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DEREGULATION

Transcript

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Compere ASHLEY GILLON **Summary** C00033972347
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Item: CRAIG EMERSON AND STEPHEN CIOBO DISCUSS THE LIBERAL PARTY LEADERSHIP, THE EMISSIONS TRADING SYSTEM AND LABOR'S NEW INDUSTRIAL RELATIONS LAWS AGAINST THE BACKDROP OF THE GLOBAL ECONOMIC CRISIS.

INTERVIEWEES: CRAIG EMERSON, FEDERAL MINISTER FOR SMALL BUSINESS,; STEPHEN CIOBO, FEDERAL SHADOW MINISTER FOR SMALL BUSINESS,

Demographics:	Male 16+	Female 16+	All people	ABs	GBs
	N/A	N/A	N/A	N/A	N/A

ASHLEY GILLON: Joining me here in the studio, Small Business Minister Craig Emerson...

CRAIG EMERSON: Hi, Ashley.

ASHLEY GILLON: ...and the Liberal frontbencher Steve Ciobo. Hi, how are you going?

STEVE CIOBO: Good morning.

ASHLEY GILLON: Welcome back.

CRAIG EMERSON: Thank you.

ASHLEY GILLON: Steve Ciobo, today's Newspoll results aren't good for Malcolm Turnbull. Do you expect the results will give momentum to Coalition MPs pushing to get Peter Costello back in the top job?

STEVE CIOBO: Well, I mean, we don't get too excited about Newspolls. Polls come and go and as they all say what really matters are the policies that you take and the election-day outcome. From my perspective what we really want to focus on is whether or not Labor's actually performing and whether or not it's delivering jobs and job security to Australians.

Ashley, it's really important that we don't get too excited about these polls because quite frankly what Australians are looking for is not whether or not Peter Costello is preferred leader or whether or not Malcolm Turnbull is preferred leader or, indeed, in the Labor Party the ongoing stoush between Julia Gillard and Kevin Rudd. What they're looking for is who's offering a solution to their employment difficulties, who's offering a solution to make sure that our Australian economy starts to grow again.

ASHLEY GILLON: But, Steve, some of your colleagues have acknowledged that Costello's mere presence on the backbench is destabilising for Malcolm Turnbull's leadership and these sorts of poll results seem to indicate that.

STEVE CIOBO: Well, Ashley, interestingly the poll doesn't ask a question about who'd be the best leader of the Labor Party. The poll doesn't ask a question...

CRAIG EMERSON: It's not in dispute.

STEVE CIOBO: ...about whether or not Julia Gillard...

CRAIG EMERSON: Not in dispute, Steve.

STEVE CIOBO: Well, it is in dispute because, see, this is the whole point.

ASHLEY GILLON: Steve Ciobo, Kevin Rudd's approval ratings are sky-high, as they have been for several months, though, so the issue is, is Malcolm Turnbull being destabilised by Peter Costello?

STEVE CIOBO: Peter Costello has stated unequivocally and on numerous occasions that he is not making himself available for the leadership so the case is closed. From my...

ASHLEY GILLON: Do you think he's destabilising Malcolm Turnbull's leadership?

STEVE CIOBO: As I said, he's making it very clear that he does not intend to make himself available for the leadership so it's that straightforward. What I believe - when I cross the street and talk to people, Ashley, in my electorate, they're not talking to me about Peter Costello, they're not talking to me about Malcolm Turnbull, they're talking to me about the state of the Australian economy and their concern that this government is plunging us \$200 billion into debt. That's my focus. That's what I want to talk about because I know that's what the Australian people are interested in.

They're not interested in some academic exercise about who's statistically in front of whom in Newspoll.

ASHLEY GILLON: Craig Emerson, would Peter Costello's economic credentials make him a tougher opponent for Kevin Rudd? Don't say same horse, different jockey. We've heard that...

CRAIG EMERSON: No...

ASHLEY GILLON: ...so many times before.

CRAIG EMERSON: ...I wasn't going to say - I wasn't going to say that Ashley.

Peter Costello's actually leading the Opposition from the backbench. It's a bizarre situation but his position on various policies, whether it be the ETS or whether it be getting rid of WorkChoices with our industrial relations legislation is, in fact, determining or at least heavily influencing Coalition policy.

That will continue to be the case. He's up for pre-selection in April. I will bet any amount of money that he renominates and he's not renominating to sit on the backbench for the rest of this term and then the subsequent term. He is renominating because he will be the leader of the Opposition before the next election.

STEVE CIOBO: Well, Ashley, I'm intrigued at these Labor people that are able to offer such unique insights into the Liberal Party. Craig, I think...

CRAIG EMERSON: Let's have a bet. Let's have the bet.

STEVE CIOBO: ...it's best that you stick - I think it's best that you stick to Labor Party politics and let those of us in the Liberal Party...

CRAIG EMERSON: Hundred bucks. Hundred bucks...

ASHLEY GILLON: But, Steve Ciobo...

STEVE CIOBO: ...Liberal Party politics.

ASHLEY GILLON: Economic management is meant to be the Coalition's strong suit. Right now we're either in a recession or on the brink of a recession.

STEVE CIOBO: Sure.

ASHLEY GILLON: So if the poll results still aren't improving in these economic times...

STEVE CIOBO: Well, you're blending two things here, Ashley. I mean, the fact is that the poll results are improving and what we're seeing is that the Liberal Party is making ground...

ASHLEY GILLON: Well, they're not. The two-party preferred...

STEVE CIOBO: Has improved. Labor's dropped three points.

ASHLEY GILLON: ...is still the same today.

STEVE CIOBO: Labor's dropped three points and you've just had Martin on saying that that was statistically significant. But,

look, we're really getting into the nitty-ditty - nitty-gritty of the detail here. From my perspective what's clear is that we knew we took a decision when we opposed massive spending spree that we'd be unpopular. We did that though because we believed it was the right thing to do. We've been in government. We spent 12 years in government of which 10 years were spent trying to repay Labor's \$96 billion of debt. This government is now on a reckless spending spree. They've got a credit card maxing out to \$200 billion, nine-and-a-half thousand dollars for every man, woman and child. So yes, we know we're going to be unpopular in the short term because we're standing against Labor's spending spree but we've done it because it's the right thing to do and we want to make sure that we're delivering jobs to Australians.

ASHLEY GILLON:

Craig Emerson, primary support for the ALP has dropped from 47 to 44 per cent, plus more people are dissatisfied with the Prime Minister's performance. Is that a reflection of the Government's handling of the downturn?

CRAIG EMERSON: Well, I don't think so and I do agree, to some extent, with Steve, that these polls will come out fortnightly and they'll move around a bit. The fact is that this particular poll has Labor well ahead of the position that it recorded at the last election. So it is substantially up on the position.

But that can move around too and in the global financial crisis which has now infected most of the world and translated into the deepest recession since the Great Depression, it is a challenge. It is a challenge to, you know, navigate Australia through that enormous international turbulence.

So I don't expect that polls will always be beer and skittles for the Labor Party and I agree to that extent, that one poll on one week doesn't tell you that much but when Peter Costello, and I don't think this will be the last time that question is asked, continues to show up substantially ahead of Malcolm Turnbull, it does raise questions.

Steve, you were the numbers man for Peter Costello when John Howard was being, well - the phantom challenge, the challenge that never happened.

Now, you know and I know that Peter Costello's going nowhere. He's staying in the Parliament because he will be the leader of the Opposition.

ASHLEY GILLON: Regardless of what you think Peter Costello's ambitions are, the fact is that when you consider both Costello and Turnbull against Kevin, both are significantly a lot lower when it comes to the polling for preferred Prime Minister.

STEVE CIOBO: Ashley, this is a government that's come in off the back of strong favourable support at the last election.

ASHLEY GILLON: But surely the honeymoon is over, Steve Ciobo. We're, you know, more than a year into the Rudd Government.

STEVE CIOBO: One thing is certain. The economic honeymoon in this country is over, Ashley. No doubt about it.

This government has now got its hands well and truly on the economic levers of this country and despite the fact that it likes to sit there and say this is all out of our control, there's nothing we can do to improve the situation...

CRAIG EMERSON: You just criticised the \$42 billion fiscal stimulus package.

STEVE CIOBO: Well, no, no, I said that's your line. That's Labor's line.

CRAIG EMERSON: Why do you think we did that?

STEVE CIOBO: They are just mere passive operators.

CRAIG EMERSON: Why do you think we invested \$42 billion in improving the situation?

STEVE CIOBO: The reality is that this government is spending so much money so recklessly that Australians will have to spend decades repaying this debt that Labor's racking up and it's really concerning.

CRAIG EMERSON: And, Ashley, if I could just say, on the question of economic management, on this program just a week ago the Shadow Finance Minister said that the national accounts figures due out on Wednesday would tell us whether the combined stimulus packages of December and February had affected the national accounts favourably or not.

Those national accounts were for the December quarter. How could the -

how could they tell you what was happening in February? Now, this is just an example of the Shadow Finance Minister's economic incompetence and it's right through the Coalition. They have lost any lead that they previously enjoyed in government on economic management because they are not prepared to put in the hard work.

ASHLEY GILLON: Okay, well, the issue of economic management and whether or not the stimulus package has worked has been rehashed and debated and the thing is we don't really have the final answer yet. There's no proof either way at this stage. It's really too early to tell, according to most economists.

CRAIG EMERSON: And that's my point in relation the Shadow Finance Minister, who thought that the December quarter figures would tell us something about the economic impact of a \$42 billion stimulus package in February.

ASHLEY GILLON: Okay...

CRAIG EMERSON: Go figure.

ASHLEY GILLON: There has been a lot of talk about the economic impact of the emissions trading scheme. Today we'll see that legislation released. Now, Craig,

there's going to be a two-month inquiry into the ETS, not to mention the fact that it seems like no one in this Parliament apart from Government MPs actually support this plan, does it now seem like the Government's timetable will inevitably be pushed back, that the scheme might not be able to be...

CRAIG EMERSON: We don't control the Senate. The Labor party doesn't control the Senate. There is to be, as you say, a two-month inquiry. That pushes us closer and closer to a Copenhagen meeting later this year.

We need to take a considered position, the position of the Australian Government, to that meeting and so what this does...

ASHLEY GILLON: So what are the risks...

CRAIG EMERSON: ...if it just goes on and on...

ASHLEY GILLON: ...if this doesn't happen before that meeting?

CRAIG EMERSON: ...it imperils our ability to take a position to the Copenhagen meeting and I hope that all parties, although I'm pessimistic about the Coalition, I must say, understand that and

understand that it is in our national interest to do so.

Again, we've got the Coalition here being driven by Peter Costello. Okay, at least he is totally opposed to the emissions trading system. We understand that. So is Barnaby Joyce. Malcolm Turnbull, I don't know. Andrew Robb last night on television...

ASHLEY GILLON: Well, let's get Steve Ciobo's take on this.

CRAIG EMERSON: Andrew Robb saying he thinks he is opposed to it but he's not sure.

ASHLEY GILLON: There does seem to be more and more Liberals agreeing with the Nationals' stance on this, that even Malcolm Turnbull's introduction date of the year 2012 could still be too soon.

STEVE CIOBO: Ashley, it would be good if Craig spent a little bit more time talking about Labor's policy and a little bit less time speaking about the Liberal Party.

CRAIG EMERSON: We've got to get it through the Senate, Steve.

STEVE CIOBO:

But let's deal with the situation here. Four times last night the Deputy Prime Minister was given the opportunity to guarantee that Labor's proposed ETS, emissions trading scheme, would not cost jobs and four times she refused to do that.

We've now got Craig sitting here saying to us, oh, well, look, we've got to make sure that we take a position into Copenhagen but if we don't that might be okay because we want to see what the rest of the world is doing.

CRAIG EMERSON:

No, no, I didn't say it was okay at all.

STEVE CIOBO:

The fact is that Labor's policy is going to export jobs straight to Shanghai. As a result of this very botched framework that Labor's trying to roll in across the Australian economy, a framework that as you correctly highlighted is not supported by anybody, we have Australian jobs being exported offshore. We've got Labor trying to act unilaterally before Copenhagen without even knowing what India, China or the United States are going to be doing. It's a completely flawed and botched policy. Craig knows it. That's why secretly he's hoping that this will draw out until Copenhagen so that

the Labor Party will have something to rely on and say, oh, well, we need to tweak this here or tweak that there.

CRAIG EMERSON: You need to understand...

ASHLEY GILLON: Craig, is this going to need a complete reworking? Hearing concerns from the Opposition, the Greens say it's not good enough, the independent senators are also...

CRAIG EMERSON: There was a certain inevitability about that. I mean, the Greens...

ASHLEY GILLON: Well, it's...

CRAIG EMERSON: ...have their place in Parliament - they have a place in Parliament which was always going to be that they wanted much, much more severe restrictions or a cap on emissions.

ASHLEY GILLON: So, sorry, do you think that it's inevitable that this scheme will have to be reworked?

CRAIG EMERSON: No, no, no, I'm not saying that at all. That's not what I said. There's an inevitability that the parties would have different positions and you've got the Greens on the one hand saying must go much further, got the Coalition on the other hand saying

that they would have an emissions trading system that didn't affect anyone.

Now, what's the point of having an emissions trading system that doesn't affect emissions?

STEVE CIOBO: So you acknowledge...

CRAIG EMERSON: That's the Coalition's policy.

STEVE CIOBO: ...that you're going to export jobs.

CRAIG EMERSON: You see, that was John Howard's policy. He actually went to industry and said, look, we're going to have this emissions trading scheme but it's all right it won't affect you, it won't affect anyone. What we have to do is reduce our carbon emissions, therefore you have to have a policy which is effective in doing that but at the same time...

STEVE CIOBO: People lose jobs...

CRAIG EMERSON: ...but at the same time...

STEVE CIOBO: People lose jobs...

CRAIG EMERSON: Being absolutely careful about ensuring...

- ASHLEY GILLON: Let's address this issue of jobs.
- CRAIG EMERSON: ...about being absolutely careful about ensuring that we don't have carbon leakage. Now, that's why we have a five per cent target which has been very, very strongly criticised by the Greens. They want 25, 35, 45 - pick a number. Okay, what I'm saying is that's their position but the Coalition's position...
- STEVE CIOBO: What's your position?
- CRAIG EMERSON: I'm not sure, it's very important...
- STEVE CIOBO: What's Labor's position?
- CRAIG EMERSON: Our position is in the legislation.
- STEVE CIOBO: To export jobs.
- CRAIG EMERSON: And it is in the white paper and if you haven't read the white paper, you need to go and read it.
- STEVE CIOBO: You just said it's going to be reworked.
- CRAIG EMERSON: I did not say that. I said...
- ASHLEY GILLON: Okay, let's just look at the issue of jobs, Craig Emerson.

- CRAIG EMERSON: ...there is an inevitability about different political parties having different positions.
- ASHLEY GILLON: This is the big question at the moment.
- CRAIG EMERSON: And your position is...
- ASHLEY GILLON: Craig Emerson, can we just...
- CRAIG EMERSON: ... is a position that does not do anything to reduce global emissions.
- ASHLEY GILLON: Back to jobs.
- CRAIG EMERSON: Or Australian emissions.
- ASHLEY GILLON: Both sides of politics say that jobs is the key issue at the moment because of the economic downturn. This is the key concern from industry, that jobs could be shipped offshore. Is there any evidence to guarantee that won't happen as a result of the ETS?
- CRAIG EMERSON: Well, the modelling that we've done and the consultations we've done with industry, are designed to ensure that we keep jobs in Australia to avoid carbon leakage. Now, that's the whole purpose of this exercise, which has been heavily criticised because we have listened to industry. If we don't

listen to industry that'll be heavily criticised. Of course there'll be...

STEPHEN CIOBO: So, you guarantee no job exports.

CRAIG EMERSON: ... of course there'll be controversy about an emissions trading system. But the Coalition's position is unclear. They met last night, they're meeting again today.

STEPHEN CIOBO: Don't worry about our position, you focus on yours.

CRAIG EMERSON: They've got Andrew Robb - it's very important as to what your position is, because this can't come - get through the Senate...

STEPHEN CIOBO: Can you guarantee no job exports?

CRAIG EMERSON: ... without your - without your party or the National Party or the Independents or the Greens...

ASHLEY GILLON: Okay.

CRAIG EMERSON: ... supporting it. We need some support to get it through and it's very clear from what you're saying, right here and now, Steve, that the Coalition is going to oppose it. So why don't you get out and announce it?

ASHLEY GILLON: Steve Ciobo, let's get your response to that and then we need to move on to the IR debate as well.

STEPHEN CIOBO: Well, Ashley, my concern is, I mean, Craig's avoided answering the question.

ASHLEY GILLON: Well, let's get you to answer Craig's question there. What is the Opposition going to do in this case?

STEPHEN CIOBO: Well, the Opposition will be looking. I mean, we've made our policy...

CRAIG EMERSON: There you go.

STEPHEN CIOBO: ... well, hang on. We've made our policy very clear, the Opposition will be looking closely at, ultimately, what the legislation that comes before the Parliament is. What's clear, as Craig has indicated, there is going to be a whole raft of changes to Labor's policy. They were trying to create some wriggle room a couple of months ago. So, frankly, the Opposition will look at the legislation when it comes before the Parliament.

But our position on ETS is very clear. We do not want to see jobs exported to Shanghai. Labor clearly does.

CRAIG EMERSON: Well, that's just ridiculous. That is ridiculous.

ASHLEY GILLON: I think you've both made your points on this one. Now, industrial relations is another nightmare for Malcolm Turnbull. Last night the Shadow Cabinet met to come up with a position, that decision will be put to the Party Room today. It could be a pretty feisty gathering.

STEPHEN CIOBO: Well, can I pull you up, Ashley, when you say another nightmare for Malcolm. That's not the case at all. What's crystal clear...

ASHLEY GILLON: It's not the case that there are very different positions within the Party Room?

STEPHEN CIOBO: Well, there's different positions in the Labor Party too, but what matters is ultimately the positions adopted...

ASHLEY GILLON: But we're hearing a lot more about the differences in your Party Room.

STEPHEN CIOBO: Well, you may be, but ultimately what matters is the position that's adopted by the Government and by the Opposition. And again, last night, I'd highlight the point that when Julia Gillard was questioned four times

about whether or not she could guarantee no job losses under Labor's new industrial relations framework, she squibbed it and refused to answer.

So, we've seen no economic modelling from Labor that indicates how their new - their new industrial relations framework is going to do anything to create jobs. So...

ASHLEY GILLON: So, is the Opposition's position then that you will oppose it?

CRAIG EMERSON: Sounds like it - sounds like it to me.

STEPHEN CIOBO: Well, what the - what the Opposition is going to do is really focus in on any areas where Labor is extending beyond what they said they were going to do at the last federal election. To case - to take one example, Ashley, under Labor's framework they are giving powers to unions to walk into small businesses, and into businesses full stop, and demand to see the private pay - the private payroll and employment records of employees even without employees consent. Now, I find it unbelievable that Craig would agree with that.

ASHLEY GILLON: Craig Emerson, my understanding is that there's actually been some changes on this. That Julia Gillard met with independent senators yesterday and have worked at making some progress towards resolving that.

CRAIG EMERSON: That's right. Well, changes have been foreshadowed in that area. But the purpose...

STEPHEN CIOBO: More changes.

CRAIG EMERSON: ... the purpose of that - the purpose of it, and let's understand this, if some businesses are paying their employees much less than other businesses, and below the award rates or below the legal rates, then that gives them an unfair competitive advantage. Now, I think it's in the interests of the businesses that are doing the right thing to be sure that there aren't businesses who are underpaying their workers. Now, obviously what the Coalition believes, if you can get away with underpaying your workers, go for your life.

On the issue of unfair dismissal laws, which is in my - I've done a lot of work on that with business, Steve said earlier in the year that he would oppose the unfair - any unfair

dismissal laws for small businesses fully and totally and absolutely. Is that still your position, Steve?

ASHLEY GILLON: Okay. Well, let's not put words in Steve's mouth here. Is this another area of concern, the unfair dismissal agendas?

STEPHEN CIOBO: Well, look, I mean, Craig is putting words in my mouth. I said nothing even remotely close to that.

CRAIG EMERSON: You did.

STEPHEN CIOBO: But nonetheless, Ashley, as I said, what we will be doing...

ASHLEY GILLON: But are you concerned about it?

STEPHEN CIOBO: Well, see - look...

CRAIG EMERSON: I'll quote it: 'absolute and determined opposition'.

STEPHEN CIOBO: ... of course, we're concerned about it. And we're concerned about, as I said, a whole raft of areas where the Government's legislation does not reflect in any way the policy they took to the last election. It's very clear that the Labor Party is ramping up union power. They're giving them right of entry in a whole raft of new

areas. They're giving them access to employees' payroll information and employees' private information, even without employees consent. We've got serious misgivings about that.

But even more concerning, Ashley, is the fact that you're talking about changes now that are being made now by the Deputy Prime Minister and by the Government, and yet - we're meant to have seen the whole policy, but they're still making a whole raft of changes as we get closer.

CRAIG EMERSON: We're trying to get it through the Senate. Against your opposition.

ASHLEY GILLON: Well, we all know that that's how these things work. But, look...

STEPHEN CIOBO: Well, this is concerning.

CRAIG EMERSON: We're pessimistic about you supporting us...

ASHLEY GILLON: ... we're going to hear...

CRAIG EMERSON: ... because you really support WorkChoices.

ASHLEY GILLON: ... a lot more from the Opposition...

CRAIG EMERSON: And you did say earlier it was your absolute...

ASHLEY GILLON: Look, we'll be able to debate this a lot better when the...

CRAIG EMERSON: ... determined opposition on unfair dismissal laws.

ASHLEY GILLON: ... Opposition's position is clearer a bit later today. We are running out of time. Just very quickly though, before you go, an issue that's probably very relevant to everybody is that the International Monetary Fund has said that Australia should lift the retirement age in order to combat rising welfare costs.

Craig, is that something that the Government's considering?

CRAIG EMERSON: No, it's not something that the Government's considering. Already the retirement age for women is going up, bit by bit. That was legislated, I think, more than a decade ago. But we're - we think that where we are is the right place to be.

ASHLEY GILLON: Steve Ciobo, would you have any support for lifting the retirement age?

STEPHEN CIOBO: The only plans the Coalition has in terms of pensioners is to increase the support for pensioners. That's been our policy. That's been long-standing.

ASHLEY GILLON: Okay. Well, it looks like there'll be no lift to the retirement age then any time soon.

Craig Emerson, Steve Ciobo, thanks for your time.

CRAIG EMERSON: Thanks very much, Ashley.

STEPHEN CIOBO: Thank you.

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