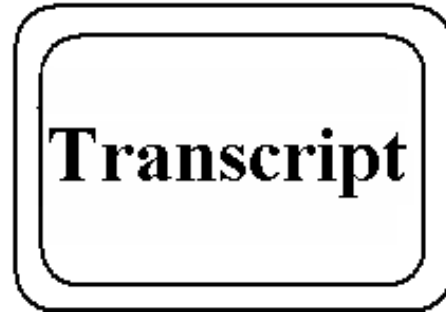




## ASSISTANT TREASURER

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### Transcript of

Senator the Hon Nick Sherry  
Assistant Treasurer

### ABC News Breakfast with Virginia Trioli and Joe O'Brien

10/11/09

7.30am

#### E&OE

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**SUBJECTS: ANZ Job Figures, use of consultants, cost of living, depression**

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PRESENTER: The number of jobs advertised has fallen for the first time in three months. Economists say the 1.7% drop in October indicates the Australian economy is still prone to setbacks. Assistant Treasurer Senator Nick Sherry joins us now from the studio. Good morning.

SHERRY: Good morning and good morning to your viewers.

PRESENTER: How do you explain that fall in job ads?

SHERRY: I don't think it's unexpected, frankly. We do know despite the various actions of the government in terms of stimulus package, which have helped cushion the economy from the worst impacts internationally, and that has consequently saved 200,000 jobs in Australia. We do know that unemployment will still go up for the next year and a further 100,000 jobs will be lost. So I just think it's a sobering reminder that some people who've been doing victory laps as the Treasurer said could take a bit of a cold shower. There are still significant challenges ahead for the Australian and world economies.

PRESENTER: There was a revision down in the expected number of unemployed in the mid year economic forecast. Could it rise above that again now?

SHERRY: I don't believe so. The forecasts were dropped from 8.5% to 6.75%, which largely reflects the impact of that stimulus package in cushioning us against - but if you look at what's happening in the rest of the world. Look at the US figures. Yesterday double digit unemployment. I know from conversations with the Treasurer who was with the G20

and my own conversations with other finance leaders at the IMF and World Bank, there's still a lot of concern in other comparable advanced economies about the pace and the level of recovery.

So as I say, despite the fact that Australia's done comparatively very well compared to other economies, that stimulus package has been vital in putting a cushion on unemployment.

PRESENTER: You're a plain speak, Senator. You're not a fan of weasel words. And as someone who knows you as that, I do wonder why you think we're going to accept what seems to me a very convenient argument that your stimulus package has saved jobs and cushioned jobs but when we lose jobs it's still not the government's fault. You see what I mean? It's terribly convenient and leaves the viewers nowhere to go.

SHERRY: There's no doubt that the stimulus package has saved jobs. It's saved 200,000 jobs.

PRESENTER: But when you loose jobs that's that's just how it goes?

SHERRY: Well I'll get to that. We've always been frank and open with the Australian people. We haven't said we can totally isolate and make immune the Australian economy from the dreadful impacts that are occurring elsewhere. We've always said that the stimulus package would cushion the Australian economy, would save jobs and in this case jobs 200,000 jobs. But we've always said that that impact of the world recession

PRESENTER: But you see what I mean. It's not your responsibility. One is your responsibility, we did this, but these job losses are not ours.

SHERRY: Well we have taken responsibility, with due respect. The government has acted decisively to put a cushion on these impacts but we've still said very frankly we can't isolate the Australian economy totally, that unemployment will go up, because we are because we are still impacted by these world circumstances.

PRESENTER: Just turning to another issue, there are reports this morning the Rudd Government has spent \$454 million on consultants last financial year. That's an increase of 5.5%. You vowed to slash \$400 million in wasteful spending on consultants before the last election. What makes it OK now?

SHERRY: Well if you look at the circumstances of the last year, and certainly a significant proportion of the expenditures on consultancies has been around much of the economic forecasting work with the ETS and also I know personally in the sense of much of the work done in response to the global financial economic crisis. Also I know from my direct responsibilities the Australian Tax Office is undergoing the most significant overhaul of its entire computer system, which has absolutely massive costs in it. So they're issues we've had to deal with.

PRESENTER: But you make these vows and then they're broken?

SHERRY: Well there issues that I've highlighted we've had to deal with. In terms of the precise figures, I will have a hard look at them. I notice Lindsay Tanner in the Finance Ministry, his figures for consultancies actually went down. But we will be keeping a close eye on consultants, and I can assure you we only spend money in those areas where it's absolutely necessary.

PRESENTER: Australian's have among the fastest rising food prices of major developed nations we learned from the OECD data that's just been released. How do you account for that and what will you do what will you do to bring those prices down?

SHERRY: Well I think a big factor is lack of effective competition. There are a number of changes we're making. Firstly the ACCC's negotiated the end of exclusive leases, which will encourage more competition. Secondly, we've extended foreign investment provisions so that if competitors want so that if competitors want to come into Australia and they are, they have five years rather than one year. But the third factor which is fantastic and I know 'cause I've used it and talked about it with people in the supermarket is unit pricing. You can actually compare the unit price again. I was chatting to people on the weekend when I was shopping about comparing prices. But certainly more needs to be done.

PRESENTER: Just finally Senator Sherry I wanted to ask you in the news we've been hearing in the last week or so about the challenges facing Treasurer Ken Foley in South Australia and he has spoken about his depression and that he's not going to take time away, he will stay in his position and battle through. You've had a very well-publicised battle with depression yourself. Is it wise to stay in such a high-profile public job while you're trying to deal with that?

SHERRY: Well all circumstances can be quite different. I think the important thing is you take some medical advice. Some people may need to take some time off from work. There has been another recent event of a frontbencher who has taken some time off to recuperate and to take some medical treatment. So each circumstance differs. Whether it's a high profile job or not, frankly, I don't think it should make any difference. You take the medical advice, you do what they advise. As I've said before, recovery is always a very good possibility. I don't see why people if they're receiving treatment should necessarily have to stop work, but if the medical advice is you should take a break, then you should do that.

PRESENTER: And you can get through it?

SHERRY: Yes you can. No doubt about that. There's no reason why individuals who experience some tough mental periods in their life through depression, they can recover, and there are many examples of that.

PRESENTER: Senator Sherry good to see you, thank you.

SHERRY: Good morning.