



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**QUESTIONS WITHOUT NOTICE**

**Economy**

**QUESTION**

**Thursday, 4 June 2009**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## QUESTION

**Date** Thursday, 4 June 2009  
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**Questioner** Grierson, Sharon, MP  
**Speaker**

**Source** House  
**Proof** Yes  
**Responder** Emerson, Craig, MP  
**Question No.**

### Economy

**Ms GRIERSON** (Newcastle) (3.22 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy. Will the minister advise the House on any recent responses to small business initiatives in the budget? What are the effects on small business confidence of recent economic data?

*Government members interjecting—*

**The SPEAKER**—The members behind the minister will not soo him on.

**Dr EMERSON** (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation)—They are just trying to encourage me, Mr Speaker. I do thank the member for her question and for her interest in small business. As I said yesterday, there is a lot of interest in small business on our side of the parliament, and it is now one year and one day since I had a question from the member for Moncrieff, the shadow small business minister. I have had reason to celebrate the reaction of the small business community to the small business tax break. I take the opportunity to thank the Prime Minister for decisions that he and the Treasurer made in the budget context. In going around forums around Australia with small businesses, I had ascertained that the previous small business tax break, though very popular, did warrant some further consideration in this respect, and that is that small businesses were saying that it had not passed the Senate and they were worried that it might go the way of alcopops, and therefore they were holding back. Secondly, a proportion of small businesses did not know about it. When I approached the Treasurer and the Prime Minister with these two issues, the decision was made to extend the operation of the small business tax break to the end of this calendar year, to 31 December, and, further, to boost that tax break from 30 per cent to 50 per cent.

This is just one of the measures that the government has adopted, not only to boost small business investment but also to boost small business confidence. I am pleased to advise the House that the business groups around Australia strongly support the government's small business initiatives. I will take the

opportunity to refer to the support that has come from the Australian Retailers Association. The director of the Australian Retailers Association had this to say about the budget initiatives:

Retailers applaud budget support for small business

That was the heading, and it describes a small business tax break as:

... direct incentive for smaller retailers ... to inject much needed investment in their business.

The Australian Retailers Association concludes:

These initiatives coupled with the Rudd Government's stimulus packages, which are beginning to flow from consumers pocket's through to retailers, leave retailers optimistic the Rudd Government is listening to their concerns and supporting small business.

It may interest members to know that the Executive Director of the Australian Retailers Association is Richard Evans. Richard Evans was the Liberal member for the seat of Cowan—you may remember that, Mr Speaker—between 1996 and 1998. We would not always agree with Mr Evans, and I am sure that he will be critical of the government in the future, as he has been in the past, but he can be optimistic about Australia's future. If the Executive Director of the Australian Retailers Association can be optimistic about Australia's future, why can't the Leader of the Opposition? Why can't the Liberal member for Wentworth be optimistic about Australia's future? Why does he insist on talking the economy down when we are trying to talk the economy up? Just yesterday, the same former Liberal member for the seat of Cowan said:

... at the moment, there is a lot of good economic news and retailers are predicting improved growth from the September quarter.

There we have the Executive Director of the Australian Retailers Association talking up the economy. He is not alone, as there is a whole litany of business representatives who are talking up the economy. Michael Luscombe, Woolworths chief executive, and Mark McInnes, David Jones chief executive, are both saying that the stimulus packages have been terrific and are both saying that the outlook for the Australian economy is a very positive one. Paul Brennan, the head

of economics at Citigroup, is saying the same thing. Andrew McKellar, the CEO of the Federal Chamber of Automotive Industries, said:

There is clear evidence that the Federal Government's business tax break is providing the market with a renewed sense of optimism and confidence.

Then there is Greg Evans, the acting chief executive of the Australian Chamber of Commerce and Industry. One after the other, 21 economists from all over Australia—including former governors and deputy governors of the Reserve Bank—from all different political persuasions are all saying that we are on the right track, that the government, through its stimulus package, is doing the right thing by the Australia people and the right thing by small businesses.

Yet we have this miserable lot over here always talking the economy down, exaggerating the employment figures, as they did when Senator Coonan, the shadow finance minister, said that there were 155,000 jobs lost a couple of months ago—and it was nothing like that. It was the same thing with the shadow Treasurer saying that there were 80,000 jobs lost—and it was nothing like that. They are always talking the economy down. Today, on Sky Channel, the shadow Treasurer was asked this question. He was critical, yet again, of the government's stimulus package. When asked about this he said, 'Well, we would have a smaller stimulus package.' He was asked this question by Kieran Gilbert: 'Okay, can you say that the economy would not be in recession with your alternative stimulus package'? Do you know what he said? He said, 'I don't know—we don't know.' We do not know whether the economy would be in recession under their economic policies. Well, you should know.

If you are going to implement policies like these, if you are going to implement policies to halve the stimulus package, come into this parliament and say: 'We don't know. We don't know whether there would be a recession or not.' These things matter. These matter to the Australian people. It matters whether there is a recession or not. It seems as if it does not matter to the opposition leader and it does not matter to the shadow Treasurer, but it certainly matters to the Australian people. These are human beings—these are decent Australians—and 210,000 more Australians would have lost their jobs with the economic policies being advocated by the Leader of the Opposition and the shadow Treasurer.

Time and time again they are talking the economy down. Get with the government. Get with the strength. Get with the Australian people. Support small business in this country. You are a disgrace to the Liberal Party,

an absolute disgrace! You have made a mockery of the once great Liberal Party.

*Opposition members interjecting—*

**Dr EMERSON**—Get in and support small business and support Australia. Support the government's initiatives and be responsible, instead of talking the economy down.

*Opposition members interjecting—*

**The SPEAKER**—Order! Order! The House will come to order. The Leader of the Opposition has the call.