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**JENNY BROCKIE:** Craig Emerson, you are the Minister for small business, is it inevitable that some small businesses and more small businesses will go under because of the expanding power of these big players?

CRAIG EMERSON, MINISTER FOR SMALL BUSINESS AND COMPETITION POLICY: No it's not. If you go even into a major shopping centre you will see often one of the big two retailers whether it's Coles or Woolworths. You will see very often a butcher shop, you will see a green grocer, you'll see people selling fresh chicken, a whole variety of different products available in that supermarket. Often, fresher food, more personalised service and so if people provide the service, the variety, the quality, then consumers will respond to that, even if on occasions those products are a bit more expensive because people like the personalised service, they like the really fresh food that is available, for example, in local green grocers who go every morning to the markets to pick up their produce, whereas the big retailers tend to bring it in big trucks from more distant locations. I think I have a similar view to Graeme on this, and that is competition is good, it gives people choice and the opportunity of value for money. If they want to pay some more, that's okay.

**JENNY BROCKIE:** Craig, your response to that. How do you see in terms of regulation?

CRAIG EMERSON: Competition is good. More competition is better. It is the most effective way of driving down prices. If people do want to pay more for an Australian-produced good, then it's a free country, they are able to do it. I know in some of the major retail outlets, they will have "This fish is from Vietnam, this is from China, the asparagus is from China, the walnuts are from Brazil" or whatever. People still buy them. I couldn't agree more with what Dick Smith made. I used to run the Australian made campaign with John Singleton – a friend I think of Dick's. And we did some research on this and what the Australian people said, we are all right with the message "Stop and compare" but we are very against the message of "You must buy Australian, even if it's more expensive or even if the quality's not there". People, once they are informed, couldn't agree more if it's a farmers market, it should not be represented as an Australian farmers market if there are overseas goods in there. That is false and misleading or deceptive conduct.

**JENNY BROCKIE:** And do you think we should be doing something about that?

CRAIG EMERSON: Yeah, but we can't put an ACCC Commissioner or a staff member in every farmers market. It does rely on people saying there is something bad going on here and reporting it to the competition watchdog.

**JENNY BROCKIE: Craig Emerson, this question of laws, local planning laws, zoning laws, what is the role of local government in all of this?**

CRAIG EMERSON: There is a positive role. The comments that have been made about amenity and the way a town or an area looks are important. Traffic management is important, too. But when you have such restrictions such as centres policy, which basically say the only place you can set up a retail outlet is in a big shopping centre and it's against the law to take on that competition anywhere else, that is anti-competitive. The effect of those laws is that it may be that it's Coles or Woolies who get into the major centres. Others want to take them on somewhere else where they don't want to pay the big rent and can't because it's against the law. Then you get people objecting to someone saying "I want to set up and provide some competition against a big guy or another guy or another girl" and they are not allowed to. I think that's very, very outdated and we should seek to free that up.

**JENNY BROCKIE: What are the areas you are now focusing on in terms of competition?**

CRAIG EMERSON: Anti-competitive elements in the zoning laws. That is where people use the zoning laws, sometimes very frivolously to just object and object and object. This could be bigger players or smaller players, jam the system up. Some one might be saying I want to set up and take on this other outlet and they can't because it goes to court, there are appeals and it goes on and on. It is all nothing to do with amenity, with traffic management. It's all designed about someone who is there, saying "I don't want competition". Who loses out of that? Consumers.

**JENNY BROCKIE: What can you do about that?**

CRAIG EMERSON: We can work through the council of Australian governments, the Commonwealth and the States, and we are. We have a paper going for forward to the Council of Australian Government's to seek to free up these very restrictive laws where it makes sense to do. Yes, let's protect amenity, let's ensure there is not traffic snarls but let's not have a system where an incumbent can just say "I don't want these people in so we will use a law to keep them out".

**JENNY BROCKIE: Craig Emerson, where do you draw the line, and Graeme Samuel, a question for you, too, on how big you let the big players get?**

CRAIG EMERSON: It's their behaviour. If they behave anti-competitively, then they are breaching the competition laws. We are not a centrally planned economy. We have had proposals to say cap the market share of Coles and Woolworths. That makes life very comfortable for everyone else because they have got a guarantee on the rest. I agree with Nick Stace, get the competition in, get people in a position where they can make real choices and let them be in charge of all of this through their behaviour, rather than having some sort of version of Albania where we start saying you can have 10%, you can have 15% and you can have the rest.

