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*Subjects: Obama's Wall Street address, G20, question time behaviour and the role of women parliament.*

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**KIERAN GILBERT:** Joining me this morning on the AM Agenda program the Shadow Finance Minister Helen Coonan and Small Business Minister Craig Emerson. Good morning to you both.

**COONAN:** Good Morning. Hello Craig.

**EMERSON:** Hello Kieran, g'day Helen.

**GILBERT:** Craig the President there said there cannot be a repeat of history but how concerned do you think Australia should be when it comes to risky behaviour on Wall Street?

**EMERSON:** Well we ignore the lessons of history at our peril and Wall Street has often displayed a risky behaviour. That behaviour, the greed combined with the absence a decent regulatory framework for financial markets, was the cause of the global financial crisis which morphed into a global recession. So we must understand that and we must work to have a better global regulatory system for financial markets without Kieran, at the same time, embracing regulation of product markets which is another word for tariffs. We don't want to see a global trade war that happened under the Smoot-Hawley Hoots tariff of the 1930s that led to a deepening of the recession. And I think both sides of politics have the view that we must not have an increase in regulation around product markets but certainly financial markets there was a big failure there.

**GILBERT:** The US President didn't seem to get the warmest reception Senator Coonan at the Wall Street address. He went there, spoke to 150 of the Wall Street figures and there was very little applause. He certainly gave it to them frank and blunt.

**COONAN:** Well Kieran there is I think a very entrenched culture particularly in the United States where the weaknesses and excess of the financial system is widely attributed to some of the consequences that flowed right really round the world - not as bad here. The point for us is that global regulation is obviously important and there must be some co-ordination where it impacts say in the flow of capital and things like that. We must not lose sight that we do have even on Julia Gillard's

recognition the best regulatory system in the world - that because of the heavy lifting that was done, I must say modestly, done by me as Assistant Treasurer, we were putting in place all those regulatory controls following the HIH collapse, the capital adequacy requirements, the stress testing for banks all those things that meant we weren't as impacted as the United States markets so I think Obama does have a task at hand to get after that culture in the United States.

**GILBERT:** Listening to that speech this morning he had another point which I thought was interesting in it's implications for Australia related to the central role of the G20. Let's recap a little of what the President said on that issue.

***OBAMA:** A summit in London in April leaders agreed to work together in unprecedented way to spur global demand but also to address the underlying problems that caused such a deep and lasting global recession. This work will continue next week in Pittsburgh when I convene the G20 which has proven to be an effective form for co-ordinating policies among key developments and merging economies and one that I see taking on an important role in the future.*

**GILBERT:** An important role into the future the President said for the G20. Helen Coonan you would welcome that? Australia of course is around the table at the G20 and the Prime Minister, to give him credit, has lobbied for the G20 to be a central player in all of this.

**COONAN:** I think with the global meltdown obviously a forum such as the G20 has significance because being able to bring people together around a table to try to make sure that there's a much more seamless global regulatory system now in some of those situations it's certainly worth doing. But for instance with the American system Obama was talking about putting in place, as I understand it, some consumer protections and some central bank supervision. We've had that with the introduction of APRA that's a superb prudential regulator. I think that Craig would agree that they do a great job and of course ASIC as our consumer body so I think that whilst globally it is important we have a seat at the table it is important that where there are global impacts we are there but we mustn't lose sight of the fact we don't want to strangle ourself with more regulation when our regulation works well.

**GILBERT:** That's right, I suppose Craig Emerson when you look at the role the G20 has played over the last 12 months there was a sense that maybe it might be just a short-term mechanism that the discussions would fall back to the G7, G8 beyond this. But now it seems the President wants to use this as an ongoing basis for discussion which has Australia, China, India all around the table?

**EMERSON:** The G20's here to stay and Kevin Rudd took a leadership role in pushing the G20 forward as the appropriate international forum within which to discuss and come to agreement on some of those regulatory and co-ordination issues. Not only did Kevin do that, Australia is playing a leading role in the G20. It's not, as Joe Hockey seems to believe, an international left-wing conspiracy as he was twittering away in Question Time. It's an organisation or group of nations that's very important in this global co-ordination exercise and I note that Malcolm Turnbull, we are debating, I'm pleased to hear what you've said Helen, but Malcolm looks for some sort of support. For his very, very light regulatory approach he goes to John Taylor, Professor John Taylor. Now Professor Taylor is a fellow who believes governments caused the global recession not Wall Street, not the greed, not the lack

of regulation. So I think Malcolm should really be picking more stable more central types of advisers rather than relying on the John Taylors of the world.

**GILBERT:** As we mark the anniversary of the Lehman Brothers collapse today what do you see as the key challenges for Australia to move forward? The Treasurer refers to under-employment, the fact that there has been a move from full-time to part-time work. Helen Coonan do you see that as one of the key issues for the Government try and get that back on track, give people the hours of work they want and need?

**COONAN:** Well I think when you look across what's happened what we really need to do what is going to be a proper exit strategy from the massive stimulus which is really around the world. Let's not just concentrate on Australia. But we certainly talk about Australia and we've said with the emergency receding there is no longer the need to keep up the level of stimulus that's currently being pumped into the economy.

**GILBERT:** That's the message from the RBA as well that they seem to be the next move will be up in terms of rates.

**COONAN:** Well that's right and we really do have to be careful that we aren't pulling policy levers in different direction that monetary policy in effect tightening and that fiscal policy is still pumping away, pumping all this stimulus into the economy. We've got a situation where we've got the third stimulus package be rolled out. That's the infrastructure package. We've got all the waste we've seen in the second stimulus package. We think that with the emergency clearly receding there really is a good case for the Government to look at how they can get better value for money and all of this feeds into looking at what you are going to do to create greater productivity to create more jobs. The figures we have got are totally out of date, totally out of whack. Since the Budget that forecast 8.25 per cent unemployment predictions are now with predictions being steady at 5.8 that it might peak and bottom out at six per cent. Now that's a very good thing. We don't want to see unemployment. I think we've got to be very careful to make sure we're not sending very confusing signals with this increased stimulus.

**GILBERT:** Well the Reserve Bank is going to publish the minutes of its last policy setting meeting today Craig Emerson. If there is a message in that and indeed if rates do start moving up your Government is going to moderate the stimulus it's inbuilt but isn't there a case for moderate it a little bit quicker?

**EMERSON:** This is the profound difference between the Coalition and Labor on policy. We do not believe in the early withdrawal of stimulus. Nor has the Reserve Bank argued for the early withdrawal of stimulus, nor Treasury, nor the International Monetary Fund, the OECD, the World Bank, the G20 or any reputable business organisation in this country. The point that you led in with your question about reduced working hours means reduced purchasing power. So the road to recovery will be a long one because while it's a good social outcome in very difficult circumstances that people rather than losing their jobs in very large numbers and enough, one too many, one job loss is one too many, where to the extent that businesses large and small have reduced the working hours that's reduced purchasing power. They won't have the purchasing power to get us back to a racing recovery. It's going to be a slow recovery.

**GILBERT:** You've conceded it's quite a delicate balancing act between keeping the economy growing and overheating the economy?

**EMERSON:** I don't think there's any sign of the overheating of the economy. Last week we had figures on retail sales - a contraction in retail sales. We had figures on employment - a contraction. We've got reduced working hours.

**COONAN:** We've had confidence that's way out, we've got unemployment.

**EMERSON:** That's confidence in the Government and confidence in the Government's economic management ...

**COONAN:** It's confidence in the economy, let's be sensible about that.

**EMERSON:** We've managed it through the stimulus. If there were no stimulus there would be 210,000 more people be out of work. That would be a social disaster.

**COONAN:** Let's accept for the sake of this debate that the stimulus is fine so now the question is.....

**EMERSON:** That's not been the Coalition's position.

**COONAN:** No I just said for the purpose of this discussion you've still got another \$40 billion to be pumped in due from 1 July next year. You've still got another \$22 billion, some of that would be the same money. Of course \$22 billion with the third tranche of the stimulus and you've still got the wind down of the current stimulus you've got in the system.

**EMERSON:** Helen this is all in the Budget.

**COONAN:** Please just let me finish. The Budget was predicated on a different set of figures we won't know until MYEFO. I'm sure you don't even know what the figures are in MYEFO. Until MYEFO comes out in November we won't really know how this economy is doing. We think on all the indicators it's doing extremely well and as I said the emergency has clearly receded. You can't continue to pump away on policy settings you put in place when you said the sky was falling in.

**GILBERT:** Craig your response?

**EMERSON:** The sky was falling in and you've conceded you don't know how the economy is travelling.

**COONAN:** No, no I said ....

**EMERSON:** You said that won't happen until MYEFO ...

**COONAN:** I said confirmation will be MYEFO ...

**EMERSON:** Now Helen ...

**COONAN:** All the indications are ...

**EMERSON:** Is pull out the support ...

**COONAN:** The economy is no longer in an emergency situation ...

**EMERSON:** And you're saying pull out the stimulus.

**COONAN:** And you're saying it's still in an emergency situation.

**EMERSON:** We're saying that the recovery will be a very gradual slow recovery.

**COONAN:** Yes your settings are emergency settings and the fallacy starts there.

**EMERSON:** Start telling us where you're going to cut....

**COONAN:** The other point ...

**EMERSON:** Don't run around saying you're going to cut....

**COONAN:** The other point that's really critical that you guys keep saying and you're dead wrong is around the world and the G20 have said this, every country must exit according to its own circumstances. They've all talked about the stimulus sure but every country has to look at their own circumstances and for the purpose of exiting and your budget has been set on emergency setting.

**EMERSON:** Tell us where you would cut.

**GILBERT:** We're going to pause, take a break. We'll be back in a moment.

*Break*

**GILBERT:** Welcome back to AM Agenda. With me here in the Canberra studio the Shadow Finance Minister Helen Coonan and the Small Business Minister Craig Emerson. We left the break talking about the economy and I want to talk about behaviour in Question Time. Tony Abbott says well he's not rejecting the idea of boycotting Question Time now if the Government continues to abuse Question Time. What do you make of Tony Abbott's antics over the last day?

**COONAN:** Well clearly I wasn't in the house during Question Time, being in the Senate Question Time but both Question Times I think have become characterised by very long robotic answers to questions that really don't provide a response and I think this must have been a level of frustration that Tony felt that got him to the point that he found very difficult to continue to listen. It is an abuse of Question Time not to the questioner to endlessly lecture everyone. I understand, obviously Craig's there that sometimes it goes on for two hours. Now I don't think that's ever happened in Question Time in the Senate. I may be wrong about that. It's clearly not what Question Time's meant to do. Question Time is meant to be an opportunity to elicit answers from the Government Ministers and not to get a lecture round the world about everything happening and not answering the question. So the repetition, the robotic answers, the formulaic response is something we all need to address as to how our Question Times are running. We tried something new in the Senate. I don't think it's working that much better but we've got limited times so mercily we get through it within an hour or so.

**GILBERT:** Craig the Prime Minister's answers - you wouldn't use the word 'pithy' to describe his answers in Question Time would you?

**EMERSON:** Well let me go to Tony Abbott first. Tony Abbott is the Liberal Party's Gordon Ramsey except he can't cook. He's belligerent, he's abusive. Our economy is on the road to recovery and I thought Tony Abbott was on the road to recovery but he's regressed, he's back to where he was.

**COONAN:** Oh the economy's on the road to recovery – good.

**EMERSON:** It is on the road to recovery, it's just a long road to recovery.

**COONAN:** You just don't know how far it's recovered right?

**EMERSON:** Well it certainly hasn't recovered to the extent of ripping out the supports to the stimulus.

**COONAN:** You wouldn't even know that.

**EMERSON:** That's the point. Tony Abbott is the Gordon Ramsey of the Liberal Party. He's got a foul mouth and he's got no excuse or substitute for developing good policy and articulating good policy. Now I don't know to this day what the Coalition stands for other than a return to WorkChoices, other than pulling out the stimulus.

**GILBERT:** On Question Time Julia Gillard called for limits to the ministerial answers and yet the Prime Minister yesterday his first answer went over 10 minutes.

**EMERSON:** It was a question about the very issues we're talking about one year on from the collapse of Lehman Brothers, the global financial crisis.

**GILBERT:** Aren't there other mechanisms to give prime ministerial statements?

**EMERSON:** That warranted a reasonably comprehensive answer. You just can't throw a couple of 15-second grabs for the television set when you're answering a question about the deepest global recession since the Great Depression, the causes of and the solution to about which, as you've seen here again today, we profoundly disagree with the Coalition.

**GILBERT:** A few other issues I want to get to. The next one is on Coalition women in Parliament. There are stories again today and analysis done in the Sydney Morning Herald that Coalition women in the House of Representatives are not getting near the number of questions as the men do. This is about whether or not the women in the Coalition are being utilised to the best of their ability. Are you concerned by that?

**COONAN:** Look I'm not sure what the contrary position was when Labor was in Opposition, but it certainly is the case as I discovered having had you know 12 years in Government and now some time in Opposition. It is a very different focus for leaders in Opposition because usually the strategy of the questions, the case that's being contested is being put through the leaders. That is the leader, the deputy leader and perhaps the front bencher and perhaps the leader of government business, a manager of government business. So I don't find that in itself to be remarkable. That's probably the way in which an Opposition hones its particular attack.

**GILBERT:** So you're not worried about it?

**COONAN:** Not in terms of how we treat our women because we do use women extensively right across all of our party system. In our committee system nobody's complaining to me about that, and I think I'd be the recipient of a complaint if there

was a genuine concern that people are trying to get a question up and can't. I think a lot of backbenchers are feeling that particular issue whether they are male or female.

**EMERSON:** Well someone who is complaining is Julie Bishop. When we had a modest reshuffle she said there weren't enough women on the Labor frontbench. We have seven women on the Labor frontbench and in Opposition, to pick up Helen's point, women like Julia Gillard, Jenny Macklin, Penny Wong were very important in taking the attack up to Coalition when the Coalition were in Government. The fact is Wilson Tuckey seems to control the tactics committee and the attitude of people like Wilson Tuckey is just appalling.

**COONAN:** You make an interesting point, it just occurred to me ....

**GILBERT:** It's obviously not universal in the Opposition?

**COONAN:** Now listen....

**EMERSON:** I'm sure that Helen supports the role of women in politics. I don't believe Wilson Tuckey is. And I don't believe that on the evidence that with the number of questions being asked by the blokes on the Coalition side and the very, very few ... and remember that's even inflated by Julie Bishop's asking questions when she was Shadow Treasurer; now she's Shadow Foreign Affairs Minister that's dropped away.

**COONAN:** Now how many questions, we're talking about backbenchers here, we're not talking about frontbenchers?

**EMERSON:** The story is about frontbench women who did not get a chance...

**COONAN:** My point was about backbenchers and whether they are male or female. Let's not get too hung up. No, no I haven't changed the subject. How many questions has Julia Irwin had?

**GILBERT:** Let's use that...

**EMERSON:** She's had more questions than most women...

**GILBERT:** I want to use that as a segue to a comment...

**EMERSON:** She's actually had more questions than Coalition women on the frontbench.

**COONAN:** How many, how many?

**GILBERT:** Let me interject please, Craig.

**EMERSON:** Two, three, four. Sophie Mirabella had two.

**GILBERT:** Let's move on. Julia Irwin last night had some comments about the factional system within the system in her seat of Fowler. What do you make of it, is it a parting shot at the party that's looked after her for many years?

**EMERSON:** Julia's entitled to her opinion. She's retiring at the next election. Obviously she had some observations about the operation of the party in her

electorate. I'm no expert on the electorate of Fowler so I don't really have any further comment to enlighten you with.

**GILBERT:** She also had a slap at the Budget and said it had the wrong priorities and she was critical of the Labor Party move to raise the pension age as well so it was a broad ranging parting shot.

**EMERSON:** Well indeed and what I'm saying is she's entitled to have her view. She expressed her view as a backbencher. That's part of our democracy.

**GILBERT:** It stands out at the moment, doesn't it because most of the backbench there's an iron discipline? At the moment the Prime Minister is governing over a fairly disciplined backbench - you don't see many renegades like this?

**EMERSON:** Well I think it is a reasonably disciplined show and if I might say stark contrast to the party room in the Coalition where they've obviously decided to bring back the biff.

**GILBERT:** Just 20 seconds to go.

**COONAN:** Well they're a lot like cyborgs in the Labor Party. I mean as much as I'm fond of my mate here, he parrots the line too and if you step out line in Labor you're dead. At least in the Liberal Party we allow people to be living breathing human beings who occasionally differ.

**GILBERT:** I'm glad to have this living breathing human being and yourself Craig.

**EMERSON:** I'm trying to find Warren Truss, speaking of invisible people.

**GILBERT:** Nice to see you both. That's the program today. Join David Speers 4.15 for PM Agenda. I'm Kieran Gilbert thanks for your company.

Ends