



**THE HON DR EMERSON MP**  
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND  
THE SERVICE ECONOMY  
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS  
MINISTER ASSISTING THE MINISTER FOR FINANCE ON  
DEREGULATION

Transcript  
3AW (Melbourne) with Derryn Hinch  
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E&OE

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*Subjects: Resource Super Profits Tax advertising campaign.*

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**HINCH:** On the line the Minister for Small Business Mr Craig Emerson.  
Good afternoon.

**EMERSON:** Good afternoon Derryn.

**HINCH:** Now you've got forums like this and so have Mr Tanner and so  
have Mr Rudd and Mr Swan. Why isn't this sufficient? Why  
aren't you confident enough that you can get your message  
across, attack the mining industry and do it all for free?

**EMERSON:** Well there is a very well-funded and very misleading advertising  
campaign going on right at this moment which explains the  
urgency. But this was a campaign that the Government has  
been contemplating for some time and indeed included in the  
2010-11 budget. That was no secret. It's as if suddenly this has  
become a revelation. What's actually happened is that it's been  
brought forward...

**HINCH:** Hang on, you can't have it both ways there. You can't say this is  
an emergency because the mining companies have been  
running ads to attack you if this was planned all along. You  
didn't know what their reaction would be?

**EMERSON:** If you had allowed me to finish Derryn.

**HINCH:** Okay.

**EMERSON:** I would've said, but this was planned. It has been brought forward as a matter of urgency because of that campaign, and that campaign is unbalanced, and is misleading. It doesn't, for example, in any way, shape or form explain the benefits of the Resource Super Profits Tax in terms of small business tax breaks, reductions in the company tax rate, not only for other companies, but including the mining industry. I don't remember them in these campaigns mentioning that they would get a reduction in the company tax rate from 38, sorry, from 30 cents to 28 cents, infrastructure investment and of course increased superannuation for...

**HINCH:** But, but, but why can't you...

**EMERSON:** ...working Australians.

**HINCH:** But why can't you and Mr Rudd and Mr Swan do it like you're doing this now and save \$40 million?

**EMERSON:** We have embarked on campaigns in the past. For example, an Education Tax Refund, where we advised people of the availability and benefits of that Education Tax Refund. We didn't say that there would be no information campaigns. What we said is that there would be a set of procedures in place. But if, as you said, there were circumstances of extreme urgency, then we would bring forward a campaign that we already indicated to the Australian people through the budget that we would be embarking upon.

**HINCH:** Now look, even Michelle Grattan says 'to say the Government's hypocritical is an understatement.' Laurie Oakes attacked you. I quoted from Phillip Hudson's piece saying 'Does Kevin Rudd think we are fools?' I watch you on Sky. I watched you this morning and I felt sorry for you because you're pushing uphill an argument that I don't believe you and especially Lindsay Tanner do not believe.

**EMERSON:** Well it's a great big robust democracy and I thought you would have that view Derryn. Nevertheless I've come onto your program to explain that this was a pre-conceived education program that has been brought forward because of the misleading campaign that is currently being funded...

**HINCH:** So there's a...

**EMERSON:** ...an extremely well-funded one I might say.

**HINCH:** Yep. There's a proviso then for when Mr Rudd went on the 7:30 report as a candidate, when he savaged John Howard over the money they spent, and I've criticised them in the past too, when

he called it a sick cancer and a cancer on democracy, he said that but with provisions. With only certain types of cancer, only Liberal cancer, not Labor cancer.

**EMERSON:** Ah well I think in fact I listened to your introduction and I'm just going from what you said Derryn, and that was that he said that there would be no such promotional campaigns within three months of an election.

**HINCH:** Yes.

**EMERSON:** He didn't say that there will be no promotional campaigns whatsoever. And indeed there are others also set out in the budget; for example a national drugs campaign. Now that is out there openly indicated in the budget. There's a campaign for an information campaign for language, literacy and numeracy skills. This is not the first, nor will it be the last, public information campaign. What's different about it is that it has been brought forward compared with the timetable in the budget...

**HINCH:** Okay, okay what...

**EMERSON:** ...because of this very well-funded and incorrect campaign.

**HINCH:** Well, I know, they're claiming that your figures, [inaudible] the whole debate thing at the mining. They're claiming that your ads are misleading as well, that they are false. You've been called of being liars as well but the, you're...

**EMERSON:** I'm happy to enter into that debate. This is about royalties where we are saying that about a decade ago one in three dollars of profits went to royalties. Now it's one in seven dollars. Now, what the industry is saying is that you didn't mention company tax. Well let's mention company tax. Company tax is payable by every company in Australia. If the mining industry, I'm sure they're not saying that they shouldn't pay company tax. This is a special charge for the community's asset, namely the non-renewable resource of this country, called royalties. We're talking about replacing those royalties with the Resource Super-Profits Tax which has very large benefits in terms of superannuation and tax cuts for small...

**HINCH:** But, but, you're trying...

**EMERSON:** ...and large businesses.

**HINCH:** I still believe you are trying to have it both ways in that you're saying, originally said this is not having an effect on the economy, wasn't having an effect on the stock market, etc etc

but, and now of course that this is an emergency. I mean it's a, what's the...

**EMERSON:** Extreme urgency...

**HINCH:** Extreme urgency.

**EMERSON:** ...and it's not the Resource Super-Profits Tax that's having that impact but there is a danger that a misleading campaign, that is very well-funded, which is essentially saying that this Resource Super-Profits Tax will end civilisation and the economy as we know it...

**HINCH:** But why...

**EMERSON:** ...It can be damaging to business confidence and consumer confidence.

**HINCH:** Okay. Final point, I know you have to go, but why haven't you got the confidence and your Prime Minister and your Finance Minister to say 'we can do this, we'll get out there and the public will believe us if we go on programs like this one, like Mitchell, like television and, and we put our case?' But no, you're wasting, in my view, nearly \$40 million of taxpayers' money to point your point across. Have you got the guts just to do it this way?

**EMERSON:** Of course, and that's why I'm on the program, but as I said to you at the outset this is a, an information campaign that was budgeted just like the Education Tax Refund campaign, just like the National Tobacco campaign. The difference is that we have brought this forward because of the damage that this misleading mining campaign, industry campaign is doing to the business community and to consumer confidence in the country.

**HINCH:** You see, the three months thing, the three-month ban, we don't know if the Prime Minister is going to call an election within three months which they could well do.

**EMERSON:** I'm sure you'd have a lot to say about it Derryn if that happened to be, but I don't think you can make that judgement on this day.

**HINCH:** Okay Mr Emerson I shall watch for you on Sky again with interest and I thank you for your time.

**EMERSON:** Thanks a lot Derryn, thank you.

**HINCH:** Thank you. Bye.

**ENDS**