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Transcript
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Subjects: Budget.

POTTS: Talking this morning to the Minister for Small Business, and part of the Government's economic team – he would have had a late night last night – Craig Emerson. Hello Craig.

EMERSON: G'day Potts

POTTS: Are you a bit tired this morning?

EMERSON: Oh, yeah. But the adrenalin is always pumping around Budget time, so I'm okay.

PACEY: Now I just want to ask, first of all Craig, what is the story with all the 'hear hear' when the Budget is delivered. It all seems completely rehearsed. Do you practice that beforehand?

EMERSON: Oh, no. We get excited. It probably comes from old England. Instead of saying 'you bloody beauty', 'hear hear' seems to go a little bit better. There's a bit more decorum about it I suppose. But it's very funny when I first stated 12 years ago, I couldn't believe it – I thought what's all this 'hear hear' stuff? Now it's just sort of second nature.

POTTS: Well it's Treasurer Wayne Swan's third Budget, so Craig, what is the big selling point particularly for families?

EMERSON: Getting the Budget back in the black in three years time – that is three years earlier than it was before. So that's just sound Budget management, and that's really good for working families. So there aren't big budget giveaways in this Budget. There is a bit of tax relief, but we've deliberately decided, although it's an election year, not to do this sort of big splash with giveaways, which is what has happened in the past with previous governments. Rather than that we'd just make sure that we have a very strong economy, because in a strong economy you've got ongoing job opportunities. And I know in Cairns small business is still doing it tough. You know the economy is still a little bit flat, and this is the best way we can think of boosting the economy – we're outperforming every other country in the world.

PACEY: Okay, so it was a no-frills Budget as was promised. A bit of help for health and hospitals?

EMERSON: Yeah, health and hospitals; these are the reforms that Kevin Rudd announced, and that's really important because there will be more doctors, more nurses, more support for emergency departments and also better elective surgery. So, that's probably our very biggest spending initiative. But the good news is that's all funded by offsets in other areas. That's fully funded. And that's how we're able to get back in the black three years early.

POTTS: And to get back into surplus, is this all dependent on that mining tax, for the super profits, for that to go through?

EMERSON: Well, certainly the Resource Super Profits Tax is needed to fund the tax breaks for small business. And we all know how important small business is in the Cairns economy. In fact I'd say it's the backbone of the Cairns economy. There's some very important small business tax relief coming down the barrel, and that's \$5,000 in assets – so that might be laptops, ride-on mowers, all sorts of assets – can be written off immediately. So that's a cash flow boost for small businesses. That's not just for companies, small business companies. It's sole traders, partnerships, the lot. And then there's a cut in the company tax rate, and an early head-start for small business. That is being funded out of the Resource Super Profits Tax. So that's why we want to get that through. And we want Tony Abbott to stop his threats to block that. Because that is real assistance for small business. Further, we would increase the Superannuation Guarantee over time from 9 to 12 per cent. So someone aged about 30 would get about an extra \$108,000 in their retirement income from that initiative. But that too is dependent on the passage of the Resource Super Profits Tax.

PACEY: So we can't all be winners. The ETS, the Emissions Trading Scheme, didn't really get a mention. As well as mental health. Can we hope to see any funding for mental health in the future?

EMERSON: Well I think in the arrangements that were settled with the State Premiers there was funding for mental health. And in relation to the ETS, there is in fact more than \$600 million extra funding for renewable energy. So, rather than wait for the world, we're investing even more than we were before in renewable energy so that we can make the switch gradually away from a carbon-heavy economy to a more carbon constrained economy.

POTTS: Okay, Minister for Small Business, and part of the Government's economic team, Craig Emerson, thanks for joining us this morning.

EMERSON: Righto, thanks Potts.

PACEY: Are you off to get some sleep now Craig?

EMERSON: No, no. All pumped up now.

[laughs]