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Transcript

ABC NewsRadio with John Barron

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Subjects: State of the Economy

BARRON: The Rudd Government continues to ride the rough currents of the economy. Some good news today with two separate surveys showing that job advertising and business conditions seem to be stabilising.

The ANZ monthly survey shows the number of online and newspaper job vacancies fell. But just by 0.2 of a per cent, and that is the smallest decline in the number of job ads in a year. A glimmer of hope there.

The NAB also reported today a strong rise in business confidence during the month. But economists are warning that labour force figures due out later this week are expected to be rather grim.

Craig Emerson is the Federal Small Business Minister. He's been addressing a national small business summit in Melbourne this afternoon and he joins us now. Minister, good afternoon.

EMERSON: Good afternoon, John.

BARRON: What mood are you picking up when you talk to small business people? Are they feeling some signs of we might be turning a corner or is it still pretty grim out there?

EMERSON: Resilience, I think, would be the best word to describe it. They're not saying it's all beer and skittles by any means, but that there's

reason to believe that we can get through this economic downturn to the other side. We're better placed than most other countries to do that. And I would pay tribute to small businesses, because what seems to be very clear is that they are doing - they're doing whatever they can to hold onto their staff. They will remember only a year and a half ago how difficult it was to attract and retain good staff, and I think they are going to great lengths, and good on them for doing so, to retain their staff, cut other costs and just work through this economic downturn to the other side.

BARRON: One of the things that small business people have been telling us Minister is that they would really like a better deal out of the banks, and that would be one of the things that'll help tide them over. What have you been able to do on that front?

EMERSON: Well, we've been working with the banks and the - there was a representative at our gathering today of 80 small business representatives and the Australian Bankers' Association was represented at that meeting.

I did get one question on that and said that we've been working with them and putting them in touch with the small business associations to look at any systemic problems, whether they're right across the small business community or particular industries or sectors, and they are - that is, the banks are saying that they will maintain the flow of funds to small business.

There'll always be complaints about the cost and terms and conditions of that funding but we'll continue to urge the banks to play their role, along with small business and government, in getting across the divide here of the economic downturn to the other side to recovery.

BARRON: One thing that seems to be making small business people - people who are in the business of selling solar panels rather cranky today is that all of a sudden, they thought they had till the end of the month for this rebate scheme that's suddenly running out at close of business tonight. They say they were inundated with orders, frantically trying to send faxes and paperwork off to the Greenhouse Office, and they say that there are plenty of potential customers who are going to miss out. I mean, some would say that's hardly taking care of small business.

EMERSON: Well, I have been in a meeting with representatives of small business organisations all afternoon, so I'm afraid I haven't had any opportunity to look into that issue. It wasn't raised this afternoon. But that doesn't mean it's not a real issue. I'm just saying that I've come straight out of that meeting to do this interview with you. And I can tell you all the issues that were

discussed there today, and there's an enormous range of them, but we didn't get to that particular issue.

BARRON: So with a federal election now due within the next two years, certainly, you and the Government, obviously, are going to be judged on your record on jobs. But it seems, of course, that we're continuing to go backwards, and that there could be worse news just around the corner as well?

EMERSON: Well the outlook as contained in the Budget released in May is for a deterioration in the job situation, for unemployment to rise. We're doing everything we can through a large fiscal stimulus package, 70 per cent of which is investment in nation-building infrastructure. That's got direct benefits for all those traddies, for contractors and the small businesses that supply them.

So we're doing everything we can to support jobs through small business and through other businesses, medium and large. We know there's a big challenge there. But it has been magnificent the way small business has responded to the challenge so far.

They're doing their very best. We want to support them. We are through the stimulus package, through small business tax breaks, through reductions in the quarterly payments of income tax below those that otherwise would apply, because we know that during an economic downturn, cash flow is king. So we're doing what we can to support small business enough so that they are responding very, very strongly.

BARRON: Thanks very much.

EMERSON: I'll just add there, you would - you did mention two surveys. And this is consistent, John, with the mood of the meeting today, a sort of a - I wouldn't say huge optimism, but certainly, a bit of a sense that we can see this through if we all work in partnership together.

BARRON: Good to hear. Thanks very much for joining us.

EMERSON: Thanks a lot, John.

BARRON: Craig Emerson there, he's the Federal Minister for Small Business.

ENDS.