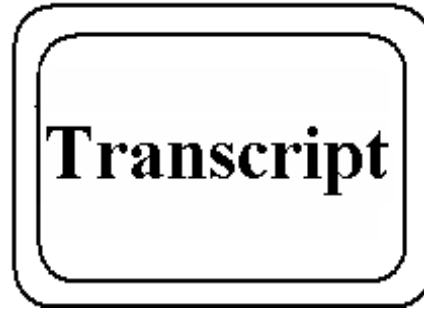




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Transcript of

Senator Nick Sherry
Assistant Treasurer

ABC News Radio

Interviewer: Marius Benson
14 May 2010

E&OE – PROOF ONLY

SUBJECTS: Budget and Budget reply speech, latest polling

INTERVIEWER: The battle of the budgets here in Australia is now underway after Tony Abbott last night set out his alternative economic plan for the country. He promises to cut public service numbers as part of a blueprint for an early return to surplus. For a Labor response to Mr Abbott's plan Marius Benson here speaking to the Assistant Treasurer, Nick Sherry.

BENSON: Nick Sherry, the immediate reviews are in and they seem to be quite favourable to the alternative Budget put by Tony Abbott last night.

NICK SHERRY: Well I thought the alternative budget again was lots of lines, one liners, rhetoric, but very little detail other than Work Choices Mark 2. Very little detail on bringing the Budget back into surplus well before the Labor Government's commitments as Mr Abbott claimed he would do yesterday.

BENSON: A degree of detail in that he said there would be a freeze on public service numbers and specific numbers of public servants cut.

SHERRY: Well to the extent that that results in any savings, it pays for in part Mr Abbott's own promises, it doesn't bring the Budget back into surplus well before the

Labor Government's budget, which is a commitment Mr Abbott and Mr Robb the Shadow Finance Minister gave yesterday.

BENSON: Do you believe there's scope for cuts in public service numbers as Mr Abbott does?

SHERRY: Well, since we've been in government we've kept the public service at a very modest level, I note under John Howard's former government public service numbers grew by some nine or ten percent as I understand, enormous growth. It's been very modest under us and it will remain so.

BENSON: Now Tony Abbott has nominated the mining tax as the pivotal issue for the election coming up, do you accept that?

SHERRY: Well what I do accept is that if the mining super tax does not go ahead there will be no cuts to company tax, there will be no cuts to superannuation tax and improvements in superannuation benefits, there will be no write-off, improved write-offs for small business, and there will be no standard deduction for over 6 million Australians on their tax returns, the \$500 and \$1000. That is the consequence if there is no mining super tax.

BENSON: Now putting together a budget is an economic exercise, it's also a political exercise and you are now in the selling stage of that exercise. Critics of Labor say the Rudd Government has recently demonstrated a complete inability to sell anything, particularly pointing to the Emissions Trading Scheme, do you think you'll have more success in selling this budget?

SHERRY: Well I think the primary message about this budget is that we are bringing the Budget back into surplus three years early – three years early. We have and will have the strongest economy in the entire advanced world. We have the second lowest unemployment, we didn't have a recession. Many other countries have got budget deficits going on forever. In Australia we bring the Budget back into surplus before any other advanced economies, so this is a responsible Budget, a highly responsible Budget, that puts us in better shape than any other major advanced and comparable economy.

BENSON: Nick Sherry there's another fairly alarming headline for the Labor Party in the Daily Telegraph newspaper this morning. It's reporting internal polling by both Labor and the Liberal parties showing that you're in trouble in some marginal seats, particularly because Kevin Rudd's popularity has just plummeted.

SHERRY: Well in terms of polls, I've been in politics a long time Marius, now over 20 years, and I learnt a long time ago there are good polls, there are bad polls, don't focus on them, just focus on the national interest. Do what is best for the country, and that's what the Labor Government is doing. We've delivered a responsible Budget that leaves Australia as the strongest economy overall in the entire world of

comparable economies. That's what I know. It's in the national interest and that's what this Labor Government is focussed on.

BENSON: Nick Sherry, thank you very much.

SHERRY: Thank you.