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SKY NEWS AUSTRALIA SUNDAY AGENDA

HELEN DALLEY: But first, Labor politics and a look at the ALP conference which wrapped up last night in Sydney, buy Australia, gay marriages, climate change and of course the official deification of Bob Hawke. Joining us from Canberra is Competition Policy, Consumer Affairs and Small Business Minister Craig Emerson.

Mr Emerson thanks very much for joining us this morning.

CRAIG EMERSON: Thanks for having me on the program, Helen.

HELEN DALLEY: Now, the ALP National Conference was all a bit tame with only a few open protests, a few backroom deals done - and they were done pre-conference, particularly on the buy Australia issue that - the unions have been pushing. Now they have a strong point don't they, that it's better for government to buy locally-made steel to protect local jobs, as foreign steel could be being dumped here at very low prices.

CRAIG EMERSON: Oh, well, if Australian steel is competitive, of course, we should seek to procure goods and services, in this case, steel from Australia but if it's more expensive, then that's more expense to taxpayers.

So there was a pretty robust debate leading up to the national conference on this matter, a satisfactory resolution was achieved. We will have a coordinator who will better coordinate government procurement policies, Helen. And that seems to have constituted progress as far as the unions are concerned but look, we have international obligations in terms of trade agreements, we don't want to violate those, all it does is invite retaliation and we are an export dependent economy. That would be really bad for Australia, if other countries were to retaliate, and we must learn the lessons of history. The Great Depression was made even worse by their so-called beggar thy neighbour policies of tariff barriers and other protective barriers going up, stifling, almost choking off trade altogether.

And that plunged the global economy back then into an even more severe depression.

HELEN DALLEY: All right. But you are saying, you said at the outset that it will really depend on value for price and if Australian steel is priced competitively. Now, does that mean that the steel that the unions are complaining of being dumped here, at sort of less than cost price, will not be accepted, or will be accepted?

CRAIG EMERSON: Well, it's a commercial matter and we don't...

HELEN DALLEY: So, we'll still be down to price?

CRAIG EMERSON: Well, we don't seek to interfere in commercial matters. If there are construction projects and, I think, in this case, in Melbourne, then it is up to the project proponents to make those decisions but what I am saying, Helen, is that we were happy to facilitate better coordination of Commonwealth purchasing processes. In the area of small business we're making the terms and conditions for small businesses simpler so that they can compete.

Now of course, they won't compete in major construction projects but this is an issue dear to my heart that we need to ensure that small businesses can get in there and compete. That's more competition, better for small business but also better for taxpayers.

HELEN DALLEY: All right, but you're saying you won't interfere, it will be a commercial decision, that would indicate that it will be on price. And yet, your resolution said that tenderers will be, have to consider overall value for money with tenders rather than just price.

CRAIG EMERSON: Well, of course, that price is part of the component which is also, the other part of the component is quality, and I am just saying they are commercial matters. What I am saying to you Helen is that there was a proposal that we give a price preference to Australian sourced material and we will not do that.

We've explained the position. I fully respect and understand the position of unions on that but it is therefore, more expensive for taxpayers, it would violate our trade obligations and we won't do that, but we will - and Lindsay Tanner has moved to appoint of coordinator to make it easier for Australian businesses and indeed for Commonwealth agencies to work together.

So where there is value for money, and value for money is price plus quality then, of course, we will seek to procure from Australia if it is competitive.

HELEN DALLEY: Okay. What are you doing, as a Government, about the dumping that the unions claim is happening particularly with steel and steel from China being dumped?

CRAIG EMERSON: There are anti-dumping procedures in place right now and if, the claim of dumping is, in fact, valid then go through the anti-dumping procedures. I will say that often there are claims of dumping which are not substantiated but there are anti-dumping procedures in place right now and have been for many decades.

HELEN DALLEY: All right so that's it. But one of the other major announcements Mr Rudd made was on creating new green jobs, yet there had to be an admission later that the vast bulk of the 50,000 new green jobs or traineeships that the Prime Minister announced are neither new, nor jobs?

There's only 6000 out of the 50,000 that are jobs, and they were already announced, so why try and fudge those numbers?

CRAIG EMERSON: Well, it's an indication about commitment to both the environment and to supporting, not only jobs but training, and a large component of that 50,000 was green core positions where people meet their participation obligations. There were 10,000 of those, 30,000 to ensure that our apprenticeships have the skills.

HELEN DALLEY: [Interrupts] But sorry Minister, of those, they were the ones that had to be conceded later that only 6000 were new jobs and yet they were jobs but they had already been announced.

CRAIG EMERSON: Yeah sure, I was just in the process of answering the question. About 10,000 which fulfil participation obligations for people who are out of work, 30,000 are ensuring that apprenticeships, our apprentices, have some of the skills that are going to be needed for a transforming economy.

There is 6000 of those jobs, as you described. It's an overall, it's an evidence of our overall commitment to supporting jobs in Australia. The stimulus package, 70 per cent of which is investment in nation-building infrastructure that supports our tradespeople. That is an indication of our support and the treasury estimates suggests that around 210,000 more people would be out of work if we weren't doing that, if we weren't doing that...

HELEN DALLEY: All right I am just talking about this specific announcement.

CRAIG EMERSON: ...and yet we have the coalition. Then we have the coalition saying that we should stop that stimulus package, there's a very, very clear difference between the two parties on that.

HELEN DALLEY: All right. But I was just talking about the specific set-piece announcement that Mr Rudd made, he was claiming that many of them were jobs, but

many of those people will still be getting their Newstart allowance so it's not a real job, it's work experience or its training.

CRAIG EMERSON: Well what's wrong with a green jobs core? When I was the head of the environment department in Queensland that's exactly...

HELEN DALLEY: No but don't call it a job if it's really training.

CRAIG EMERSON: ...what we did. There is a training component in that green jobs core and it is to help give them skills and meet their participation requirements.

It was very successful in Queensland and I am confident it will be very successful nationally.

HELEN DALLEY: All right Mr Emerson, another issue that's bubbling away that still needs to be resolved, donations to political parties...

CRAIG EMERSON: Yeah.

HELEN DALLEY: ...and there was quite a bit of consternation about why should corporate leaders, or anyone, have to pay for access to ministers and politicians. You work for the public, don't you, in a democracy?

CRAIG EMERSON: Well, indeed, and I can tell you this, I was very business in the business observers conference and I'll make this observation, that just about everyone who came to see me, I had already seen before. And my door is always open to business, to community groups, to anyone who wants to see me; we will schedule it, we will fit it in so, it wasn't for exclusive access to ministers.

Those businesses I have seen many times in the past, I am sure I'll see them many times in the future. And if they want to come and be part of the ALP National Conference and participate in that way, I guess it's a free country, what are we saying, that they're not allowed to do that?

HELEN DALLEY: Well, it's not free because you charge them.

CRAIG EMERSON: Yeah, I am saying it's free in terms of the liberty to be able to come to a conference. They don't have to come to the conference, Helen. You know, they don't want to come to the conference, that's fine.

You know, the vast majority of Australian businesses did not come to the conference, that's fine. The vast majority of Australian businesses will still have access to the Australian Labor Party but on the broader issue of political donations, let's have the debate.

It's Labor who've put a green paper out there, for public comment, and that canvasses a full range of options, but right now, in the Senate, there is a piece of legislation that is being blocked by the coalition that would return the level of political donation that's subject to public disclosure back from 11,000 to 1000. How did it get it up to 11,000? The coalition put that in place.

They are the ones who don't want the public to know when businesses are donating to political parties.

HELEN DALLEY: All right, on another issue, and we have to get through a few in the very limited time.

CRAIG EMERSON: Sure.

HELEN DALLEY: The coalition has put up some amendments to your emissions trading scheme, now there...

CRAIG EMERSON: No they haven't.

HELEN DALLEY: ...was discussion. Well they have put up some amendments. Is the Government in discussion or negotiation about those, is there any chance they will be accepted before it goes to the vote?

CRAIG EMERSON: The coalition has announced nine principles. Principles are not amendments and on Sky Agenda...

HELEN DALLEY: But is there any discussion about it?

CRAIG EMERSON: Just, just let me finish this ques...this point.

On *Sky Agenda* last Thursday Greg Hunt, with me, on the environ... and he's the environment spokesman, said you can't get more specific than nine principles, well amendments are more specific than 9 principles.

We're talking about legislation Helen, not nine principles. If the Coalition wants to put together some specific amendments Penny Wong has indicated that she's happy to talk to them. But who do we talk to? How do they get agreed amendments through the Coalition party room? The ball's in their court Helen. They need to settle on some amendments that they put to us. They are nowhere near doing that, it is an absolute shemozzle on their side of politics and we're supposed to respond to nine principles.

HELEN DALLEY: All right. I want to get to another issue. Former PM Bob Hawke was made a life member of Labor and there was great applause and even tears, you were an economics adviser to Hawke for a little while. These days, in a practical sense, what does he give the party? Do you use his expertise and his experience? Is Kevin Rudd talking to him regularly?

CRAIG EMERSON: He is indeed. He had a good chat with him the night before that wonderful time in the conference yesterday, it's going to be a time that I will never forget.

Yes, there were tears welling, including on my part. Basically this is what Bob Hawke says to us. Seek, wherever you can, to bring Australians together. You get the best out of human beings when they work together. Don't try to divide Australians whether it be workers versus businesses.

[Audio interference]

HELEN DALLEY: Okay, sorry I just - we will move on. I think you're hearing something in your ear that's on air.

CRAIG EMERSON: Yeah I am just seeing on television Kevin giving the presentation.

HELEN DALLEY: Yes, you're seeing the footage of Bob Hawke and Kevin Rudd. But I just want to ask you finally about the competition, more competition in the grocery sector.

We will leave the ALP conference just momentarily.

You say you want to increase the competition for Coles and Woolworths in this grocery sector. Now these...

CRAIG EMERSON: For everyone.

HELEN DALLEY: ... two companies have been allowed to get so big and dominant, why haven't you done anything before now?

CRAIG EMERSON: Well we've been in government for 18 months. I think Coles and Woolies have been around a fair bit longer than that.

And indeed Helen my predecessor Chris Bowen introduced into the Parliament and got through the Senate, laws to make it easier for the ACCC to prove predatory pricing; which is where a larger business cuts its prices for a sustained period to drive its rivals out of the market or keep them from coming in.

Now that was a recommendation from a report, the Dawson Committee report, back in 2003, we moved on that very, very quickly.

Now this is a second phase of looking at restrictive arrangements in leases between shopping centre owners and major supermarket retailers and also there's zoning laws which, at least, in some states specifically provide for an objection to a new entrant by an existing store on the basis that it could damage the business of the existing store; that is clearly anti-competitive in my view.

We've created the open, competitive economy as a Labor Government. I don't think it sits well that we can have zoning laws that are specifically and designed to be anti-competitive in nature.

HELEN DALLEY: It sounds very...

CRAIG EMERSON: As far as I am concerned, more competition the better.

HELEN DALLEY: Sounds very restrictive, doesn't it? Will you support the ACCC taking action, taking legal action?

CRAIG EMERSON: Well, the ACCC as I understand it and it really is the enforcement arm, they make their decisions on this, but the ACCC is in discussion as I understand it, with Coles and Woolworths.

It's not specifically, in my view, about Coles and Woolworths, it's about everyone. Anyone who might be engaged in restrictive practices, they should actually be the subject of scrutiny by the Competition and Consumer Commission. So of course they - I support it but it's up to them to make those decisions and what we're doing is saying clearly that the game is up on restrictive practices that effectively keep rivals out of markets whether it's Coles or Woolies or anyone else...

HELEN DALLEY: Okay

CRAIG EMERSON: ...and that is better for consumers.

HELEN DALLEY: Craig Emerson, thank you so much for joining us.

CRAIG EMERSON: Thanks a lot Helen.

Ends.