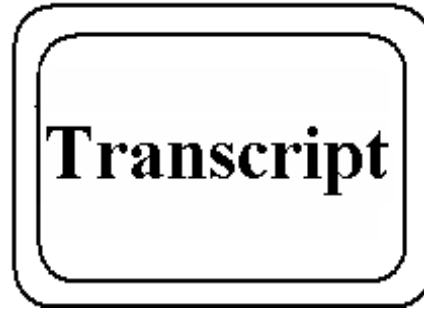




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Transcript of

Senator Nick Sherry
Assistant Treasurer

ABC Radio 936 Hobart Statewide Mornings

Interviewer: Tim Cox

14 May 2010

8.50am

E&OE – PROOF ONLY

SUBJECTS: Budget and Budget reply speech

TIM COX: Eight to nine, so I wonder whether the Assistant Treasurer, Labor Senator for Tasmania, Nick Sherry thought it was – a reckless spend, or not? Nick Sherry, good morning to you.

NICK SHERRY: Good morning Tim, good morning to your listeners.

COX: When Tony Abbott stands there and says this reckless spending must stop, is he right?

SHERRY: No, he's totally wrong. I mean the Australian economy is the envy of the world. We have the strongest advanced economy, the lowest level of debt and deficit, the second-lowest level of unemployment - overall, we have the strongest economy in the entire advanced world so the stimulus package was entirely appropriate.

COX: Well what about though having turned that \$20 billion surplus into a \$27 billion deficit?

SHERRY: That was a consequence of the global financial and economic crisis. The Government lost ... at this stage last year we were projected to lose \$200 billion in revenue; well we didn't lose that much, we lost \$100 billion in revenue and that's why the budget went into deficit. If you look at other countries that have recessions, that had stimulus packages, they've got deficits as far as the eye can see. Now the centrepiece of our Budget was to bring the Budget back into surplus three years earlier, three years earlier, in three years' time and we'll have the lowest level of government deficit of any country in the advanced world.

COX: The Opposition Leader has just said that the mining sector kept Australia out of those worst clutches of the GFC and now you're going to tax it. He says of course that he'll wind back that super profits tax.

SHERRY: Well I think a couple of points; firstly the mining sector didn't keep Australia out of recession, there are a number of factors – the stimulus package, the rapid reduction in interest rates and strong bank regulation - that's what kept Australia safe. On the mining super profits, that is not what is taking the Budget back into surplus, because what we've said is that if the mining super profits tax does not go through the parliament, the tax cuts, the company tax cut we've committed to, the standard tax return deduction - this is the new \$500 going to \$1000 simplified tax return – the write-offs for small business, the \$5000 write-off for small business, the tax cuts on super, the cuts to tax on bank interest, they will not go ahead. Those cuts to taxes will not go ahead if the minerals, the mining super tax does not go ahead.

COX: It's yet to pass the Senate of course, what's the talk there?

SHERRY: Well the Senate over the last, well certainly over the last two and a half years, Mr Abbott and the Liberals have just blocked everything. They don't have any plan for the future, it's just entirely negative. I thought the other feature ... and I've never seen such a negative period of blocking in the Senate in my 20 years' now. And the other entirely negative aspect about Mr Abbott's speech last night was bringing back Work Choices – I mean he was absolutely revelling in all the themes and ideas of Work Choices, and that was the only significant policy announcement we saw last night – “bring back Work Choices”.

COX: Well that of course is the theme of a union campaign that's already commenced. Now if the National Broadband Network is scrapped, will the work that's been done in Tasmania and tother regional communities be for nought?

SHERRY: Well it will be. That's a very good point. I mean the other point I'd make about it is if the National Broadband is scrapped it doesn't improve the budget bottom line. It doesn't improve the budget bottom line. So we didn't see last night Mr Abbott meet his commitment to return the Budget to surplus before the Labor Government will be returning it to surplus, because as I say the NBN cuts don't save any money from the budget bottom line and you make a very fair point, I mean all that money spent in Tasmania, for nought.

COX: Nick Sherry I'm curious as well about the schools program which he says has seen some tremendously reckless spending, what do you make of make of his claim there, and obviously the jury is out on that, there's an inquiry underway, but has some of that spending been, to come back to that word Mr Abbott used, last night, reckless?

SHERRY: Well the spending on schools - and you know I can speak from my experience in Tasmania - has been well-overdue investment in libraries, classrooms, a whole manner of investment in schools. And I can speak from my local experience at my local school where my kids to go, Forth Primary, and that's an example of very, very good infrastructure, and necessary infrastructure for schools, plus, one of the weaker sectors of the Australian economy in the global financial and economic crisis has been the construction sector and it's been critical, critical in underpinning that particular sector of our economy, and it's been critical to avoiding recession, avoiding massive unemployment. What shouldn't be forgotten is this time last year, if we cast our mind back, the criticism of the Liberal Opposition - and many commentators I have to say - was that we would have a recession, we would have 10% unemployment, we would a have million unemployed, that we would have a massive Budget deficit as far as the eye could see. That didn't happen because of the decisive action the Government took to cushion the Australian economy. It didn't happen, and we are proud of that, and we are proud of the fact the Budget moves back into surplus in three years' time, ahead of any other advanced economy in the world.

COX: A final question from a listener in fact, for you just aside from this - will you release the Productivity Commission's report on gaming in time for the State Parliament here to use the recommendations in it to help look at the reduction on betting limits, which is going to be an interesting political issue in the State.

SHERRY: Yes, and I will be releasing it shortly, I do have responsibility for that. I think it is important that any debate around gambling in Tasmania should take place in a national context because it's an important national issue.

Good talking to you Nick Sherry, many thanks.

Morning Tim, morning to your listeners.

That is Senator Nick Sherry, Labor Senator from Tasmania and also, of course, Assistant Treasurer there.