.

Those are a couple of issues that it seems your Coalition colleagues aren't at one on. There have been some rumblings we've heard over the last few days that - especially some of the Nationals might be voting against the alcopops tax hike, despite Malcolm Turnbull's support for that now.

FIFIELD: Look that may well happen as I've often said here and it's something which we I think fail to appreciate fully is that the National Party are a separate political party. They work with us in coalition, but from time to time they will form their own views.

Now I don't think that's a weakness. I actually think it's a strength, that we cover a broader spectrum of opinion than does the Labor Party and that sometimes finds expression through the National Party voting a different way.

That may well happen on alcopops, but we've made our decision in relation to that.

GILLON: Minister what's your expectations of those couple of bills? Are you expecting...

EMERSON: Well I too have seen suggestions that the National Party will cross the floor, will oppose the position of the Liberal Party. As Bob Hawke used to say many, many times, if you can't govern yourselves, you can't govern the country.

And it's all right for Mitch and I guess understandable for Mitch to say it's not a problem.

FIFIELD: Not [indistinct].

EMERSON: It is a problem, because whenever Malcolm Turnbull adopts a position, Barnaby Joyce - because he's very upset about not being nominated for the seat of Dawson - adopts the opposite position.

Now that's, as far as it goes, that's a bit intriguing but the truth is it makes for a Coalition that is not fit to govern the country.

If you've got one guy, the leader of the Nationals in the Senate and pretty much the self-appointed leader of the National Party, always adopting a position that is different to that adopted by the leader of the Opposition then you've got a huge problem.

And that's what we've seen played out with the emissions trading scheme. I think Malcolm Turnbull does actually support an emissions trading scheme.

He keeps telling us he does and then he comes up with this other scheme which is not an emissions trading scheme. Why? To appease Barnaby Joyce. It won't work.

GILLON: Senator, how - I mean you say it's not a problem but it is quite damaging isn't it, to Mr Turnbull's leadership when there are all these different views coming out? And it really just serves to confuse everyone about what the Coalition's position is on a range of these issues.

FIFIELD: Well we're a party which engages in robust debate. We're a party where people aren't afraid to express a view. We're a Coalition where people actually like talking about ideas, like challenging each other.

We don't want to be in a situation like the Government where no-one dares express a contrary view, no-one dares contribute in a debate. Everyone's told what the line is and what to think.

You know you saw that at - you saw that at the ALP Conference...

EMERSON: Come on. If you go to an election...

GILLON: As a leader I think that's kind of the way you prefer it...

EMERSON: If you go to an election with a policy and you say I'll implement this if Barnaby says it's okay, it's a ridiculous...

FIFIELD: You're - you're. No, no...

GILLON: This is a debate for another time. We actually have run out of time for this morning's program.

Minister Craig Emerson, Senator Mitch Fifield, thanks for joining us this morning.

EMERSON: Thanks Ashleigh.

FIFIELD: See you Ashleigh, thanks. Ta.

GILLON: And we will be bringing you the Opposition Leader's press conference this morning at 11 o'clock when it happens; when we're expecting Malcolm Turnbull to unveil the Coalition's new alternative plan to tackle climate change.

Ends.