



THE HON DR 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
SKY News Australia Sunday Agenda
Dr Emerson interviewed by Helen Dalley
Sunday, 14 March 2010

E&OE

Subject: Branded and non-branded generic products; Paid parental leave; Double dissolution; Meeting between PM Kevin Rudd and NSW Premier, Kristina Keneally.

- DALLEY:** These are challenging times for small business in Australia; rising interest rates, coming out of an economic downturn, no sign yet of the Henry report on tax reform, and the prospective paid parental leave in some form or another.
- For many, even the lifeline of the Government's home insulation scheme has been taken away, and all this against the background of an obstructive Senate which continues to derail the Government's agenda.
- My guest is Small Business Minister Craig Emerson who joins us from our Canberra studio. Craig Emerson, thanks for joining us.
- EMERSON:** Thanks for having me on the program, Helen.
- DALLEY:** Now, before we talk about those bigger issues, in response to news that Australians are paying twice for branded products as against no-name items in the supermarket, you suggest families can save money by switching to non-branded products. Is this a serious attempt by your government to try and bring food and grocery prices down?
- EMERSON:** Well, it's an attempt to alert people who may not be fully conscious of the possibilities with unbranded products, that they

can drive their dollar further, get better value for money, by going for the non-branded product.

But, Helen, I'm saying in circumstances where the contents are identical, why pay twice as much for a product just for the packaging, just for the brand name? So sugar comes out of the same sugar cane, milk comes out of the same cows, and so on; eggs come out of the same chooks. So why pay twice as much as you need to when you can buy these products unbranded?

And I'll hasten to add, because I did get a couple of emails saying I'm promoting overseas imported products - well, the eggs are made in Australia, they're laid in Australia; the milk comes out of the cows in Australia; the sugar...

DALLEY: Okay, but...

EMERSON: ... is grown in Australia.

DALLEY: But Minister, just telling consumers how to save money isn't really attacking the source of the problem, is it, which is expensive food and grocery prices...

EMERSON: And, indeed, we are attacking the source...

DALLEY: ... often set by Coles and Woolies.

EMERSON: And, indeed, we are attacking the source of the problem by tearing down the barriers to entry that have been in place for decades that have meant that Coles and Woolies have not had the competition blowtorch applied to them as they are starting to experience now. For example, we've made it easier for foreign investors to come into Australia; they are big retailers like ALDI and Costco.

ALDI came in in 2002; it's got 200 stores now and it's going up to 700 stores. Costco's got a big store in Melbourne; they're opening a store at Parramatta Road at Auburn. There's new entrants into the Sydney market. Right around Australia we're tearing down these barriers to entering...

DALLEY: Right...

EMERSON: ... including the restrictive provisions that have prevented other supermarket chains getting into the major shopping centres.

DALLEY: All right; but for instance, you don't think you need to look further into why the grocery prices in Coles and Woolies are rising?

EMERSON: Well, I think grocery prices do rise from time to time; this is not a revelation. What we need to do is apply as much competition as we possibly can so that acts as a restraining force on price rises. And that's what we're doing with the - tearing down these barriers to entry, these restrictive provisions in shopping centres.

And another area, Helen, which is very, very important, is planning and zoning laws where in some states the planning and zoning laws allow an incumbent to object to someone

coming in - a rival - on the basis that it might damage the incumbents business.

Well, I'm representing consumers here and trying to get best value for money for consumers. So if we tear down those barriers to entry, then of course, there'll be extra pressure on Coles and Woolworths.

DALLEY: Just moving to another issue: the home insulation scheme continues to be a disaster for the Government, doesn't it, as we know that only about 2,800 out of 10,000 companies registered to install the insulation had any sort of audit or compliance check. That's totally unacceptable, isn't it?

EMERSON: Well, we've been very open in admitting that there are real problems with this scheme and that's why changes have been made.

Peter Garrett did, in fact, respond to the risks assessments that were presented to him. Greg Combet has been brought in there; he made a 35-40 minute statement to the Parliament detailing the steps that we're taking. And I accept there is criticism of it and a lot of that criticism is founded, we understand that. But the Australian people now want us to get on with the job of dealing with the problems in the scheme and that's what we're doing now, Helen.

DALLEY: But several thousand of those companies only got in on the business because of the Government's program, very much Johnny-come-latelys - they were given no sort of check.

Minister, what was your department doing through all this? Could it have helped do some of these checks? After all, you're Minister for Small Business; did you think you could offer any assistance to make sure it would work properly and safely?

EMERSON: Well, our - I have to say our small business division within the inno... industry and innovation department is a small area of the Government and it wasn't involved in doing that sort of work.

DALLEY: Do you think, in hindsight, you could have been?

EMERSON: The benefit of hindsight's a wonderful thing, Helen, and if we had the benefit of hindsight none of these errors would have been made; but we do need...

DALLEY: Yes, but we knew that there were concerns as far back as in the middle of last year; couldn't more departments have been brought in?

EMERSON: Well, the Prime Minister's Department was involved; the environment department was involved. I don't know that just bringing in a whole lot more departments would have fixed those problems at that time.

Peter Garrett did respond. And I've heard people on television this morning saying Peter Garrett ignored a report. Peter Garrett did not ignore reports. Peter Garrett responded to risk warnings. The Government did respond, but obviously, with the benefit of hindsight, we could have done a lot better. We could have done a lot better, there's no doubt about that.

But now the challenge is to get on and fix the problems. One of the reasons for...

DALLEY: Well, it is a challenge, isn't it?

EMERSON: Well, can I finish, Helen?

DALLEY: Yes, go ahead.

EMERSON: Well, one of the reasons for this, remember, it's economic stimulus, it's - and getting jobs going and getting money into people's pockets was an important consideration. There's no doubt about that. It wasn't a program rolled out over 10 years; it was a program to deal with the emergence of a global recession. And as a consequence of the overall stimulus package, 200,000 jobs were saved in this country.

DALLEY: So you're saying that's justification for this program...

EMERSON: No, I didn't. No, I didn't; you said that. You said that...

DALLEY: ... not going well?

EMERSON: ... I did not say - Helen, I did not say that it's a justification for errors. Please don't put words in my mouth, I did not say that. I said there was an economic stimulus. This economic stimulus saved 200,000 jobs in this country. The Government was well-motivated in seeking to save Australia from the effects of the global recession.

DALLEY: Sure.

EMERSON: This program had real problems, there's no doubt about that.

DALLEY: Okay, well, now, with the announced checks that Greg Combet has said he will do, how are you possibly going to get through and remove the foil insulation or install safety switches in 50,000, plus inspect a further 150,000 homes? How many, to your knowledge, have been done so far? How do you manage that task? It sounds impossible.

EMERSON: Well, it will be done and this is the sort of work that Greg Combet has been doing. He's a friend of mine, he sits beside me in the Parliament, we talk about these things. And he's putting in place measures to remove that foil insulation because, as we know, there's a special hazard - or potential hazard associated with that.

But look, Helen, we're getting on with the job. We're doing what we can in an orderly way. Greg has laid out a very clear plan in that Parliamentary statement and we're implementing that plan.

DALLEY: Just moving to another issue: parental leave, we have two plans on the table; do you think we will definitely see a parental leave scheme passed by the Senate and in place for families by next year?

EMERSON: Yeah, well, that's a very good question in that we have a plan, and it's fully costed - it's a pre-election commitment - and there is a threat of the Senate led by the Coalition to block this plan. They're saying that they will move amendments to the plan and they want to make it like their plan.

Now, surely, surely, Tony Abbott would not be so opportunistic as to deny women the opportunity of paid parental leave. But then again, in 2002 he said paid parental leave will come into this country over my dead body. So maybe that is his plan; maybe he's never changed his spots. Maybe he just doesn't want a paid parental leave scheme.

But I understand on another program this morning, the Australian Industry Group said that Tony Abbott's plan will force up costs. I mean, this is a guy who said that an increase in the company tax rate of 1.7 percentage points, taking us to the fifth highest in the world, will have no effect on prices. I mean, he's just treating the Australian people like mugs and I wonder whether he really does support a paid parental leave scheme or not. Judging by his past performance, he does not.

DALLEY: So do you think it's just political posturing?

EMERSON: I think there's - that's a reasonable interpretation that it's political posturing, that he's never believed in paid parental leave, he doesn't believe in it now, and that he will use the Coalition numbers in the Senate to move amendments.

My fear is that if those amendments are not accepted by Labor - and presumably that will be the case, because we've got our own fully costed scheme - then if they block it, we know that Tony Abbott is the Tony Abbott of 2002 who said he'd do it - this would happen over his dead body.

DALLEY: Craig Emerson, Labor has complained about a troublesome, obstructionist Senate, but the previous two governments also complained of the same thing. Isn't it up to you to work with the Senate to negotiate an outcome? And many people are asking, why don't you use the double dissolution triggers that you have

to go to an election? That would be a solution against an obstructionist Senate.

EMERSON: The previous Howard Government shouldn't have complained about obstruction in the Senate because it had the numbers in the Senate. But...

DALLEY: In the latter part, yes.

EMERSON: ...your general point is right. Your general point is right. For most of Australia's modern history, the government of the day has not had the numbers in the Senate and I've been associated with Labor governments that have not had the numbers in the Senate, namely, the Hawke and Keating governments.

What I've never seen before is this pattern of general obstructionism from the Coalition, where we now have 51 pieces of legislation backed up in the Senate including a bill that I'm trying to get through, a new Australian consumer law that would protect the interests of Australian consumers and we can't even get it debated because they keep talking out and adding more and more speakers to the pre-existing bills. Now, this is just an attempt to block everything that Labor is trying to get through in the Senate.

Remember what Tony Abbott said about this when he became Opposition Leader: our job is to oppose, if in doubt, oppose, and that's what he's doing. Now, how can that be in the national interest, Helen?

DALLEY: We have run out of time to talk on the big issue of health but something I wanted to ask you about, Kevin Rudd is going around seeing all the premiers...

EMERSON: Yes.

DALLEY: ...but do you think he was particularly rude with the New South Wales Premier, Kristina Keneally? The body language showed that he virtually snubbed her welcome to him.

EMERSON: No, well, I - I can't directly give an answer to that because I didn't see the television footage. I've seen still photographs but, based on the reporting out by both Kevin and Kristina, they regarded the meeting as perfectly civil, perfectly convivial. I know that Kevin Rudd has a high regard for Kristina Keneally, as I do. I think that she's transformed New South Wales. She's a very popular leader and, you know, who knows what might happen now? Maybe the Labor vote in New South Wales in the state Parliament will start rising because she is doing an exceptionally good job.

But Kevin's main focus is on getting a good outcome on health for the Australian people so he's moved from Kristina in New South Wales, he's had discussions obviously with Anna Bligh in Queensland, John Brumby is next, so let's see if we can get real health reform in this country, something, again, I have to say,

that the previous Coalition government was never committed to.
We are.

DALLEY: Craig Emerson, we'll leave it there. Thanks so much for joining us.

EMERSON: Okay, thanks, Helen.

ENDS