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Transcript
2CC BREAKFAST WITH MARK PARTON
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E&OE

*Subjects: Generic grocery branding and consumer purchasing decisions,
Peter Costello on Tony Abbott, Education Revolution and economic stimulus
package.*

PARTON: Doctor Craig Emerson, Small Business, Competition Policy and Consumer Affairs Minister with the Federal Government, he's always making headlines. Whether it be chook noises or clashes he's had on the rugby field. Have you still got your fingers taped up Craig?

EMERSON: I do. It might be broken.

PARTON: You reckon?

EMERSON: Yeah, not sure. But I think it might be broken, yeah.

PARTON: You've broken fingers. You've broken fingers before playing ball sports, haven't you?

EMERSON: Yeah mainly volleyball.

PARTON: [Laughs]

EMERSON: [Laughs] I didn't feel it happen on the field. It's one of those things. When you're all hot and bothered it doesn't...

PARTON: Yeah.

EMERSON: ...seem to hurt, it just hurts later.

PARTON: Mate, let's move from your broken fingers potentially to groceries and, a bit of a discussion going on about these generic brands.

EMERSON: Yes, look the point we're making here Mark is that where the contents of the packaging are the same ...

PARTON: Yeah.

EMERSON: ... why pay twice as much for the branded product, just for the fancy packaging? So we're talking about milk that comes out of the same cows. Eggs that come out of the same chook. Sugar that comes out of the same sugar cane. Salt that comes out of the same ocean. And it is a great big rip off. It is a great big brand name rip off when you have to pay, or are expected to pay, twice as much for that product just for the fancy packaging.

PARTON: But people do, Craig, don't they?

EMERSON: Yeah and I think the problem is – and I talk to a lot of people about this, just everyday Australians, shoppers – they think 'oh, the quality's different'. Well, how can the quality of eggs produced by the same chook be different? And the milk is not different in quality. And nor is the sugar.

PARTON: Now...

EMERSON: And there are other products where the quality almost certainly is different - and I'm not talking about those.

PARTON: Hmm. Hmm. Kate Carnell - of course the former Chief Minister who now bats for grocery manufacturers - she's saying that this is an Australian jobs issue.

EMERSON: Every one of the products, every one of the products on our list of 20 is made in Australia. So Kate's making it up as she goes along. We haven't heard from her about our challenge, our tasting, blind tasting challenge. Kate says these are different. Well again, on your program, I challenge Kate Carnell to do a blind tasting with some other regular consumers of products like milk and soda water and sugar and eggs and we'll just see how Kate fares in picking the branded from the unbranded products.

PARTON: See I would've thought that most intelligent Australians had actually arrived at the conclusions already that you've highlighted. That you've got to pick and choose, but that there

are so many of these products that what is going to be the difference between that milk and that milk, and that sugar and that sugar?

EMERSON: Yeah what I've noticed over the last couple of years is that the shelf space allocated to branded products is probably shrinking a bit as people do exactly what you say. But there is a general bias, if you like, which I can understand, against generic, unbranded products ...

PARTON: Yeah.

EMERSON: ... because they might say 'Oh the soft drink's not as good as Coca-Cola or Pepsi, or the dishwashing liquid has, you know, got more water in it' and so on. Whatever the case. Baked beans – you know, people say 'Oh well, you know, it's not as good as the branded baked beans'. People will make their judgements about those. What I'm doing is simply urging them where their product is homogeneous in nature, a standard product, why pay twice as much for fancy packaging? Some of which really, the profits of which go to multinational food processing companies. So it's not a matter of being a good, loyal patriotic Australian. These products are in fact made in Australia, but the big, you know, brand names – and I won't mention them on your program – they get the profits from the advertising that they do worldwide.

PARTON: And Craig ultimately if people are saving money buying these...

EMERSON: Yeah.

PARTON: ...they're hassling you less [laughs] about competition, aren't they?

EMERSON: Well, I'm very keen on competition and trying to get more competition into the grocery retailing. But I'm also the Consumer Affairs Minister and if I can help in a small way, point people in the right direction on these standard products, well, all the better.

PARTON: Peter Costello, back in the news this morning. And I'm sure he's making those on your side smile and smile broadly. He's had some interesting things to say about Tony Abbott's parental leave scheme.

EMERSON: Yeah he said that the increase in the company tax rate that Tony Abbott's advocating is just unacceptable. Costello rightly points out that he cut the company tax rate from 36 to 30 cents in the dollar. Tony Abbott wants to put it back up by 1.7 percentage points. But the real problem here is that these

company tax increases would be passed on to the very people we've just been talking about – to consumers.

PARTON: This is a...I...the more I look at this, the more I think this was a brain freeze. This was a decision that was made, I guess, looking at appealing to female voters and there wasn't - well there had to be some discussion at some level – but there wasn't enough. This has been a bonus for you guys hasn't it?

EMERSON: Well the 'hastily cobbled together sham' might be a good description of what he's done. Tony Abbott wanted to say something at International Women's Day. Dreamed this up, told his Shadow Cabinet after he announced it. Told the party room even later. And it's falling apart because people, even yesterday like Barnaby Joyce, said of course it'll increase grocery prices [laughs]. And that's the problem. I mean, some Australians mightn't care too much that the company tax rate goes up. But we know that companies will pass these on in the form of higher grocery prices, higher petrol prices, higher bank fees. Higher items – prices for items in department stores. And that's what Barnaby Joyce conceded yesterday. Whereas Tony Abbott said 'Oh, no, no, in the national interest, Australia's biggest companies will absorb these cost increases'. Well, *hello* Tony!

PARTON: Yeah. This is about the first time I've heard you agree with Barnaby on anything.

EMERSON: Yeah that's right. Tony Abbott's driving me and Barnaby together [laughs].

PARTON: [Laughs] Well, along those lines. And I know there's so much political mileage to be made out of this. But I want you to put that aside if that's physically possible for you.

EMERSON: Yeah.

PARTON: Was it a great surprise to you to see Peter Costello come out and so publicly slam this, this scheme?

EMERSON: It was, it was. And especially we're sitting at Parliament, Mark, at the moment. And if you really want to get this point across and inflict maximum damage, do it during a parliamentary sitting week because there's just the possibility that Labor will raise this during parliamentary debates.

PARTON: So why's he done it? What? Is there an agenda here – or is there...

EMERSON: There may be. There may be. And that is that Peter Costello said of Tony Abbott that he's – when Tony Abbott said some

years ago he's bored by economics, Costello said to his staff 'I never want Tony Abbott as a deputy to me. Anybody who's bored by economics is not fit to occupy the position of deputy or Treasurer'.

PARTON: Hmm.

EMERSON: And so I don't think he has a high regard of, for Tony's sort of interest or lack thereof in economics.

PARTON: Craig, before I let you go. Warren's just called us [laughs] and he said that 'While Craig's on the line can you please ask him for his latest reflections on the Building the Education Revolution? We're hearing a lot of stories about blown-out quotes and things that have cost a lot more than they should've'.

EMERSON: Oh well my reflections mainly come from my own electorate. Because it's first-hand experience. And the principals and the teachers and the parents are thrilled with the improvement in – you know – the facilities they can have ...

PARTON: I'm sure they are but it has cost more than it should've.

EMERSON: Well it was an economic stimulus. And...

PARTON: [Laughs]

EMERSON: ...that stimulus has helped support 200,000 jobs and keep this country out of recession.

PARTON: I think it's also bought some flash cars and flash houses for some very very lucky individuals.

EMERSON: Well I can only say it's been very effective in keeping Australia out of recession when every other developed country went into recession. We saved a lot of jobs through that economic stimulus.

PARTON: Craig, thanks for your time this morning. Hope the fingers aren't broken.

EMERSON: Thanks very much Mark. All the best.

PARTON: Dr Craig Emerson, Small Business, Competition Policy, Consumer Affairs with the Federal Government.

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