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Transcript
Sky News Agenda AM with Kieran Gilbert
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Subjects: COAG meeting, IR, Turnbull in Afghanistan, Joe Hockey on tax cuts, unit pricing and Grocery Choice.

GILBERT: Joining me on AM Agenda this morning is the Consumer Affairs Minister Craig Emerson with me here in Canberra.

Good morning Craig.

EMERSON: G'day Kieran.

GILBERT: And Sophie Mirabella, Liberal frontbencher who joins us from Sydney. Sophie good morning to you.

MIRABELLA: Good morning.

GILBERT: I want to ask you first of all about the focus at COAG on closing the gap. It's good to see isn't it that the state and commonwealth leaders are focusing on the practical measures needed to make an improvement on this very complex problem?

MIRABELLA: Of course acknowledging a problem is the first step in trying to solve it. What I'm concerned about and I think what most Australians are concerned about is to actually see real results. It's one thing setting targets but if the people setting those targets aren't going to be the ones responsible for delivering the results, then we're really not that much closer.

I think if there's a genuine attempt not to be seen to be doing something but to actually do something then there should be some immediate action and immediate targets. For example, the government could say well all aboriginal children should be going to school as of next week.

So there are some immediate things. Yes they are complex problems but to put the targets way off into the future I think absolves those currently with the responsibility for making decisions in government of the responsibility of actually delivering results instead of just being seen to say the right things.

GILBERT: Craig should governments be more ambitious, try and make more ground sooner like Sophie's saying?

EMERSON: I think Sophie's, the general point that she's making is right but we also recognise that as a government it's important to have longer-term goals.

Closing the gap of life expectancy is a longer-term goal. You can't just do that overnight. But my attitude towards these issues is of hard heads and soft hearts. That is that you need a hard headed approach. There are issues that need to be dealt with that governments haven't dealt with for decades.

We've moved pretty decisively in some of these areas such as the quarantining of welfare payments. We've backed in the previous Howard government's Northern Territory intervention. But let's just remember too that not all Aboriginal people by any means are in remote areas. There's a lot of Aboriginal people in urban areas. In my own area of Logan City a big concentration. We know in Sydney and so there are special problems there that we need to deal with but we need a hard headed approach to it.

GILBERT: The apology last year Craig came with a lot of goodwill from the Indigenous community, achieved a lot of goodwill and more broadly, even internationally got some good, some good coverage. But has it been matched by the practical measures needed?

EMERSON: Well I think both sides of politics, both leaders at the time of the apology emphasised that while the apology itself was incredibly important, we needed to adopt practical measures.

Some people dismissed the apology as symbolism. Well if that's symbolism I'm for symbolism. But there was a very practical focus and I think across the political divide Brendan Nelson made what I thought was a very good Liberal speech on these issues. Of course Kevin Rudd's speech has been celebrated around the world.

But this COAG meeting is about getting down, making sure we do the hard work, improving not only school attendance but the quality of our schools. You want the schools in remote areas to be good places for kids to go and that's really important to all of this.

I'm convening a meeting later this month on small business development for Indigenous people and I think that's really important. Why do we have an attitude that non-Indigenous people can go into small business but Indigenous

people it's kind of not for them? I think it is for them. They respond to incentive. They want reward for effort just like anyone else does.

GILBERT: Unfortunately Sophie we're seeing though in the lead up to this COAG some squabbling apparently over just who's going to be funding the Indigenous programs. It seems to be this stumbling block regardless of who's in power between the Commonwealth and the states just who's coming up with the money?

MIRABELLA: Well you're right, it is a perennial issue and it casts my mind back to ending the blame game.

Kevin Rudd and his team said they would end the blame game between the states and Federal government, but all we have seen since the election of the Rudd government are some pretty snazzy shots with a hard hat and fluoro vests even when others showing them around don't seem to be wearing them.

But great pics for the media but still the blame game going on. Not only blaming state governments but also at every turn unfortunately after 18 months in government, blaming the former government.

And there will come a time when the Australian people will say hold on a minute fellas, you've been in there for long enough, we want some real results. Not nice pictures, not snazzy slogans; we actually want you to end the blame game and do something. Don't just talk about fixing something like fixing the hospitals by the middle of this year and not delivering. Not like fixing rising prices and abandoning PriceWatch and FuelWatch. Actually live up to your words otherwise don't make big promises. And I think that's a really key, key problem that the government will have in the months ahead.

GILBERT: Okay Craig, what's your response to that?

EMERSON: Well Australian governments have signed agreements for \$4.6 billion for support for Indigenous issues and people here in Australia. I wouldn't call that the blame game. I wouldn't call that cost shifting. I wouldn't call that blaming the previous government. I'd call that progress.

GILBERT: Okay.

EMERSON: Now it's not that all problems are solved by money, but you know in the past it's true that governments of both persuasions have believed if you throw money at issues that fixes them. That's why I think the approach has got to be of hard heads and soft hearts.

GILBERT: On another issue relating to COAG Craig, the Commonwealth and the states apparently are going to extend today a training compact that was announced in April for people under 25 who find themselves out of work. This is going to be extended to anyone retrenched in this current economic downturn. Is this a sign that the government is still worried about the economic prospects? I mean are things still quite dire out there?

EMERSON: Overall we're more optimistic about the future of the economy and the time at which we'll achieve recovery than I would, say, that we were six months ago.

But we need to create jobs at a fairly rapid rate to absorb the extra number of people who come into the labour force; young people coming into the labour force, strong population growth here in Australia, quite strong immigration. Immigration's good for us in the long term, really good for us.

So we need to create jobs at a reasonably rapid rate and, you know during an economic slowdown that's quite hard to do.

GILBERT: So this is - this training idea, what's the focus? Is it to everyone is it?

EMERSON: Yeah and it's to ensure that everyone is well equipped even if they do lose their job now and we hope to goodness they don't. One job lost is one too many. But if they do we want them to be ready and raring to go for recovery. Really well equipped with the right skills in the right places. So it's not only about skills, it's about mobility.

We're working through the Council of Australian Governments on that to ensure an electrician in Queensland can become an electrician in Western Australia without having to apply for a new licence, those sorts of things.

GILBERT: Sophie Mirabella what do you make of these extended training opportunities? Previously it was for those under 25, now being extended to anyone made redundant in this economic downturn.

MIRABELLA: Well it's a case of back to the past. It just brings to mind the recession that we had to have under Paul Keating when we had the best trained dole queues in living memory. And I think we should have an approach of jobs first, not training first, because we've seen from overseas experience that the training first approach has not been as successful in the long term. And the focus does need to be on jobs first.

You can blame time lag. You can blame migration. You can blame all sorts of things. But the government should be focused on jobs first, not deferring the problem with this big emphasis, as Paul Keating had, on training first.

EMERSON: We're all for jobs first. It's just a pity that the Coalition didn't back in our nation building infrastructure plan, voted against it, and everywhere in the local community say we're for it...

MIRABELLA: Blame game again, Craig.

EMERSON: It's all right to knock everything. It's all right to knock absolutely everything this government does. I hope and I think that the viewers of Sky

Television would just like to see a little bit of credit given where we do something good, and a little bit of bipartisanship every now and again.

MIRABELLA: But see that's the mantra of the current Labor government. Any criticism or questioning of their decisions is, oh you're not supporting us, you're not being bipartisan. For goodness sake, Australians deserve an Opposition of either persuasion which will actually hold the government accountable.

And Craig, the Opposition, whether it's myself or someone else, raising questions and providing an alternative point of view is all part of the democratic process. And you can't just label again the blame game that we don't support everything. We do. But raising valid...

EMERSON: I agree with that...

MIRABELLA: Just let me finish. But raising valid issues of concern in the current climate is what people want us to do. They want us to focus on issues...

GILBERT: I want to ask you one thing. I want to ask you something else that was raised by one of Sophie Mirabella's colleagues. And this was Joe Hockey suggesting that you know, in the May Budget the deficit was larger than anyone had anticipated. And it was reasonable then to have a public debate on the tax cuts.

They were enormous tax cuts. The government committed to them off the back of Peter Costello announcing them in 2007. You politically weren't going to scrap them. But why - what's wrong with Joe Hockey saying let's have a public debate about it, let's have a debate about whether these cuts should go ahead, given the level of debt?

EMERSON: Well it's the very issue that Spohie just raised, jobs first. I mean we want to continue to stimulate the economy. We made a commitment to those tax cuts. It's the second round of tax cuts. It includes an education tax refund which wasn't part of the Coalition...

GILBERT: But Wayne Swan comes out and bags Joe Hockey for raising this even as an issue. Why not talk about the spending? Because you are in a lot of debt and deficit.

EMERSON: The reason that - we were always going to implement the tax cuts because we think it's good policy. We actually believe in reward for effort, for risk taking, for entrepreneurship...

GILBERT: But Hockey gets slapped down for just raising it.

EMERSON: Well, because the Coalition have been saying well you know, we can't do this, Labor's got to stick to its tax cuts. He actually advocated,

instead of our infrastructure investment spending, he actually advocated tax cuts during that period. And then he said...

GILBERT: Yes, and his argument was made given the amount you spent on one-off payments and so on, that you spent so much, had gone into so much debt that then you should reconsider the tax cuts. He's saying that in the context of your spending...

EMERSON: Yes, but we don't accept that. We don't accept the critique that we should reconsider the tax cuts. I mean we're getting criticism for implementing the policies that we took to the last election. Sophie would be very entitled, if we took Joe Hockey's advice, to say you broke a massive promise here.

You broke a massive promise, you know, so what's the point here? The point is Joe Hockey on the one hand said look, we should bring forward tax cuts and then the tax cuts - we didn't bring forward the tax cuts. We invested in the infrastructure come 1 July. I mean he's entitled to his view. I mean he's entitled to his view. It's just that we disagree with it.

GILBERT: Sophie is it politically smart to be raising this or is Joe Hockey fair enough to be suggesting that given the amount of debt and deficit that all spending should have been reconsidered, including the tax cuts?

MIRABELLA: Well the Coalition and particularly the Liberal Party have been the leaders in tax cuts and we've seen that over the last decade. And it was great to see the Labor Party match the Coalition's commitment at the last election for tax cuts. And as has been said, we advocated tax cuts instead of the cash splash to assist the economy. And I think that that needs to be put squarely on the table.

I think what we've seen out of this debate is this absolute paranoia by the Labor Party that anyone raising an issue for discussion and it goes across a whole range of issues that if you don't agree with the government's course of action in a particular policy area, then you're un-Australian. If you don't agree with them in another policy area well then you're heartless. If you don't agree with them in another area, well you know, you don't support bipartisan decisions.

EMERSON: Sophie do you agree with Joe Hockey?

MIRABELLA: Well Joe says lots of things and we do work as a Coalition team. But I'm not the one here to answer questions about what the government is doing and what they should be doing. Craig you're a minister, paid to be a minister and you're the one who should be answerable to the Australian people.

EMERSON: I didn't make the statement Sophie.

GILBERT: All right, well let's move on there.

EMERSON: Let's roll on.

GILBERT: Yes let's roll on. In fact we'll take a break. Stay with us after the break. We're going to look at Malcolm Turnbull's visit to Afghanistan on AM Agenda.

[Unrelated items: advertisement]

GILBERT: Welcome back to AM Agenda. With me this morning is Craig Emerson the Labor Consumer Affairs Minister and Liberal frontbencher Sophie Mirabella. First of all in this part of the program we want to look at Malcolm Turnbull's visit to Afghanistan, the visit to the troops. He had some comments to make in Tarin Kowt when he was there just a couple of days ago.

MALCOLM TURNBULL: Behind us to is the green swathe of the Baluchi Valley where Australian soldiers are today setting out to seek out and take on the enemy. This is a beautiful country but a very, very dangerous one. We've seen the work that Australians are doing to understand the technology of the improvised explosive devices, the IEDs. And we've also seen how formidable a protection the Australian designed Bushmaster vehicles are, with their special V-shaped hulls that have saved so many lives of Australians and those soldiers of other countries that have used that technology.

This is dangerous work here for Australian soldiers. They're doing a great job, wearing Australia's uniform in our name, defending freedom.

GILBERT: Sophie of course it's important for our political leaders to visit the troops on the frontline. Also, I suppose an opportunity for Malcolm Turnbull to have a bit of a low profile for a few days at home given the problems of the last few weeks.

MIRABELLA: Well, I don't think that comment can be made. You don't know when and for how long this trip's been planned. But you're right, it is important...

GILBERT: No well, we do know. It was planned last November. The point I was making...

MIRABELLA: Right.

GILBERT: ...is that whether or not this was intentional to lay low or not, that's what it served to - I mean, this...

MIRABELLA: Well, it...

GILBERT: It might not have as I say, been intentional but it served that purpose, did it not?

MIRABELLA: Well, it was planned since last November. Timing is everything in politics. Sometimes timing is good, sometimes timing is bad and I don't think we should detract away from the importance of this trip, particularly to our serving men and women. I mean, we know that the population out there is very cynical about politicians, about the political process and at times it is important to really show our support for people who put themselves in the frontline.

And it is a dangerous situation in Afghanistan. All you need to do is talk to any of the troops who've served at least one tour of duty over there to understand that. And I think with the recent debacle we've had with the former defence minister, I think it's really good and a positive thing for senior members of the Australian Parliament to visit our troops, to find out firsthand what a great job they're doing.

GILBERT: Absolutely. I think everyone agrees with you there.

Craig, in terms of the industrial relations laws, they came into effect just yesterday. The ACTU's backing the Manufacturing Workers Union in its push for a four per cent pay increase. Is this the right time to be pushing for a pay increase? Obviously, I mean, things are [break in transmission]...

EMERSON: ...will occur at the enterprise level and I saw Sharan Burrow's comments. She said of course, no union would want to drive a business to the wall and cost jobs in the negotiations. You know, they're seeking to negotiate an outcome. Kevin Rudd, Julia Gillard have called for wage restraint. We don't want to see excessive wage rises causing unemployment. These are difficult economic conditions for business in this country.

But because the negotiations will occur at the enterprise level, as provided for in the Fair Work legislation, then I'm sure the right outcomes will occur. Not only the right outcomes for the workers in those businesses but the right outcomes for employment in this country more generally.

GILBERT: Sophie things have changed dramatically, haven't they, since the days of pattern bargaining and so on. This enterprise legislation, or enterprise bargaining legislation, within the Fair Work Bill, that should provide the protection, shouldn't it, for employers?

MIRABELLA: Well, if only I had a crystal ball. But look, it is a totally new system of industrial relations that the Labor Party has introduced and the real benchmark, the true benchmark, the one that we can rely on, will be the monthly job figures. They will tell us whether this new system is a failure or not because that is the thing that matters the most. Jobs, jobs, jobs, and whether this new industrial relations system makes it harder for new jobs to be created or otherwise. And I think that's what we'll be monitoring very closely on a month by month basis.

GILBERT: Okay, I just want to wrap up. We've got a couple of minutes to go on and ask Craig as Consumer Affairs Minister about the unit pricing which

came into force yesterday but, more specifically, about Grocery Watch, that scheme which you scrapped basically a couple of - you know, very soon after taking your new role?

EMERSON: Yeah.

GILBERT: Was it a stunt from the outset? Was it just symbolism?

EMERSON: No, I supported the concept, when it was announced before the last election, of giving consumers as much information as you could as a basis...

GILBERT: It didn't take long for you to scrap it though.

EMERSON: Yeah well...

GILBERT: It wasn't going to work was it?

EMERSON: ...because a reasonable time had elapsed where the ACCC was the first port of call. That didn't look like it was, you know, providing valuable information. The new proposal that was being worked up with Choice was one that I became familiar with as the new minister. They were looking at 10 million prices, 10 million prices once or twice a week and I was just concerned, fundamentally, about whether that information was going to be both timely and accurate; that consumers when they clicked on and did their own basket, if they go into the shopping centre and the prices were very different, which they could be, then they could legitimately say hey, this is not right, this is not working, this has misled us.

GILBERT: This was just not going to work. Do you - was it not just symbolism then from the government to try and say we're going to do something in an area where you can't?

EMERSON: Well I think, whatever the criticism is, it can't be both, that it was symbolism and therefore we didn't try and we spent a fair bit of money trying. We did spend a fair bit of money trying. It would be better if we hadn't but we tried two different approaches to it. I will continue to work with the supermarkets, large and small, to see if we can get something up using, you know advanced technology but the system that was in front of me, I was really concerned that it might not provide valuable information, it could indeed mislead people.

You talk about timing. You know there was criticism that I did this on the day that Michael Jackson died. Well, the meeting was planned three days before and I'm not a soothsayer about Michael Jackson's demise. But we had to make the announcement before the site went live on Wednesday. And I did that to give Choice as much notice as possible.

GILBERT: Sophie we've only got a minute to go. Just give us your thoughts briefly on it?

MIRABELLA: Well I think the unit pricing measure is a positive step and that's good work Craig but I think the...

EMERSON: Thank you Sophie.

MIRABELLA: But Grocery Watch was always, always a stunt from the very beginning. During the last election Kevin Rudd was in everyone's living room telling them he was going to do something about prices but, you know what, it's much harder to fix a problem. It's very easy to sound tough, to sound as if you're a man of action, but it's much harder to deliver. And I think the already about \$7 million or \$8 million has been wasted on this failed program. It was never going to work from the very beginning.

And the Labor Party had an opportunity last November when we were calling for it to be scrapped to have saved some taxpayers' dollars but they didn't want to admit that it was a failure.

GILBERT: Okay.

MIRABELLA: Finally that admission has come.

GILBERT: Sophie thank you. Craig thank you very much.

MIRABELLA: A pleasure.

EMERSON: Thanks Kieran, bye Sophie.

MIRABELLA: Bye-bye.

GILBERT: Join David Speers this afternoon, 4:15 eastern for PM Agenda. I'm Kieran Gilbert. Thanks for your company.

Ends.