



**HON CRAIG EMERSON MP**

MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND  
THE SERVICE ECONOMY  
MINISTER ASSISTING THE MINISTER FOR FINANCE ON  
DEREGULATION

*Inside Canberra with Madonna King*  
ABC 612 Brisbane

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Subject: Emissions Trading Scheme; swine flu; Sol Trujillo; North Korea.

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**KING:** The Emissions Trading Scheme looks as though it's in shambles. North Korea has tested a nuclear weapon and Sol Trujillo believes you're racist and working in Australia was a bit like stepping back in time. Add to that what we've been talking about this morning; our preparedness for the swine flu.

Let's go *Inside Canberra* this morning with Dr Craig Emerson Small Business Minister in the Rudd Government. Good morning.

**EMERSON:** And good morning to you Madonna.

**KING:** And good morning also to you Senator George Brandis from the Opposition.

**BRANDIS:** Good morning Madonna. Good morning Craig.

**EMERSON:** Hello George.

**KING:** Just quickly what's the temperature like in Canberra?

**EMERSON:** Ah, political temperature's gone up. Outside there's a fair bit of cloud. I was out on the touch footy field and I know what George will say I'm always playing touch footy. Joe Hockey was there this morning and Bruce Billson. Seven o'clock in the morning, the big change is that it's dark. It's not that cold yet, but it's dark.

**KING:** It's dark at 7 o'clock?

**EMERSON:** Absolutely yeah. We grope around on the touch footy field.

**KING:** We won't go any further there. Now what's the political temperature gone up over? Swine flu? North Korea? Emissions trading?

**EMERSON:** In terms of differences between the Coalition and Labor it's the emissions trading. I think ...

**KING:** Well, let me start there. Let me just fill people in here. The Government's Emissions Trading Scheme looks in tatters this morning. The Government can't get the support of the Coalition or the Greens. Malcolm Turnbull from the Coalition has his own problems with differing views in the Liberal and National Party. Let me ask both you Dr Emerson, and George Brandis, is it set for failure?

**EMERSON:** It's looking bleak. The Coalition has definitely indicated that they're voting against it. The policy is actually not being driven on this occasion by Malcolm Turnbull but by Barnaby Joyce and the Queensland Nationals. Not close friends of George's I'm afraid. And also by Peter Costello who's taken a very hard line on this. I know Malcolm Turnbull well. I know his views on emissions trading. He strongly supports an emissions trading regime. He has said publicly many times that we should not wait for the world and now he's changed his position because he's been forced to change his position.

**KING:** So that doesn't address your side, to George Brandis in just a moment. So you've put up your Emissions Trading Scheme, something that you have promised Australians. You think you are now unable to make it law?

**EMERSON:** We'll see when the vote is held but the Coalition has indicated that they will vote against the legislation, although they've actually said that they'd defer it. I don't exactly know what that means because when the call is made, they say all those in favour and against ...

**KING:** Well, we'll come to George Brandis in just a moment, but I'm asking you about your side ...

**EMERSON:** Well we're putting it up. I don't know what more we can do. We've designed a scheme. We'll put it to a vote in the Senate. If it passes then we'll have an Emissions Trading Scheme and the business community will be mightily relieved.

**KING:** All right. Malcolm Turnbull has got problems getting this through the Liberal and National Party. George Brandis where does the Coalition sit on this?

**BRANDIS:** Well, we certainly don't sit in the same universe as Craig does because almost everything I've just heard come from him is complete fiction. The Shadow Cabinet had a meeting on Monday night about this and it took a position to the Coalition Party Room yesterday morning. I've seldom seen a more united Coalition party room. The suggestion that there is a split within the Coalition, the suggestion that the Liberal Party has one view and the National Party has a different view is complete nonsense. In fact, I think it's a great credit to Malcolm Turnbull and to the respective Shadow Ministers

Andrew Robb and Greg Hunt that they were able to develop a position that had the unanimous endorsement of the Opposition and is a very sensible position.

Let me explain to you, if I may Madonna, what our concern with the Government's Emissions Trading System is. Australia is too small an economy to get way out ahead of where the major economies in the world are going to be. Not just countries like China and India but the United States and Europe as well. That's why there is this international conference in Copenhagen in December which is going to address the issues of targets and mechanisms for achieving those targets. And what the Rudd Government wants to do is say, regardless of what the rest of the world, regardless of what the bigger, more powerful economies like the United States might decide to do, Australia is going to commit to more ambitious targets right now in advance of the world which is ...

**EMERSON:** George you know ...

**KING:** Hold on, but didn't a whole lot of people go and vote for the Rudd Government at the last election because of these promises. George Brandis?

**BRANDIS:** The people voted for the Rudd Government at the last election for a number of reasons. In relation to climate change, you will recall Mr Rudd's great line was, his great promise was, we will ratify Kyoto.

**EMERSON:** It was more than that George.

**KING:** All right, well let's move on from here because we know there are different views in the community as well as among our politicians and you've just highlighted that in terms of the Carbon Pollution Reduction Scheme but there are consequences here for voters perhaps. If this goes for a vote next month, as you've both agreed, it will probably be voted down. The Government would then bring it back after three months. A second defeat would qualify it as a double dissolution trigger. What's going to happen here? Are you looking for an early election Craig Emerson?

**EMERSON:** We're looking to govern in the national interest. We're looking to get this legislation through. We are ... George is quite wrong in saying we will go to the Copenhagen conference with an unconditional target. It is actually conditional. The 25 per cent reduction is conditional upon an effective international agreement. The Coalition has changed its position because Barnaby Joyce, the Queensland Nationals, and Peter Costello are driving the agenda here.

**KING:** Yes, but moving on from that ...

**BRANDIS:** Could I have a go please?

**KING:** No you've had your turn George Brandis. I want to go back to Craig Emerson for a moment. Moving on from the difference in opinion over Carbon

Pollution Reduction Scheme, are we looking at a double dissolution on this issue? Craig Emerson: yes or no?

**EMERSON:** We're looking at a Government that is going to do everything that it reasonably can to get this legislation through.

**KING:** All right. George Brandis, do you believe the Government's looking for an early election?

**EMERSON:** We're talking about getting important legislation through that is important not only for the environment but for business certainty.

**KING:** Yes, George Brandis do you believe the Government is looking for an early election trigger?

**BRANDIS:** I don't know what's in Mr Rudd's mind but, can I just step back from this for a moment, and make a point that's been missed here. What the Opposition is proposing to do in the Senate is to refer this scheme about which we are, for all sorts of reasons, deeply concerned, to the Productivity Commission. Now the Productivity Commission is the Australian Government Agency which has the responsibility for assessing the way in which policy or legislation impacts on the Australian economy and the one thing that everybody in this debate does agree with is that this would have the biggest impact on the Australian economy of any public policy measure in living memory. So, what we say is refer it to the Productivity Commission to report back after Copenhagen.

**EMERSON:** That would be the seventh inquiry.

**BRANDIS:** There's one other small thing if I can quickly make it. Inevitably, the way in which the world adjusts to a carbon trading scheme is going to be dictated ultimately by the United States because it's the most powerful economy in the world. The Obama administration is about to announce its own carbon pollution reduction scheme ...

**KING:** Yes, you spoke about this last week. You spoke about it the week before. My question was on the issue of double dissolution.

**BRANDIS:** Well, I mean, I'm not going to sit here and have the Opposition's position misrepresented by the Rudd Government's spin machine.

**KING:** All right, well let's go onto another issue. We're no closer on whether we're going to go to an early election but, just repeating for everyone at home, the Government would bring it back probably three months after it is expected to be voted down next month. A second defeat would then qualify it as a double dissolution trigger and perhaps you have a view on whether that is what is planned. How angry would you be to go to an early election? Certainly at the state election there was a lot of anger over that issue. Or given the climate, the economic climate, would you welcome getting a federal election out of the way.

Twenty minutes past nine here on ABC 612 *Inside Canberra* this morning with Dr Craig Emerson from the Government and Senator George Brandis from the Opposition. Swine flu. More and more families are facing several days of isolation from the general public as the threat of this swine flu increases. Have we handled this well enough Craig Emerson?

**EMERSON:** Well, I think so. The Chief Health Officer I think was on your program a little earlier explaining what has been done. We've got 50 confirmed cases now. I think just over 130 are being tested. It obviously is spreading in Australia. We have to be realistic about what we can do in relation to cruise ships and aircraft coming into Australia. I don't think anyone seriously is saying that we need to quarantine, or should quarantine, all the passengers on those airlines and cruise ships, so you know, we just have to manage in appropriately. I heard the Chief Medical Health Officer saying it's a relatively mild form of disease.

**KING:** But we can expect tens of thousands of people, like the general flu, to come down with it?

**EMERSON:** Well I think that would be a decision or a judgement you'd have to refer to a different doctor; the Chief Health Officer and those medical people rather than me as a doctor of economics. I couldn't ...

**KING:** But you're saying it's been handled well. George Brandis, do you have any concerns about how it's being handled?

**BRANDIS:** Well I don't think it's being handled very well if, as occurred in the last 24 hours, people suffering from swine flu have been allowed to get off a cruise ship and go back into the general community as they did at the Gold Coast and I completely agree with what the Opposition's health spokesman Peter Dutton had to say about this matter on your, on ABC radio earlier this morning.

**KING:** Yes, on my program. That was Peter Dutton before nine this morning. Let's hop to a topic that perhaps you both agree on and this is Telstra Chief Sol Trujillo taking a swipe at Australia, describing the nation he called home for four years as 'racist, backward and like stepping back in time'. Does he have a point? Do you think Australia is a racist country? You heard how Kevin Rudd farewellled him? Or do you find his comments offensive? George Brandis?

**BRANDIS:** Well, I don't agree with what Mr Trujillo had to say of course. But I might say that it probably would've been a little more helpful and a little more of the standard of conduct one would've expected of a Prime Minister if Mr Rudd hadn't made the smart aleck remark that he did make. Mr Rudd, people have gradually come to realise in the last 18 months, does have a weakness for the smart aleck remark and sometimes, as with President Bush last year, it gets him into trouble.

**EMERSON:** So if a French person was leaving Australia and Kevin Rudd said au revoir would that be racist George? I mean it's pretty ridiculous isn't it? And I do think Madonna ...

**BRANDIS:** I'm not saying it's racist, but it was a regrettable smart aleck sub-Prime Ministerial remark.

**EMERSON:** I do think Sol Trujillo is particularly thin skinned. I didn't know that he had a Hispanic background or blood. It didn't particularly occur to me. But I guess it does raise this broader issue and that is: why do our companies in Australia and our directors seem so keen and almost obsessed with getting overseas CEOs as managers of our great companies? They don't have a particularly fantastic track record. There have been some success stories, others failed. But in relation to Sol Trujillo, he took \$30 million with him so that, you know, Australia must have something going for it.

**KING:** I'm surprised you didn't know about you know, his Hispanic background, his Mexican background given the cartoons that were run about him during his time here, Craig Emerson.

**EMERSON:** I, look, I accept that and it's a valid point. I just don't look at people in terms of what country they look like they're from or what race they might - their origins. My children are the same. I don't know if I've told this story but our youngest boy had a good mate at his local school and we hadn't met the good mate and we asked him to describe him: 'Oh, he's got black hair'. After about a year we met his good mate and he was a Vietnamese boy. And effectively my son was blind to, you know, his ethnic or racial origins and I think that's how we should be.

**KING:** Well, overseas news this week that North Korea has tested a nuclear weapon. The United Nations Security Council has condemned it for violating its resolutions with both China and Russia using strong language. How concerned should we be about this, Craig Emerson?

**EMERSON:** I think we should be. It is a rogue nation in the way that it behaves. I don't know exactly what internal politics might be driving this sort of activity. We probably wouldn't know that because it's a very closed society. The second detonation, I think, was the size, or roughly the size of the bombs that fell on Nagasaki and Hiroshima so you know, it's very serious and very provocative and I think the international community must unite as one and condemn this and make it very, very difficult for North Korea to operate in the global community.

**KING:** Well, in breaking news, I'm reading from web-based news sites, North Korea has fired off another missile, the latest in a series since its nuclear tests two days ago. The North fired a short range missile into the Sea of Japan overnight. It quoted a Seoul government source as saying 'intelligence authorities are now closely monitoring the situation'. Can either of you bring us up to date with that?

**EMERSON:** Look, I would rather not chance my arm on it. I think there is a bit of a pattern of when they detonate a nuclear device they then send a missile into the sea. It is all part of this provocation of not only the Western world but the entire global community. It just seems madness to me. I can't even envisage how they consider that any good, any good whatsoever, will come from this.

**KING:** But is it enough to say yeah this isn't good, you know, George Brandis? Should we be being stronger in our stance? Can we be stronger?

**BRANDIS:** Well, I think Australia has to appreciate that we are not a global super power. We don't have the weight of a United States or a China. The positions of the Government and the Opposition on this issue are a shared position on behalf of Australia. But can I just make the point that I don't think any of your listeners should underestimate the potential seriousness of this matter, particularly having regard to two facts. One is the acute sensitivities of Japan for obvious reasons, and secondly because the reports we see from North Korea from Pyongyang, suggest that this is a regime entering into a transition phase with the imminent retirement or departure from the scene of Kim Jong-Il the leader. And all regimes but particularly authoritarian regimes which go into a leadership transition phase are potentially very unstable so I think this is a very grave matter.

**KING:** Just to fill you in at home the United Nations Security Council is working on a resolution to sanction North Korea for its defiant actions. This is firing another missile overnight. The sixth short range missile the Communist state has fired since its nuclear test on Monday. The US ambassador to the UN says it will take some time for the Council to finalise that text but stay listening to ABC Brisbane and we'll keep you up to date. Just before I let you go, we have been talking about the swine flu but if we can finish on a lighter note. If you were quarantined for a week in your home, you couldn't go anywhere, would that be a holiday or a horror? How would you spend the week? George Brandis first.

**BRANDIS:** Well, it would probably be better if the phone were disconnected. We politicians spend an enormous amount of our time on the phone. So if one were quarantined at home, life wouldn't be a lot different because we'd probably have to, he and I would probably have to spend our time on the phone anyway.

**KING:** Well Craig, I'm hoping you're going to be a little bit more interesting than that. How would you spend the week?

**EMERSON:** Well I've acquired 24 episodes of F-Troop and it's a great comedy from 1965 and 1966. One was, 65 was black and white, the 66 were colour. Corporal Agarn who says: 'Who says I'm dumb', and so on. I reckon I could spend a week watching 24 episodes of F-Troop and I'd turn the phone off.

**KING:** Gentleman good to talk to you. Talk to you next week.

**EMERSON:** Okay. Thanks Madonna. See you George.

**BRANDIS:** Thanks.

**KING:** Senator George Brandis from the Opposition, Dr Craig Emerson from the Government *Inside Canberra* for another week.