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Doorstop
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EMERSON: I wanted to take the opportunity to review the week. On the back of some encouraging national accounts data, we then, this week, received news on retail sales, and yesterday on unemployment. And in this country, retail sales contracted, and so has employment. This provides a reality check on how far we are on the road to recovery. It shows that we have a long way to go. And yet the Opposition persists with its irresponsible argument that the Government should withdraw the stimulus prematurely.

Just yesterday, Joe Hockey said it was acceptable for unemployment to go up, as a consequence of their advocacy of withdrawing the stimulus prematurely. To withdraw the stimulus prematurely now would create a lot more unemployment and it would throw a lot of small businesses out of operation. We will not support the Coalition's plan to withdraw the stimulus prematurely, thereby destroying Australian jobs and destroying small businesses.

Joe Hockey's comments yesterday were both heartless and reckless, so Joe Hockey ought to have a reality check, the sort of reality check that's been provided by the figures released this week. His call for the early withdrawal of stimulus; Malcolm Turnbull's call for the early withdrawal of stimulus, and their view that it is acceptable that unemployment goes up, is both heartless and reckless and they should recant on that position.

QUESTION: Why is the Prime Minister persisting with his ungraceful attack, claiming that the Coalition have never implemented economic reforms?

EMERSON: It would be very difficult to describe the Coalition Government as a reformist government. During its period in power, it's probably best

described as a decade of squandered opportunity. The Coalition had all the proceeds of the China boom, to invest in infrastructure and to invest in skills formation, as a platform for restarting productivity growth that ground to a halt under the Coalition. They did not take that opportunity. It was a decade of squandered opportunity.

QUESTION: What about the GST and other tax reforms?

EMERSON: Well it's very arguable, and I wouldn't regard the GST personally as a wonderful reform, an economic reform. And let's just look at the consequences of that decade of squandered opportunity. Productivity growth boomed during the 1990s, on the back of Labor's opening up the Australian economy, the creation of the open competitive economy. A productivity boom during the 1990s followed by productivity growth falling away during the current decade to the point where, in the last year of the Coalition Government, it ground to a complete halt. And what Kevin Rudd and the Government are saying is that we need to restart productivity growth through a micro-economic reform program.

QUESTION: Is Kevin Rudd an economic conservative?

EMERSON: Kevin Rudd is investing in infrastructure, in skills formation, supporting innovation, supporting the education revolution, ensuring that through the deregulation process that Lindsay Tanner and I are involved in, that we have a five-prong plan to restart productivity growth. So in that context, I would regard Kevin Rudd as a reformist, someone who understands the importance of restarting productivity growth in this country, because today's productivity growth is tomorrow's prosperity. We need to restart productivity growth. The previous government just watched it ebb away until it finally ground to a halt. Now that was a decade of squandered opportunity.

QUESTION: Are you arguing that there were no economic reforms of note during the Howard years?

EMERSON: What I'm arguing is that you could hardly describe it as a vigorous reforming government. A drought in infrastructure investment, a drought in skills formation and a legacy where money was falling from the sky, from the China; and instead of investing that wisely in infrastructure investment, to raise productivity growth, instead of investing it wisely in skills

formation to raise the productivity growth, it did neither. So I don't think we could argue, anyone could argue that it was an energetic reforming government. I'm not saying that there was nothing that the Howard Government did that constituted an improvement, but there was an enormous opportunity for that government, and it squandered it.

QUESTION: So what were the good points of the Howard Government's reform agenda?

EMERSON: Well I struggle to think of too many good points of the Howard Government agenda. In one area with which I'm familiar, it continued, for a time, up until just before the 2004 election, with some of the national competition policy reforms that the previous Labor Government had put in place. But just before the 2004 election, Peter Costello said no, that's the responsibility of the states, we are not making any incentive payments to the states and abandoned the process.

QUESTION: Mr Emerson, what's the benefit for your government and for the electorate in focusing on the past, now that you're elected two years into your term?

EMERSON: We are highlighting the importance in fact that - the ultimate importance of restarting productivity growth. And in order to put forward our program of productivity growth, supported by infrastructure investments, supported by the education revolution, supported by investment in innovation, supported by tax reform and supported by the deregulation of the Australian economy to the point of moving it to a seamless national economy, we need to understand and explain where we've come from. We need to understand and explain why productivity growth was allowed to ebb away, to slow down from the record productivity boom of the 1990s, to a point where it ground to an absolute halt in 2007.

QUESTION: But you won the election, why focus on the past?

EMERSON: I've...

QUESTION: I think Australians just want you looking forward now.

EMERSON: I've just described to you the five foundations of Labor's productivity raising, micro-economic, reform program for the future. Much of that investment is already in place; investment in infrastructure, investment in innovation, investment in skills formation through the education revolution. The Henry Review of tax - of the tax system, and finally the area that Lindsay Tanner and I are working on, the creation of a seamless national economy. I think that's a very exciting, forward looking micro-economic reform agenda, designed to lift productivity growth and the competitiveness of Australian businesses, large and small.

QUESTION: Are you willing...

QUESTION: During the election campaign, Mr Rudd identified closely with the Howard Government's economic policy. He called himself an economic conservative. Was he just doing that to get elected?

EMERSON: Well we have a matter of a global recession, the deepest global recession since the Great Depression, where figures even in the last few weeks have confirmed that Australia is now the - one of the only developed countries, very few developed countries, that is still growing. And that is a result, very substantially, of the stimulus efforts of this government, combined with the China boom, or the resurgence of growth in China, and with the cut in the official Reserve Bank cash rate from seven and a quarter per cent to three per cent.

Put those three things together, add in the guile and enterprise of Australian businesses large and small, and you see that we are getting onto the road to recovery, but there is a long way to go and the remarks of Joe Hockey during the week, of Malcolm Turnbull, that the stimulus should be withdrawn, are both reckless and heartless. They are saying that they would tolerate an increase in unemployment, as a result of their policies, a price they are prepared to pay. Well it's not what we believe in. We know that unemployment is projected to rise anyway, but it would be - there would be 210,000 more Australians out of work if we didn't have the economic stimulus plan. And that's what Kevin Rudd and Wayne Swan and the Government put in place. We support it. All of the major business organisations in Australia support it.

I cited during the week 13 international and national organisations supporting our stimulus package, and warning against any premature

withdrawal of stimulus. Yet Joe Hockey said just yesterday it's acceptable for jobs to be lost as a result of their plan to withdraw the stimulus. It is both heartless and reckless.

QUESTION: Do you think Tony Abbott's description of Julia Gillard is something that he should have said? Don't you think politicians should set a better example?

EMERSON: Well we've seen a week where the Labor Government is talking about economic policy, what we're doing in terms of investing in the future. The Coalition, for weeks and weeks, has just been engaging in a campaign of fear and smear. Frankly, hurling foul-mouthed abuse is no substitute for good policy. Tony Abbott has been hurling foul-mouthed abuse and that is not substitute for policy in Australia's national interest.

QUESTION: Have you been having fun in question time this week? The Independents seem to rate you pretty well. [Laughs]

EMERSON: Yes, I was quite happy that a number of them gave me a pass mark at least, given that some of the people who put up the score cards were actually members of the Coalition. So a pass mark from the Coalition is well worth having and I thought Buzz Lightyear made a bit of an appearance there and Major Tom and it's all in the fun and colour and banter of parliament.

QUESTION: Will we be seeing more of it next week?

EMERSON: Well, I can't say. It just depends on what opportunities are provided. I haven't been given any opportunities by the Coalition. It's now 471 days since I last received a question from my opposite number, the Shadow Minister for Small Business, so it's been a long drought and if there's some material there, if they actually do get around to asking a question about small business, then I'll be there and ready to answer.

QUESTION: That's lovely, thank you.

EMERSON: Okay. Thank you.

Ends.