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Channel 10 Morning News
20 March 2009

Subject: SMALL BUSINESS, ALCOPOPS

PRESENTER: Now to our political debate and the major story in Canberra this week is still unfolding, the Government's attempt to get its Fair Work bill passed through the Parliament. And joining us now are Small Business Minister Craig Emerson in our Sydney studio and Shadow Treasurer Joe Hockey in Canberra. Good morning gentleman and thank you both for your time. If I can start with you Mr Emerson, as Small Business Minister can you live with the definition as agreed in the Senate overnight that a small business is one with no more than 20 full time employees?

EMERSON: No. I can live with the definition that we took to the election, put in front of the Australian people. And the whole issue of unfair dismissal was a very big election issue and the Australian people supported Labor's policy which is to have a simple streamlined system of unfair dismissal for small businesses with 15 or fewer employees. The Senate has rejected that despite Malcolm Turnbull acknowledging that we had a mandate to implement our policy.

PRESENTER: Mr Hockey, he's right isn't he? He went to the election promising that. Don't they have a mandate?

HOCKEY: No, no no. Belinda he's not right. He's dead wrong. In fact at 2.30 this morning the Senate, in a unanimous vote, Labor, Liberal, Greens, two independents, unanimous vote, killed Work Choices for good. 2.30 this morning. Now the Rudd Government, because there's a Queensland election tomorrow, are trying to revive Work Choices. They're trying to create a political storm.

EMERSON: Why would we revive Work Choices Joe? That's what you want to do.

HOCKEY: Well because you've got a Queensland election tomorrow and you want to try and play politics for the Queensland election tomorrow. You know what it's about. We're down to a technical definition of whether a small business should be 15

people by head count or 20 people on a full time equivalent. It is a technicality that is so small in the scheme of things. Yet they want to make a political point for the Queensland election. What's your motivation?

EMERSON: Well Joe if it's so small in the scheme of things then accept the mandate that we earned at the election which was 15 employees. We made it absolutely clear to the Australian people that that was our position. Now Malcolm Turnbull within the space of two weeks ..

HOCKEY: Hang on, hang on was that 15 full time equivalents?

EMERSON: No we're talking about 15 employees.

HOCKEY: Full time or part time?

EMERSON: If you want to go to full time equivalents Joe, then you've got a number of part timers you can easily get up to 50 or 60 which is getting towards the hundred that you really wanted and actually was contained in WorkChoices.

Now for such a small trivial issue, that is, Labor being able to fulfil its commitments, its promise to the Australian people, if it's so small and so trivial in your mind then accept the will of the Australian people and that is, a definition of 15.

PRESENTER: Minister if I can bring you in here, obviously Independent Senators Steve Fielding and Nick Xenophon are becoming thorns in the side of the Government. Are they using their power reasonably?

EMERSON: Well we've had negotiations in good faith with both of those Senators. On this occasion Senator Xenophon has not agreed with our mandate, with the definition of the small business for these purposes of 15. We hope he will change his position. There doesn't seem to be any prospect that the Coalition will. Now either Work Choices is dead which Malcolm Turnbull said, and then only two weeks later, that was just early in March Joe, he said Work Choices is dead - two weeks later he said Brendan Nelson is the one who said Work Choices is dead. Which actually indicates that Malcolm Turnbull wants Work Choices to exist, to continue, because your lot Joe, and you were the Minister for Work Choices, was, is and always will be the party of Work Choices.

HOCKEY: You know what Melinda I'm thinking that my headpiece may not be right because I seem to be hearing the Small Business minister wanting to make things much harder for small business.

EMERSON: Now you just said it was a trivial issue Joe.

HOCKEY: Did I hear him correctly?

EMERSON: You said it was a trivial issue but I want to make it much harder. Now ...

HOCKEY: You do. You do.

EMERSON: Now either one or the other. Now if it's a big issue for you to reject the mandate of the Australian people than come out and say it: it's a big issue and you don't accept the mandate of the Australian people.

HOCKEY: Let me get a word in.

EMERSON: Come out and say it. It's a big issue and you don't accept the mandate of the people

HOCKEY: Well you know what. You're the small business Minister Craig. You're meant to be there battling for two million small business people. Instead it's Nick Xenophon an Independent Senator from South Australia together with the Coalition who is saying please provide some protection for small business. We want to keep jobs in place and yet the Labor party's small business minister wants to make things tougher for small business at the worse time, its quite bizarre.

EMERSON: You see for you it is a big issue, it's not a technical amendment. The reason that we are doing this is because we have said to the Australian people for businesses with fewer than 15 employees they get a full 12 months during which to assess whether they've got a good employee on their hands or not - during which time the unfair dismissal provisions do not apply. And after that a very simple process of being able to dismiss fairly, including the fact that if there are redundancies and they are genuine redundancies then unfair dismissal laws do not apply. That's pretty reasonable for small business Joe.

PRESENTER: Okay, let's take another look at another non-trivial issue and that's the alcopops tax. Mr Hockey as Shadow Treasurer aren't you worried that you've helped blow a \$1.6 billion hole in the budget with your opposition to the tax?

HOCKEY: Well what this week has proven was that it was not a health measure from the Government. Because we found that young people are actually turning to full bottle spirits. One hundred per cent spirits even. Rather than using alcopops. So it wasn't a health measure. All of a sudden the Government has turned it into a hole in their budget. Well that's a complete change of motivation for the initiative. What we've said is that the money already collected should go into an education campaign. The Government said the money should be going back to the distillers. We disagree, we think it should be going out there to educate people about the risks

of binge drinking and you know, this yet again shows that this Government just resorts to higher taxes in order to pay for its bills. It's quite a wasteful government. It's really proving to be a wasteful government.

PRESENTER: Minister, what's the answer? The Government's looking increasingly incompetent, unable to get its measures through the Parliament. What's the solution, a double dissolution?

EMERSON: That's not in contemplation. What we're saying is that it is a health measure which now that it has been defeated will blow a \$1.6 billion hole in the budget and our position

HOCKEY: Well why are you worried about the hole if it's a health measure?

EMERSON: Well of course we're worried about the position of the budget. We always have and always will be. But our position on this has been supported not by the distillers; that's true. They're supporting the Coalition. In fact they gave \$70,000 in donations to the Coalition so they're playing the music and the Coalition is dancing to the tune. But our position is being supported by the Australian Medical Association. Now Joe do you think they're biased? Do you think that they're wrong? They say that the Government's position should be upheld in the Senate and it has not been. And it's no point, just simply blaming Senator Fielding on his own. It's the whole Coalition. Every Coalition member has voted for this and therefore has voted against the advice of the Australian Medical Association.

HOCKEY: The reason why the Government has not supported this legislation through the Senate is because independent senators or Greens even, be it a rare day, but independent Senators are saying hang on this is bad policy and bad legislation. That's what they're saying.

EMERSON: Well there's two of them and 32 of you and you're saying that you're not voting that way. You are voting that way. You voted the alcopops tax down.

HOCKEY: Can I just finish? The Government is always welcome to pick up the phone and talk to us. The Government is always welcome to speak to us about anything. They refuse to talk to us about anything.

EMERSON: So if we'd spoken to you, you would've passed the alcopops legislation? That's a revelation.

HOCKEY: Ah well no, I didn't say that.

EMERSON: Exactly.

HOCKEY: What I did say was that the money would be going into an education program.

EMERSON: That's a bandaid in order for you to agree giving the money back to the distillers.

PRESENTER: We'll have to agree to disagree there gentlemen. Thank you both for your time.