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**MATTERS OF PUBLIC IMPORTANCE**

**Economy**

**SPEECH**

**Tuesday, 10 March 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

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**Speaker** Emerson, Craig, MP

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**Dr EMERSON** (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation) (4.48 pm)—The Leader of the Opposition declared that this MPI is all about jobs, jobs, jobs. The problem is that the only job the opposition leader is interested in is his own. Indeed, I refer to statements by coalition members. In this newspaper article the headline is ‘Costello wants the top job, say Liberal MPs’. That is the one job with which the coalition is concerned: the top job. I noticed during the speech that the member for Higgins did grace the parliament with his presence. I was looking at my colleagues here and they did not seem to be particularly taken by the opposition leader’s speech, but someone who was especially bored and could not stop yawning through that whole performance of the opposition leader was the opposition leader in waiting, the member for Higgins. He could not stop yawning, and the film footage will show that.

The decision by the opposition leader—that is, the present opposition leader—to oppose the Nation Building and Jobs Plan was taken not by him, not initially, but by the member for Higgins. We all remember the member for Higgins appearing on *Lateline* and just about every program he could appear on saying that the Nation Building and Jobs Plan constituted ‘a poor quality spend’. It was the setting of the terms of the debate on the coalition side by the leader in waiting, the member for Higgins, that led the opposition leader subsequently to oppose the Nation Building and Jobs Plan. Yet they have the hypocrisy to come in here and say that they are on about jobs. Here is a \$42 billion fiscal stimulus that they opposed, and in voting against that fiscal stimulus, the Nation Building and Jobs Plan, the coalition voted for higher unemployment. That is the truth of the matter. But they say they are interested in jobs.

Let us have a look at the impact of the first stimulus package. The first stimulus package, the Economic Security Strategy, was announced late last year. The

coalition, led at the time on that by the present Leader of the Opposition, said:

We support these measures and we are particularly pleased about the measure, the payment to pensioners.

He was asked:

What do you think of the housing measures?

He said:

Well, we support those.

He also said at the same time:

We’re not going to argue about the composition of the package or quibble about it. It has our support. It will provide a stimulus to the economy, that’s for certain.

Let me repeat that. This is the opposition leader saying that the Economic Security Strategy ‘will provide a stimulus to the economy, that’s for certain’.

What are they doing here today? They are criticising the Economic Security Strategy—the very strategy that at the time, on 14 October, the opposition leader said would provide an economic stimulus. And he was right. It did provide an economic stimulus. Let us look, for example, at the retail trade figures. In December, retail trade in Australia rose by 3.8 per cent. That was the biggest monthly increase since August 2000, when the economy was booming. That is a huge increase in retail sales. But what happened around the world? Retail sales fell in that same period, in December: in Canada by 5.4 per cent, in the United States by three per cent, in Japan by 1.9 per cent, in Germany by 0.9 per cent and in New Zealand by one per cent. They are the sorts of comparisons that are relevant—retail sales rising by 3.8 per cent here in Australia and at the same time falling in the advanced countries of the world outside of Australia.

You do not need to just concentrate on those figures. Let’s ask people who are in the retailing business what the Economic Security Strategy actually caused. Michael Luscombe, the CEO of Woolworths, when asked if he had seen evidence of the Economic Security Strategy payments being spent, said:

Yes ... we saw it in the basic commodities and that’s been made pretty public. I would think there’s a little bit more legs in it, and there’s no doubt that the timing of the next one

which is around March/April is probably about the right time for the next one to come on.

So that is the CEO of Woolworths. Tony Meer, Deutsche Bank Chief Economist, said retailers were 'bolstered by the cash-bonus-inspired strength in sales' and went on:

... they have responded in January by retaining higher than usual post-Christmas staff levels.

That means jobs! Katie Dean, ANZ Senior Economist, believes that the government's stimulus package 'had worked to retain jobs in January, in tandem with aggressive interest rate cuts'.

Michael Blythe, the CBA chief economist, said:

Policy is working in Australia. Lower interest rates and the first home owners grant have lifted housing activity, and the pick-up in retail sales suggests the government's cash handouts have worked.

Sara Hoeing, the economist with the Commonwealth Bank, said:

If there were any doubts about the efficacy of government fiscal stimulus packages, and Australian consumers' willingness to spend, the December retail sales report is a clear rebuttal.

That is a clear rebuttal of what the opposition leader said here today—a clear rebuttal of the opposition leader's claim that the Economic Security Strategy had not led to an increase in retail sales and had not led to an increase in jobs over that which otherwise would have occurred.

Greg Evans, of the Australian Chamber of Commerce and Industry, said:

By and large we think (the first round of) the fiscal stimulus package ... was effective in making today's numbers stronger than otherwise would have been.

I will finish with Saul Eslake, ANZ Chief Economist, who said:

The December quarter GDP figures would have been weaker than they were without the government spending.

So there are a whole range of economists and a whole range of retailers saying the Economic Security Strategy worked. You had the opposition leader at one stage saying they supported it, that it would definitely provide a fiscal stimulus and that the opposition would not quibble about it. And what is he doing here today? Quibbling! He has changed his position yet again—yet again, at the behest of the member for Higgins, because it is the member for Higgins who is determining policy positions on the other side of the parliament. It is the member for Higgins who is the de facto leader

of the opposition. That is the truth of the matter, and it is the opposition leader who is following the lead of the member for Higgins—the true Leader of the Opposition.

We hear the coalition talking about all the bad news of what has happened with jobs, and saying 'Isn't it terrible!' You do not hear them talking about Woolworths, for example. Woolworths said, in a press release of 27 February, that it would create more than 7,000 jobs nationally in the second half of the financial year, while pointing out that the announcement follows the creation of 9,000 new jobs in the last half of the last financial year—that is a major retailer talking about the creation of jobs here in Australia. Aldi needs to hire 2,600 new employees. We have got Domino's Pizza, who say they are on the hunt for 2,500 drivers. So let's rejoice in some of the good news in otherwise challenging economic circumstances here in Australia, created by the financial crisis which descended into a global financial recession. This is the deepest recession—one described by the International Monetary Fund as long, deep and serious—and yet we have in Australia our retailers and our small businesses doing their very best against the wishes of the coalition, who just want to talk the place down. They say it is all about jobs. The truth is, it is only about their jobs.

I have here a list of small business organisations—and, mercifully, I will not go through all of them—who have supported the Nation Building and Jobs Plan and the Economic Security Strategy. Restaurant and Catering Industry Australia said:

The small business tax break, as part of that strategy, may be just what our small businesses need to convince them to buy that new piece of equipment in this market.

We just had the opposition leader saying that that tax break, worth \$2.7 billion—a 30 per cent investment allowance—would not work because there is no cash flow. Wouldn't you actually back the restaurant and catering people of Australia and not listen to the Leader of the Opposition? I would certainly back their views on this over those of the Leader of the Opposition. The Pharmacy Guild of Australia welcomes the tax break for small business that the Leader of the Opposition has just said here, again, that they think is a really bad idea. The National Farmers Federation describes the stimulus package as an 'economic jump-start'—now there is a good rural analogy. But, no, not according to the Leader of the Opposition! We had the Master Builders Association Australia welcome the boost for the building industry. The New South Wales Business Chamber described it as 'a shot in the arm for the New South Wales economy'. The Chamber of Commerce and Industry of Western Australia described it as a timely shot in the arm for small business. The Council of Small Business of Australia described it

as a ‘confidence booster’ for small business. They are ringing endorsements of an Economic Security Strategy that is designed specifically to boost jobs and to protect jobs here in Australia, and all the evidence in relation to the Economic Security Strategy of late last year is that it has been very effective in its stated objectives.

It always worries me when you hear the coalition talking about superannuation. You see, the opposition leader’s position, reiterated here again today, is that what should happen instead is that the government should pay some of the superannuation contributions of workers for a period. He said, at the outset, that it should be about half. Let’s just try to understand what he is really saying. It was Labor who introduced superannuation coverage for the working people of this country—it was the coalition who opposed it with every breath in their bodies. And, when we start talking of policy options to boost employment and to boost the position of small business, what does the opposition leader target? Superannuation! They are true to form—the leopard never changes its spots. These superannuation payments are part of the wage settlement with the working people of Australia, and they want to go after the superannuation and say, ‘Well, we will give a temporary bonus or a payment in relation to that.’ But the truth is that this a very sneaky way of getting stuck into superannuation for working people, which they have always wanted to do. And let’s look at the cost of it—it would cost \$20 billion.

The coalition have said, ‘We can’t have \$200 billion debt. Under us’—the coalition—‘we will have \$180 billion debt,’ because they said they would only have a fiscal stimulus package half the size of our \$42 billion. But then they came up with this proposal, which is another \$20 billion. You add that up and you get what? Two hundred billion dollars! It is the same position as ours. On the one hand they are saying: ‘Don’t do anything; sit and wait.’ Follow the advice of Professor John Taylor in the United States. Be the Dusty Springfield of Australian politics—sittin’ and a-hopin’ and a-wishin’ and a-prayin’. That is what they want. But on the other hand they are saying, ‘We’d have debt of \$200 billion too.’ This is the pattern: he wants it each way; he occupies every possible position. An each-way better in a two-horse race—that is what Malcolm Turnbull is. That is what the Leader of the Opposition is: an each-way better in a two-horse race, so he can say later, ‘I picked the winner—I was for it, I was against it, I was for it, I was against it.’

There are plenty of examples of that. Even in relation to the very nature of the global financial crisis he said, ‘Kevin Rudd has hyped up this financial crisis.’ That was on 19 October last year. On 20 October, one day later, he said, ‘It is undoubtedly a very grave—the

gravest—global financial crisis that we have seen since the Great Depression.’ Well, gee—something must have gone real bad overnight because the night before he said it was all hyped up by Kevin Rudd. The next day it is ‘the greatest financial crisis since the Great Depression’. There he is, each-way betting so he can say he got it right.

Here we go again: the opposition leader said, ‘There is nobody that would have predicted these events a year ago, or even a few months ago,’ and then he said, just shortly after: ‘Regrettably, Mr Rudd’s government missed the warning signs at the beginning of the year.’ One day, no-one could have predicted it; next day—‘Oh, you missed the warning signs.’ He always occupies two positions on any issue.

Here we are today talking about jobs and, again, the coalition did not have it in them to bury Work Choices. I was on Sky News’s *Agenda* today with the shadow small business minister, and I said this: ‘Steve said earlier in the year that he would oppose any unfair dismissal laws for small businesses fully and totally and absolutely.’ Mr Ciobo said, ‘Craig is putting words into my mouth. I said nothing even remotely close to that.’ Well, let’s find out what he did say.

*Mr Keenan interjecting—*

**Dr EMERSON**—‘Verballing’. Righto. This is a briefing to SmartCompany on 7 December 2007 and it says:

Ciobo says any attempt by Labor to cut down the 100 employee threshold for exemption from unfair dismissal laws will receive his “absolute and confirmed opposition”.

I reckon that is pretty absolute and pretty confirmed, and he says today: ‘I didn’t say anything like that. Craig Emerson’s putting words in my mouth.’

The truth is they never had the heart to bury Work Choices today because they were, they are and they always will be the party of Work Choices. By voting against the Nation Building and Jobs Plan, the coalition voted for higher unemployment, and that is the hypocrisy of this MPI today. The coalition’s positions are being driven by the not-so-retiring opposition-leader-in-waiting, the member for Higgins—the bored member for Higgins. That is why he is doing so much media. Having to endure the sort of speech that that he had to endure here today, no wonder he is bored. The temporary Leader of the Opposition is attempting to shore up his shaky position by pretending to be all things to all people in the coalition party room. It will not work. He is an opportunist. (*Time expired*)