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Subjects: Resource Super Profits Tax, Advertising campaign.

BARTHOLOMEW: The Federal Government's under fire today over its decision to exempt itself from its own rules on the use of public funds for advertising. Labor shelved those rules last week to allow it to spend \$38 million to sell its Mining Super Profits Tax. For a Government response to the criticism that's followed the decision Marius Benson is speaking to the Small Business Minister and that's Craig Emerson. Here's what he's had to say.

BENSON: Craig Emerson the Opposition, the Greens are moving to have a Senate Inquiry into the Government's decision to publically fund this campaign to sell the Mining Super Profits Tax, and the Opposition's specifically saying 'drop the ad campaign in the meantime'. Will the Government be doing that?

EMERSON: The Government won't be dropping the ad campaign. Of course the Opposition would say that because they're engaged in a scare campaign, talking the economy down, being funded by Clive Palmer to do so, who confirmed just yesterday that his objective is not to change the tax but to change the Government of Australia. He and Tony Abbott share the view that the mining industry already pays either its fair share of tax, or more than its fair share of tax. So I'm not surprised that Tony Abbott and other members of the Opposition would want the Government to abandon its campaign which actually informs the Australian people of the benefits of the Resource Super Profits Tax in terms of

company tax reductions, a special tax break for small business, extra superannuation for working Australians and investment in nation-building infrastructure.

BENSON: But you broke your own rules to bring in this ad campaign.

EMERSON: The arrangements or the rules that are set out allow for an exemption in circumstances of extreme urgency and for other compelling reasons.

BENSON: Now, can I just walk you through the way the rules were changed last week, because as I understand it on Monday one Labor Minister - the Treasurer - turned to another Labor Minister - Joe Ludwig - and said 'would you mind exempting me from the restrictions on public spending in using public funds in a government advertising campaign?' This was done in private. The second Labor Minister granted the first Labor Minister permission. It wasn't revealed until Friday. It was all done in private it all seems a bit, um, I dunno what's the term? Stalinist?

EMERSON: Well as I've said, the arrangements for Government advertising that were put in place a long time ago include the provision for an exemption in circumstances of extreme urgency or for other compelling reasons. I think most people would understand that this has become urgent. We've got a scare campaign that's talking the Australian economy down, asserting that the Resource Super Profits Tax will end the world as we know it, and in no way, shape or form even half fairly covering the basis of the revenue from the Resource Super Profits Tax. This is nothing but a scare campaign, talking the Australian economy down because people like Clive Palmer and also Tony Abbott believe that the mining industry is already paying more than its fair share of tax. Just a complaint from people who say they don't want to pay more tax. That's okay. Of course people can argue that they don't want to pay more tax. Then to say that this will be the end of the world as they know it and as we know it if they did pay more tax would hardly be described as an objective, balanced campaign.

BENSON: Do you think this decision has to hurt Kevin Rudd's standing personally, because as soon as the decision was announced every media organisation pulled out the quotes where Kevin Rudd said 'What we've just approved I have previously described as a cancer on democracy and I said this would never happen.' Do you think it will hurt Kevin Rudd?

EMERSON: Well people will have to make their own judgements about political impacts of advertising campaigns and so on. We feel

that it is perfectly valid and reasonable to inform the Australian people of the benefits of the Resource Super Profits Tax and of tax reform more generally in terms of reduced company tax rates, small business tax breaks, superannuation increasing for all working Australians and of course investment in nation-building infrastructure.

BENSON: Was it a difficult decision, politically, weighing up the benefits of a \$38 million ad campaign and having the Prime Minister go out and say 'I am now doing what I promised I wouldn't do'?

EMERSON: Oh well I wasn't involved in the decision-making in terms of who said what to whom. But the point is, this is a valid advertising campaign because it is needed to combat another campaign, another campaign which is seeking to talk the Australian economy down, which could damage the Australian economy, and which itself is very misleading in not explaining the benefits of the Resource Super Profits Tax.

BENSON: Craig Emerson, thank you very much.

EMERSON: Thanks very much.

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