



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND  
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MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS  
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Transcript  
RADIO NATIONAL PM WITH MARK COLVIN  
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E&OE

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*Subjects: The Henry tax review.*

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**COLVIN:** The Prime Minister's embarked on the big sell of his twin tax promises - to slug the mining sector with a new commonwealth tax on super profits and to lift employers' compulsory superannuation contributions for their workers.

The government says it's embarking on probably the most significant tax reform in living memory. But the opposition says Labor has shied away from reform by rejecting, or remaining silent on, almost all the Henry tax review's 138 recommendations.

The government has picked a fight with the powerful mining sector. But with mineral exports booming, it's clearly banking on voters liking the idea of some of the profits being recycled into the rest of the economy.

From Canberra, Alexandra Kirk reports from Canberra.

**UNIONIST:** Show me the money.

**PROTESTERS:** Show me the money.

**UNIONIST:** Dedication doesn't pay the rent.

**REPORTER:** Kevin Rudd ditched his daily ritual of a hospital visit to join unionists in a Labor Day march in Brisbane to emphasise his tax reform message.

**REPORTER:** Excuse me, Kevin Rudd, marching today obviously?

**RUDD:** Yes, mate, and good to be here with people who represent hospital cleaners and people who do a lot of the tough jobs out there in the community.

**REPORTER:** As far as the Henry tax review goes, are you worried that the miners will go off-shore?

**RUDD:** You know something, mate? One of the things that all these people want is decent super for working families. That's what this government is going to deliver.

**REPORTER:** With an eye to the election, the Government's banking on the two big ticket items; a super tax on mining and bolstering compulsory employer superannuation contributions, going down well with voters.

**RUDD:** I remind everybody that the natural resource wealth of Australia is owned by the Australian people. Secondly, I remind everybody that we actually need to see a fair return, a fair share for the Australian people in what comes from those resources.

**REPORTER:** The nation's two dominant mining unions, the AWU and the CFMEU, have come out in support of a resource rent tax and are pledging to campaign for it. But mining companies are up in arms.

Queensland mining mogul, Clive Palmer, one of Australia's richest men and a donor to the conservative LNP Party in his home state, is one of the few willing to speak out against the commonwealth's plan for a 40 per cent resource rent tax.

**PALMER:** They're desperates. They don't know what they're doing. We'll be like we were at the end of the Second World War, a third world country. You know Wayne Swan talks about a fairer distribution, why doesn't he join the Communist Party? Go and live in Soviet Russia and see how good it was then. That's a fairer distribution.

**REPORTER:** The industry's peak body, the Minerals Council, is doing the lion's share of the talking so far.

Spokesman, Mitch Hooke, isn't holding back.

**HOOKE:** Don't kid yourself we've got a monopoly on natural resources. The world's got plenty of them and companies will invest their money where they can get the best possible returns.

We are now the highest taxed mining industry in the world. When you add royalties and company tax together it's about \$25 billion a year and set to grow more without any changes.

So it's really - it's spin of the first order.

**REPORTER:** Tony Abbott says it's a case of another great big Rudd government tax and a shocking deal for small business.

**ABBOTT:** It's a bit of political jiggery pokery with an election coming up. They are hitting those who they think are easy targets - smokers, and those who they say are foreign mining companies - to give them revenue. I am very hostile to the idea of a great big new tax on the mining sector. The danger here is that we kill the goose that laid the golden egg for everyone here in Australia.

There's a three per cent payroll tax effectively on every business in the country, a \$10 billion hit on small business. They're being done slowly but they are being done over well and truly.

**REPORTER:** With the opposition wedded not to block supply bills, shadow treasurer Joe Hockey, thinks the government will tie the tax changes into its Budget bills and then dare the coalition to stop supply, blunting its attack.

But the government's indicating the tax changes won't be legislated for some time and that the opposition's jumping at shadows.

Labor's also being accused of breaching its 2007 election promise, not to lift employer super contributions from 9 per cent. And the Chamber of Commerce and Industry's Peter Anderson says because most small businesses aren't incorporated, they won't benefit from the promised cut to company tax from 30 per cent down to 28 per cent.

**ANDERSON:** The government, then opposition, made it very clear that it did not intend to increase the nine per cent employer contribution. More alarmingly, what was announced yesterday was not what the Henry review recommended.

**REPORTER:** This was Labor's Wayne Swan during the last election campaign.

**SWAN:** I absolutely guarantee there'll be no changes at all.

**REPORTER:** Two-and-a-half years later, Small Business Minister, Craig Emerson, defends the government's moves saying it's a very good package for small business, taking aim at the opposition.

**EMERSON:** Does the coalition support compulsory superannuation or not? Their track record is that they are clear and vociferous opponents of compulsory superannuation.

I was around in the Hawke-Keating era when the Hawke and Keating governments introduced, for the first time, superannuation for working Australians and who opposed that and launched a jihad on that - the coalition.

**REPORTER:** You were also around in 2007 and the bottom line is that boosting the super guarantee breaches Labor's 2007 election promise and promises made after that. That's a big black mark against the government.

**EMERSON:** I think the Australian people support superannuation. I'm quite confident that they support the superannuation guarantee...

**REPORTER:** So you think they'll forgive you for breaking an election promise?

**EMERSON:** ... and increasing this and I reckon if you ask the average Australian do they think it's a good idea to lift the superannuation guarantee from nine per cent to 12 per cent, phased in over several years, so that their retirement incomes are boosted, they'll be saying that's what we want.

**REPORTER:** You think you'll be forgiven then for breaking an election promise?

**EMERSON:** Well I'm quite sure that the Australian people support the superannuation guarantee at nine per cent, which the coalition did everything it could to stop, and would support an increase in that guarantee to 12 per cent phased in over seven years.

**REPORTER:** Do you think small business will forgive you for increasing the super guarantee levy?

**EMERSON:** I think small business will welcome this package as major small business organisations already have.

**COLVIN:** Craig Emerson is the Minister for Small Business. He was speaking to Alexandra Kirk.

**ENDS**