



PROFILE

Labor's competitive force

The new man in charge of small business is a great believer in the markets, writes **Mark Fenton-Jones**.

Craig Emerson is out to convince the nation's 1.88 million small-business operators that a Labor government will support them.

The new federal Small Business Minister tells the *Weekend AFR* that philosophically his government supports the markets and that competition brings out the best in business.

While admitting that some groups advocated protection for certain parts of industry, a Labor government wanted to protect competition and consumers, rather than a particular business.

"We are keen to protect against anti-competitive behaviour, but not to protect against competition," he says.

He also defends his government's decision not to make the portfolio a cabinet position, which was criticised by the peak Council of Small Business of Australia (COSBOA) and its chairman,

Bob Stanton. "This call was vital to reflect the importance of small business to the economy of Australia," Stanton says.

However, Emerson rejects this view, saying Prime Minister Kevin Rudd "does place a lot of weight on the importance of small business and small business development".

Adding that he and the Prime Minister work well together, Emerson says that being in the outer ministry rather than cabinet will not constrain small business development.

He plans to keep informed of small-business concerns directly, through contacts with industry associations such as COSBOA, and state-based industry groups, and indirectly through the Business Enterprise Centre network. "They're [BECs] a good source of information on current issues," Emerson says.

Also under consideration is a proposal to increase the number of regional small-business roundtables begun under the previous minister, Fran Bailey.

One of Emerson's first tasks will be assisting Finance Minister Lindsay Tanner on business deregulation, which will focus on harmonising individual state-based business regulation. "It's a priority, there's no doubt about that."

Emerson, who has run his own economic and environmental partnership as a small businessman, promises that a Labor government will differentiate itself from its predecessor by working "energetically in a collaborative way" with the states to address the 10 regulatory hot spots identified by the Council of Australian Governments last April.

While he declines to set out the work program, it is expected that it will include the mutual recognition between the states of each other's professional trade qualifications.

Such work is unlikely to foreshadow a new round of reviews. "It is very important we don't have reviews of business regulation for the sake of it," Emerson says.

Referring to the 2006 Banks report that identified 178 regulations, he adds that both he and Tanner have enough work to do already.

Asked about rolling back Australian workplace agreements and unfair-dismissal legislation, Emerson reiterates comments made by Deputy Prime Minister Julia Gillard, the new Minister of Education, Employment and Workplace Relations, that Labor's industrial relations policy will be "fair and flexible" – "and I'm sure

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small businesses will find the system works well for them".

On the question of late payments that has dogged small businesses in recent years, with big customers taking as long as 50 days to pay their bills, compared with about 30 days a decade ago, Labor will apply penalties to federal agencies that are late payers.

But it will not be getting involved in business-to-business transactions or making "unwarranted interference in commercial relationships".

"It's not for the government to manage commercial relations between business," Emerson says.

"Too much regulation stifles productivity and innovation. We're interested in regulatory reform that limits overbearing regulation, which stifles productivity and risk-taking."

The government's approach is to remove regulatory impediments so as to enhance capacity and improve the efficiencies of inputs into small businesses.



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Craig Emerson plans to work hard at staying in touch with small business.
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