



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
2CC BREAKFAST  
5 October 2011

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*Subjects: tax forum, cigarettes in detention centres, Securrency, rugby league grand final.*

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JORIAN GARDNER: It's that time of the week where we speak with Dr Craig Emerson, who's the Federal Trade Minister. Good morning, Minister.

CRAIG EMERSON: Good morning, Jorian.

GARDNER: How are you today?

EMERSON: I'm real fit. Fit and well.

GARDNER: Fit and well and I know why: it's because you're excited about tax.

EMERSON: I think tax is one of the less exciting subjects in anyone's life, but it's one of those necessary evils. Who was it, Oscar Wilde, who said "Only two certainties: death and taxes," I think he might have said.

GARDNER: Yeah, death and taxes. That's right. They're the only two certainties in life. But can I just ask: we have a tax forum like this but we don't discuss the carbon tax?

EMERSON: Well that's right. We've got legislation that is going through the Parliament. I think the

next sitting will be a defining time for that whole emissions reduction scheme. And so that has been fully discussed; we know the position of various people; we know the position of the Opposition on that. And we did commit to introducing an emissions trading scheme - call it a carbon tax if you like - but Labor has been trying to do this for about five years now.

And certainly John Howard, when he was the Prime Minister, tried to introduce an emissions trading scheme as well.

GARDNER: So, but how can we have a tax forum without discussing the carbon tax and its impact on the rest of the taxation system?

EMERSON: Oh, you can have a tax forum without committing to increase the GST rate, and that's another issue that we've settled: we're not increasing the GST rate; we're not changing the base of the GST. You can have a tax forum without deciding that we should repeal the decision to implement a mining tax, which will fund small business tax relief, which will fund a reduction in the company tax rate, and which will fund increased superannuation for working Australians.

So there are a number of decisions that have been made. There is still a blueprint for reform from Ken Henry. We've implemented, or are implementing, 32 of those recommendations. And what we're doing is looking at a number of the other recommendations, and new ideas that are being brought up at the forum.

GARDNER: Okay, let's move on to another issue: smokes for refugees. Is this being blown out of all proportion - no pun intended?

EMERSON: Well, just let me explain the situation. Serco is the private company that operates these detention centres. And it has a points system, if you like, for participation. And those points can be redeemed for snacks or cigarettes or sandwiches, or whatever. And that's the way it operates.

I think the way it was represented may have created a slightly false impression. Again, I don't want to keep making comparisons with the Howard Government, but cigarettes were available in similar circumstances I understand. I don't like smoking myself, but these points are redeemable through, as I say, snacks or sandwiches or, if you're over 18, in the form of cigarettes.

GARDNER: Okay, so maybe the Tele is blowing it out of proportion a little bit there. And that wouldn't be the first time the Daily Telegraph would do something like that, would it?

EMERSON: Oh look, I've already expressed an opinion on the Daily Telegraph and I'd probably now give them an opportunity to put a bit more balance in their reporting. I think they have recently, by the way. But, yes, look I mean we live with the media; it's a great democracy. I just heard you before I came on air talking about websites and people expressing opinions. I actually agree with the right, the freedom of people to express opinions as long as it's not defamatory. And that's one of the real strengths of our democracy, I think.

GARDNER: I just wonder whether you have any comment on this: the front page of the Sydney Morning Herald today - I know I'm giving you a question without notice - is talking about Note Printing Australia and

Secrecy. An investigation has found top Reserve officials suppressed damaging information in '07 and '08 about the payment of secret commissions to middle men hired by the Reserve firms to win banknote contracts in Nepal and Malaysia. Do you know anything about this? Is this the case?

EMERSON: I know about the issue generally, but I don't know about these specific claims. I have read the piece. I've also read the Reserve Bank's statement that these officers have denied any wrongdoing whatsoever, and they seem quite upset about the allegations against them. So, in all cases like this I think if there are allegations let the normal processes take their course and not prejudge them. And that's part of what I was just saying: sure we have freedom of speech, but I think we shouldn't prejudge things based on newspaper reports. But if it warrants an investigation, and I understand there is some sort of investigation ongoing, then let's let that take its course without politicians like me sticking an opinion in the middle of it or seeking to influence any sort of investigation. I think that's an important principle, too.

GARDNER: Fair enough. Just one question to hark back to the tax forum, just one more time.

EMERSON: Yeah, sure.

GARDNER: Why isn't the Opposition participating in the tax forum? Were they invited to?

EMERSON: There seems to be some dispute even over that. We seem to argue with them over everything, and there's a suggestion that they were invited; there's a suggestion that they weren't invited. Tony Abbott has made

it pretty clear that if he was invited he wouldn't go anyway because he says it's just a gabfest. And we know his answer on everything this Government does is "no, no, no, no and no". So it'd be a pretty short contribution for him to just stand up and say no.

GARDNER: Absolutely. And just before you go: who did you back in the footy last weekend?

EMERSON: Well, I have to confess to you I'm a League follower and I was hoping the Warriors might get up. It is a little bit ... it goes back to the '70s. I don't know why people dislike Manly, but I'm not a big fan either and I think it's when they tried to buy premierships in the '70s. And they've never kind of really lived down that reputation. They've got a salary cap now; I like the players; I like the coach. But I don't like the team. So what is it? I'm still trying to work that out. I'm sure it goes back to the Wests versus Manly; Silvertails versus Fibros in the 1970s, when they bought the best Wests players and had them join Manly and then would beat Wests with a depleted team.

GARDNER: I'm an old North Sydney Bears fan, mate.

EMERSON: Ah, now they were good. Donny McKinnon.

GARDNER: They were great. Don McKinnon, indeed.

EMERSON: Ken Irvine.

GARDNER: Paul McCaffery. That's why I know; I know why I hate Manly. I'm a North Sydney Bears supporter, and also I had to go to school opposite the Brookvale Oval most of my life.

EMERSON: I watched a couple of games up at North Sydney Oval. It's such a beautiful oval. Well it was when they played footy there. You're right there almost on the edge of the field, and it's just a gorgeous football field.

GARDNER: Dr Craig Emerson, I hope you have a very taxing day.

EMERSON: Okay.

GARDNER: We'll speak to you next week.

EMERSON: Thanks very much. See you, mate.

GARDNER: That's Dr Craig Emerson, the Federal Trade Minister on the tax forum and a few other issues there. He's good ... it's good of him to come on the program. I know some of you don't like him, and get a bit upset when Craig comes on the program, but he wasn't too controversial this morning.