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Transcript
MEET THE PRESS WITH HUGH RIMINTON

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E&OE

Subjects: SA and Tasmanian elections; Tony Abbott; health reform; polls.

HUGH RIMINTON: Let's bring in now the Federal Minister for Small Business and for Consumer Affairs, and for several other things as well, Craig Emerson. Good morning.

CRAIG EMERSON: Good morning, Hugh.

HUGH RIMINTON: These state elections are quite extraordinary. You appear to have lost one - or Labor appears to have lost one in Tasmania, to have hung on in South Australia. Would you say you're happy with that?

CRAIG EMERSON: Well, I think it's an amazing result in South Australia. Also, in Tasmania, there were a lot of adverse circumstances there. Both the South Australian and Tasmanian Governments are very long-term governments and that can have an effect on the vote. But as the conversation that you were involved in beforehand shows, there were very big variations in the swings in South Australia, in particular. But I don't think we can take much out of all of that in terms of the federal vote.

HUGH RIMINTON: There are federal implications, though, aren't there? Because you need the states to get your health reforms through. Tasmania

has got a situation where even once the votes are in, which could take days, there could be weeks of sorting out who's going to form government. Is it possible to go ahead with COAG in 21 days from now and get health locked away when so much is still in doubt? Will that have to be delayed?

CRAIG EMERSON: No. We'll go ahead with COAG and we've already been working with Liberal governments in Western Australia. In another area in which I'm involved directly is the deregulation agenda, moving towards a seamless national economy, and with one or two exceptions, we're working very, very well with the Western Australian Liberal Government. So, regardless of the political persuasion of the government that ultimately is formed in Tasmania, we will work very closely and very productively with them, because it is in the national interest that we have health reform.

HUGH RIMINTON: This is critical. Mike Rann is a tick in the box there for South Australia, assuming his win is confirmed. That helps health along. Tasmania, you've got a real problem there, and you only need one state to say no to push this to a referendum.

CRAIG EMERSON: Well, I think our arguments are pretty persuasive - that we need health reform in this country. It's an important area of reform that's been neglected for more than a decade, and I think that the Tasmanian government that is formed will understand that health reform must occur. Must occur in Australia. And so, on that basis alone, of a Tasmanian government understanding that it can't really stand in the way of reform in health, I think regardless of the political persuasion of that government, they'll understand that imperative.

HUGH RIMINTON: We'll certainly see. It's time for a break, we're going to take a quick one now. When we return with the panel, we'll be investigating the polling pressure building up on this Prime Minister. And, celebrating St Patrick's day in Queensland, Kevin Rudd and Tony Abbott were out to make friends. The PM suggested free Guinness at the Lodge for next year's celebrations.

[Unrelated items - commercial break]

HUGH RIMINTON: Welcome back. This is *Meet the Press*. We're with Federal Minister Craig Emerson. Welcome now to our panel. Peter van Onselen from *The Australian*, and Michelle Grattan from *The Age*. Good morning to both of you.

MICHELLE GRATTAN: Hi, Hugh.

PETER VAN ONSELEN: Good morning.

MICHELLE GRATTAN: Dr Emerson, if you do get agreement from the states, do you have any hope of getting legislation through for the health reform changes before the election? Because, after all, there's a whole back-log of legislation in the Senate already and there are very few sitting weeks, even if you go full term.

CRAIG EMERSON: Well, we'll do our best, Michelle. But you're pointing to a real problem. Fifty bills are backed up in the Senate and the tactic of the Coalition, under Tony Abbott, who said that if in doubt oppose the Government, has been to draw out those debates that are a little more contentious to gobble up the Senate time. I think, personally, that's very irresponsible, and they should be passing legislation over which there are not major political debates, but they're not doing that. And that's - I think that's very bad for the country. So, look, we'll do our best to get...

MICHELLE GRATTAN: But no guarantees.

CRAIG EMERSON: Of course. This is a big ask when you've got such an obstructionist Opposition.

MICHELLE GRATTAN: Now, you were talking before about the effect that a change of government in Tasmania might have, but Victoria of course is still very tough on the health issue. What happens if just one state hangs out? Do you go ahead regardless, and just try and sideline that state? Or do you have the referendum?

CRAIG EMERSON: Well, I think it's best, rather than me starting issuing possibilities of what might happen if we don't get agreement is, let's work towards agreement. Let's have each jurisdiction embrace the need for reform of Australia's health system - a reform that has been very long in expectation and just hasn't been delivered. And we know that Tony Abbott did rip \$1 billion out of the public hospital system. We know that he is not fundamentally interested in health reform, and said that he will oppose everything that Labor puts up. He's already said, in relation to the outline of the package that we've released, that he doesn't like it. This was in the Parliament. Surprise, surprise. He's got himself in a position where he thinks that his role is to oppose everything. In fact, he is meant to be the alternative Prime Minister of Australia, and in this debate on Tuesday, he needs to explain two things. Why he's ripped \$1 billion out of the public hospital system as health minister, and what his alternative health plan is. And I bet your bottom dollar that he'll go into that debate just criticising, opposing, but not coming up with any constructive suggestions of his own. That's been his style so far.

HUGH RIMINTON: Well, all that's coming up in the debate - the leader's debate, coming up this week. There's certainly been plenty of mischief around as the Prime Minister's approval rating dropped below 50 per cent for the first time. Some suggestions that Julia Gillard will take over before the election, were given a little unintended help from one Labor MP.

[Doorstop interview]

DARREN CHEESEMAN: She is naturally in line to become the Prime Minister.

[End interview]

PETER VAN ONSELEN: Dr Emerson, it seems that - according to Newspoll, that the Prime Minister's personal support is declining. Your colleague there is talking about Julia Gillard being the leader-in-waiting. Everybody seems to agree with that. When is her time going to be?

CRAIG EMERSON: We don't have leadership issues and problems on our side. The Coalition does. And Tony Abbott is but the latest in a long line of leaders and he's got plenty of opponents within his party. Everyone's behind Kevin Rudd as the leader and as the Prime Minister of Australia.

PETER VAN ONSELEN: But would it be fair to say, though, that his performance at the next election - how well he does - is pretty crucially linked to whether he get a full three years?

CRAIG EMERSON: Well, he's a very hard worker and we are going to work hard to earn the support and ongoing endorsement of the Australian people. I mean, this is the choice, between a reforming government and, of course, you know, you talk about a bit of a fall in Kevin's approval. Well, when you're a reforming government this is what happens. During the 1980s when Bob Hawke was reforming the Australian economy his popularity fell. But people see the benefits of those reforms, they understand, a little down the track. They understand the motivation behind them. Often, in terms of reforms, you ask people, do you think it's a good idea? And they say, oh, I'm not sure about that. But, you know, it's an investment in the country's future.

PETER VAN ONSELEN: Given that he's only talking about reform at the moment, that would suggest that once he starts doing reform, you think that his popularity's going to slide even further.

CRAIG EMERSON: Well, I think it is an investment in the nation's future and when governments reform, of any political persuasion, usually they have a bit of a reduction in support, but in the long term, it comes back. Now, I think we've seen that in South Australia, for example. I mean, the reason that Mike Rann was re-elected is he got the unemployment rate down; he turned the state from a rust-bucket state, to, you know, the most - one of the most dynamic states in Australia, and people understand that, and that's perhaps why, last night despite all the predictions, they actually still put their faith in Mike Rann.

MICHELLE GRATTAN: Can I ask you about one area of potential reform? The Government has been really critical of the banks and - accusing them of gauging profits and so on. Do you think that there is room for more reform in that area to get greater competition into the system?

CRAIG EMERSON: Well, wherever we can, we should make sure that there aren't any artificial barriers to entry into banking, and we've seen reported today AMP has reduced its interest rate slightly. Well, that's good news. And Wayne Swan supported that extra competition by keeping, through the Australian Office of Financial Management, keeping some of these financial institutions afloat during the deepest recession in 75 years. So, we were always mindful of the virtues of competition and that's what we'll continue to do.

MICHELLE GRATTAN: What more can be done, though, because...

CRAIG EMERSON: Well, in our area - the area that I work in of competition policy - we've just put through the Parliament (we did get one through [laughs]) changes to the Australian consumer law, which include unfair contracts and those unfair contracts would be relevant in terms of high exit fees. And so that will come into force by the end of the year; in fact, by the middle of this year. So, there's an example of the Government moving again to unstick the sort of rigidities that might enable the big four banks to basically make big profits without the fear of competition. What we need is competition. Competition is good; more competition's better.

HUGH RIMINTON: Okay. We'll see how all that goes. Dr Craig Emerson. Thanks very much for joining us this morning.

CRAIG EMERSON: Thanks very much. Pleasure.