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DEREGULATION

ABC 2

Interview with Virginia Trioli

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SUBJECTS: Opposition split in the Senate; Economic Security Strategy and small business; ABC Learning; Parliament.

TRIOLI: One politician who hasn't left Canberra just yet is the Federal Small Business Minister, Craig Emerson, he joins us now. Craig Emerson good morning.

EMERSON: Good morning.

TRIOLI: First of all it would seem you got your infrastructure legislation through the Senate but only because your Opposition fell apart.

EMERSON: The Opposition did fall apart. It's a serious assault on Malcolm Turnbull's leadership. Some of those who refuse to toe the line of the Shadow Cabinet decision included Senator Nick Minchin, who's one of the most senior Liberals in the Parliament. So they gave Malcolm Turnbull the two-fingered salute I'm afraid and I don't know where that takes him into the new year...

TRIOLI: Oh you could hope, Craig Emerson, you could hope that his leadership might be under threat.

EMERSON: It's a mess. It's a shambles.

TRIOLI: Just on what's yet to be done in Canberra? Business is not over. Now what remains on this final day?

EMERSON: Well we've got to do some work in the House of Reps. Some of the Bills that have come back from the Senate, we think, but you never know with the Senate. We think that it will only be an hour or so but they could be famous last words. We could be having a discussion on Monday like this as we bat on but that's the current understanding of the situation. But you saw

those events unfold last night so it's pretty unpredictable, what's going to go on in the Senate as a whole and certainly within the Coalition.

TRIOLI: Craig Emerson you really should stop licking your lips like that. It's most unseemly that they're falling apart there. Now look, turning to your portfolio, small business, interesting the discussion we've been hearing at the moment within the financial world about interest rate cuts not being passed on to small business. Now, in your view, how badly is that hurting small business across Australia?

EMERSON: There has been some passing through of interest rate reductions but not enough from our point.

TRIOLI: Not nearly as much as (inaudible).

EMERSON: No, no, I agree with you. I agree with you. Not enough from our point of view. Not enough from the point of view of small businesses and not enough from the point of view of people who have got credit cards. So, yet again, we're urging the banks to get with it and pass on the maximum possible amount. The economic circumstances have changed in the last few weeks. The cost of borrowing has probably come down even more, not only from the cash rate reduction of the Reserve Bank, but the general money market situation has stabilised somewhat so we're saying come on, do the right thing in the lead up to Christmas, pass on more of those interest rate reductions.

TRIOLI: Because if those businesses start to fall over, that, at a really local level can have a crippling effect on the economy can't it?

EMERSON: And it would be most unfortunate if we did see any further turbulence and that is exactly, Virginia, why from next week, from Monday, that \$10 billion starts flowing out. Now \$10 billion, just doing the arithmetic is one per cent of the nation's gross domestic product flowing in one week. So that's designed to boost consumer spending and we really - when we were designing that package - had small business particularly in mind because that consumer spending will be of direct benefit to those small businesses that are pretty apprehensive at the moment. I think there will be a big test too in the new year, after the, you know, Christmas, Boxing Day spending as to whether consumers come back out and continue to spend. That will be a really challenging time but we're doing everything we can and will continue to do everything possible to stimulate the economy during this period of global financial turbulence.

TRIOLI: Interestingly though we were hearing this morning and on *Lateline* last night from people such as Clare Martin, who's now the Chief Executive Officer of ACOSS. They have concerns that this money actually might be spent on things such as gambling and alcohol and the like which could lead to more social problems; that, in fact, sending out these vast sums of money on welfare in particular is not the most helpful thing you can do for them.

EMERSON: I don't think that's a brilliant comment for our age pensioners. I think our age pensioners have been struggling to make ends meet and they'll spend the money wisely. And obviously families who get \$1000 per child from next week, you know, they'll be, hopefully they'll be able to have a good Christmas with some of that money and carry some of it forward into the new year as well and ensure that our economy keeps chugging over in what otherwise can be a fairly quiet time.

TRIOLI: On the issue of ABC Learning and we're expecting the receivers to table, to release their final report today. What do you hope that they'll be saying and if they find that many of those businesses or those centres are unprofitable, what's the Federal Government prepared to do?

EMERSON: We will just have to take it one step at a time. Already Julia Gillard...

TRIOLI: Do you perhaps need to decide if you need to help out more?

EMERSON: Well, I can't pre-empt that because as much as you'd like me to, I think what we need to do is get the report. There is some good news in it and that is that the majority of them are viable. Let's find out what the situation is with the others but they can be assured that the Rudd Government is committed to making sure we do everything we possibly can to assure parents as we go into the new year that there are child care facilities available for them and not, you know, kilometres and kilometres away. So we'll do everything we possibly can.

TRIOLI: Now just on a final question this morning, Craig Emerson, as a modern and emancipated man, I'm just wondering if you're uncomfortable at the rather catty tone that seems to have been adopted by some in the media and also some in the House over the performances of both Julie Bishop and also Julia Gillard. Maxine McKew is certainly uncomfortable.

EMERSON: I thought yesterday the tone was a bit more in the Christmas cheer to be frank with you.

TRIOLI: You finally got there.

EMERSON: Yeah, I thought it was terrific too that you had, at the front table, Julia Gillard and Julie Bishop. It looked good from where I was sitting, two women at the front table.

TRIOLI: Yeah, but Maxine McKew's quote was actually on her side of politics. There was some cat-calling and some meowing in relation to Julie Bishop that she found unfortunate.

EMERSON: Well, okay, and Max is entitled to her view. I thought that yesterday there was a bit of a turn up in the bonhomie across the table and in the Chamber and Julie Bishop, to her credit, was actually smiling and

laughing. There was a catwoman story that Julia Gillard told and Julie, I think, actually said thank you because it was in good humour and, you know, we have our differences and it gets very willing in that chamber. It is a bear pit, but as we approach Christmas, as so many people do, hands are shaken, good cheer is shared and, you know, I think that we'll end the year, you know, in good spirits at least across the Chamber. But we'll see what the new year brings. But at last, I think we're just in the home stretch now, famous last words, but I'd like to wish everyone, all your viewers, a very happy Christmas. It's still a while away but it's going to be great for MPs to be able to get back and see their families.

TRIOLI: See if some more Christmas cheer can be spread as well.
Thanks so much Craig Emerson.

EMERSON: Okay, thanks, thanks very much.

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