



**HON CRAIG EMERSON MP**

MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND  
THE SERVICE ECONOMY  
MINISTER ASSISTING THE MINISTER FOR FINANCE ON  
DEREGULATION

Interview with Marius Benson  
ABC News Radio  
Friday, 17 October 2008

E & OE

---

**SUBJECTS:** Business summit, global financial crisis and executive pay

---

**PRESENTER:** Federal government leaders are today meeting business executives as they continue to try to navigate the Australian economy through these stormy global seas. About 150 business figures will be at the meeting which is being described variously as a summit or an emergency meeting on the economic crisis. One of the government Ministers at today's summit is Craig Emerson, he's the Minister for Small Business and he joins us now speaking to him is Marius Benson.

**BENSON:** Craig Emerson good morning.

**EMERSON:** Good morning Marius.

**BENSON:** Now it is probably a sensible thing at this for business and government leaders to meet but is the Government looking for anything more specific than an exchange of ideas and information today?

**EMERSON:** An exchange of ideas is actually very important because we can't wait for the official national accounts to come out every three months to make decisions. That's why Kevin Rudd did take this decisive action with the Economic Security Strategy. But it's really important to be as close to ahead of the game as we possibly can and that means business liaison. It is an opportunity to talk directly with a large number of bigger businesses and get their feedback on how the economy is going, how their sales are going, how they see it all unfolding. So, I think it's a very important opportunity.

We do this anyway but it's on the phone and face-to-face but getting a large number of businesses together is a particularly good idea at this stage I think.

BENSON: Yeah, you do have contact regularly obviously with business people and they make their views known, so is anything likely to come from this that is not known at the moment?

EMERSON: Well, as I say, just listening to the news headlines, they are pretty turbulent times and that's why it is so important to get the latest information from businesses and their reaction to the Economic Security Strategy. Kevin Rudd will be taking them through that and also talking about our contribution to the G20 processes. There is no substitute for speed and decisive action in these circumstances and this gives us that opportunity to be able to get direct feedback on a real time basis - not a term that I particularly like but it is appropriate in these circumstances. So we will get this feedback as to how they are finding sales in their stores or in their transport businesses, in their newspapers and so on.

BENSON: I don't know if Ford is going to be at the meeting but there is no secret how Ford is doing it's lost another 400 jobs.

EMERSON: Yes and that is particularly tragic. You know with the depreciation of the exchange rate it is helpful to all exporters but in this case obviously the result of decisions that had already been made and as I say these are turbulent times. I think their business in the United States is not travelling particularly well either.

BENSON: Now it's not the Government's call, but there is a big expectation now that there will be a very substantial cut in interest rates over the coming months.

EMERSON: Yeah, I have seen respected economists say that and you are right, it's not the Government's call and I certainly couldn't speculate about that. I mean bank economists, including respected ones like Warren Hogan, will have their opinions and they are free to express them. But we are doing what we can, decisively in fact, to stimulate the economy with a \$10.4 billion injection into the economy. A very fast injection and we think that that will obviously have an impact on consumer spending and that flows through to all businesses Marius, not only the large ones but also the small ones for which I also have responsibility.

We are very engaged with the small business community and we will continue to be so, because they are often at the cutting edge of when things turn down a bit. So, we are talking with the financiers to ensure that there is a reasonable flow of finance to small business as well as obviously to the larger businesses.

BENSON: Now it is possible that the Government might meet some business people today that aren't that happy with the Government because of the remarks Kevin Rudd made when he talked about "extreme capitalism" and the need to do something about excessive pay and excessive risks being rewarded with excessive pay, in the paper today, in the Financial Review business leaders are reportedly saying they are against any new rules on their

pay. Is the Government seriously thinking of having any tighter regulations on particularly pay in the finance area?

EMERSON: Well it is a discussion about what might be appropriate in the financial area rather than across the economy at large. So this is probably an important time for business executives to curb their salaries. I suspect that it will happen anyway insofar as their salaries are linked to share prices. Look it's a robust democracy, people are entitled to express their views, they are expressing their views in the media and that is fair enough.

BENSON: Do you think the Prime Minister is likely to stand up in front of 150 business leaders today and say here's an idea, why don't you all have a pay cut?

EMERSON: Well, as I say, I suspect for quite a lot of them it's going to happen anyway. Not that they will be crying poor. They do okay. But we are proud of our business executives in Australia. I mean, as I have said before and others have said before, including Coalition members, the Australian economy, our country, is probably better positioned than any country on earth to navigate through this financial turbulence.

You know we have got a lot going for us. We should be very proud of ourselves. I'm speaking to from Sydney, a beautiful city, a beautiful harbour. You know I think there is room for some optimism but we have to temper that by the reality of the biggest financial crisis in our, almost in living memory. But we are well placed to navigate through this, through the strength and resilience and guile of our Australian business leaders, small and large business leaders, or business leaders of smaller and larger businesses, I think we can get through it.

BENSON: Okay, I shall leave you to assess the guile and resilience of business leaders at the meeting today. Craig Emerson, many thanks.

EMERSON: Thanks very much Marius for having me on.

ENDS