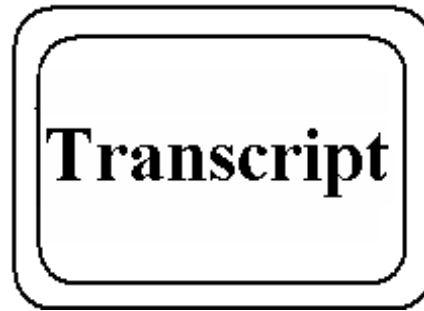




ASSISTANT TREASURER

<http://assistant.treasurer.gov.au>



Senator Nick Sherry
Assistant Treasurer

Sky News AM Agenda
Interviewer: Kieran Gilbert
Panel member: Senator George Brandis
1 June 2010

E&OE – PROOF ONLY

SUBJECTS: Latest Newspoll, resource super profits tax and Government advertising

Kieran Gilbert: With me now is Assistant Treasurer Nick Sherry and the Senate Deputy Leader for the Opposition, Senator George Brandis, gentlemen good morning.

Nick Sherry: Good morning, good morning to your viewers.

Kieran Gilbert: Thank you, I want to ask you first of all Senator Sherry, the Prime Minister is on the nose - why have things turned so badly against him?

Nick Sherry: Well look I looked at the polls this morning, I have been in politics a long time, I have seen a lot of good and bad polls and I know the Government and the Prime Minister - we are focused on the future of the country, our health plans, keeping the economy strong, acting in the national interest; that's our focus and from time to time there will be good and bad polls.

Kieran Gilbert: OK, we are seeing consistent and strong performance from Kevin Rudd for a couple of years and then this fall in September that's like falling off a cliff.

Nick Sherry: Well, look I would argue that we have continued to remain focused on keeping the economy strong, a no frills budget, surplus in three years, three years early, health plan for the future of this country, a tax plan and not everyone is going to agree with all those issues are contentious and debated. As I say, we remain focused on the long term future of this country.

Kieran Gilbert: (inaudible) you delegate more and get some of the other front benchers out there, is that the strategy at the moment; are people just sick of the sight of them?

Nick Sherry: Well he does use us all. I mean I am regularly on your program as many of my colleague Ministers do and backbenchers for that matter. There is no shortage of opportunities for people like myself as a Minister to outline the Government position, but obviously in modern politics in particular there is always a focus on the leaders in particular the Prime Minister or the Leader of the Opposition.

Kieran Gilbert: Is there any (inaudible) in your colleagues in Tasmania in your home State there is a couple of seats there that could go with a decent swing. I mean what are your back benchers saying to you?

Nick Sherry: Look in politics, I have been in politics for twenty years. I have seen lots of good polls and lots of bad polls, you are never complacent about the outcome of an election in Australia it is always very close with rare exceptions, you are never complacent. I know when I am in my local community on the North West Coast of Tasmania one of those marginal seats that you mentioned – Braddon – people come up to me and they talk to me when I am in the supermarket or the mall wherever to talk to me about their day-to-day concerns so you are never complacent. I think that is one of the hallmarks of Australian politics, but importantly the Government remains focused on keeping the economy strong, outlining our future plans for the health system, reform of the health system and the tax system.

Kieran Gilbert: Senator Brandis, Tony Abbott seems to have shot himself in the foot. I mean the polling for him personally has taken a big hit. His personal rating down five points is that because of the gap on the (inaudible) or is it that uncertain budget reply?

George Brandis: Well look I don't think it was an uncertain budget reply, it was a very strong budget reply. But, like Nick, I don't tend to read the intro to these polls too closely because Nick is right - polls do jump around there is no doubt about that. Where I think opinion polls are constructive (inaudible) is in describing long-term trends and if the polls are all going in the one direction over a period of polling cycles that tells you something. Now what I think the Newspoll and the other polls as well tell you, without a shadow of a doubt, is the collapse of public respect for Kevin Rudd as Mr O'Shannessy pointed out, Mr Rudd's satisfaction rating has halved from a very strong figure of seventy percent to about thirty five percent in six months. Now that is unprecedented in Australian politics, but can I say Kieran it's not something that has surprised the Opposition. We always knew and a lot of Mr Rudd's Labor Party colleagues will privately tell you in the corridor that they also always knew that once the public found out what this man was really like, then public respect for him would collapse.

Kieran Gilbert: Well, if he is that bad isn't that a reflection on your side of politics that you haven't been able to take the votes, they have all gone to the greens.

George Brandis: Well, as a matter of fact, if you look at the ultimate figure the two party preferred figure there has been virtually no movement. It was fifty-fifty in the last Newspoll and its fifty-one forty-nine in this Newspoll. That is within the statistical margin of error, so I think for the (inaudible) type, but overwhelmingly this election has been shaped by one phenomenon, but I haven't seen at this stage of the election cycle in my lifetime of politics that is a collapse of public respect for the Prime Minister.

Kieran Gilbert: Tony Abbott's approval rating though, five points down, it is five points down in this latest survey, have people given him a chance, but now they have gone: 'Sorry you're a bit (inaudible) after those gaffes, so you're a bit uncertain for us?

George Brandis: I don't think you can read too much into a movement of that dimension in one polling cycle. What you can read is a movement of thirty-five per cent downward over several polling cycles and that reflects and I am pains to say the fact that the Australian people have woken up to this man. They have realised he stands for nothing, he can't be taken at his word, he doesn't mean what he says. We saw that in the running away from the greatest moral challenge of our time; climate change. We've seen more recently in the complete hypocrisy of the Government over Government advertising which they or Mr Rudd, solemnly hand on heart, promised a Labor Government would not engage in and now cynically and shamefully they have done so.

Kieran Gilbert: Well, we are going to get to that in a moment, I just want to stay on the polls for a moment. Senator Sherry in your state of Tasmania, we saw at the State election a record vote for the Greens. We discussed it with Martin O'Shannessy the results of the Liberal Democrats in the UK - the third parties seem to be doing a lot better because they are sick of the major parties.

Nick Sherry: Well, look I would argue ... let's take the issue of the ETS. Now the fact is that Kevin Rudd recognised the reality of the Senate. We put it in the Senate three times and we couldn't get it through because the Liberal National Party changed their position and voted against it and the Greens themselves opposed it we tried to deliver ...

George Brandis: Nick you know as well as I know that if you really believed in it you could have fought an election on it, you could have called a double dissolution said to the people: 'If you support us, back us then we will pass the bills at a joint sitting ...'

Kieran Gilbert: That must be what the people want as well, they are not giving you any credit for trying.

Nick Sherry: There is only so much you can do, if you can't get your legislation through the Senate...

George Brandis: That's why section 57 of the constitution exists.

Nick Sherry: And on this policy George, it was actually your policy that you took to the last election with our own that you voted down along with the Greens. So look sure people are disappointed, but we couldn't get the ETS through the Parliament, but that is the reality of Australian politics. We have got a Senate that has that power and has used that authority. As I said earlier, we are embarking on significant changes on areas like health, in taxation - they are areas of contention, there is a lot of public debate on it, wherever people fall and whatever they believe and when the Prime Minister has to deliver in the national interest, when he has to deliver in the national interest, those issues of public contention they are important and that's what the Prime Minister.

Kieran Gilbert: There seems to be a shift here more broadly to the third party. As I say, in Tasmania we saw it, we saw it in the UK- it's a completely different environment, but are we seeing it again here, are the voters sick of the two major parties?

George Brandis: Look, as we run down towards the next election, inevitably the political competition gets a bit woolly between the Coalition and the Labor Party that always happens, but what's interesting is that Senator Brown - who is a very clever politician - has managed to sort of float above this and that I think is one of the reasons that the Greens seem to have had a significant up check. People at the end of the day are going to have to make a choice: do they want another three years of Kevin Rudd or do they want a change of Government, because they have concluded that this Prime Minister doesn't have the character to be the Prime Minister of Australia, that he is not fit to be Prime Minister, because he is just so shifty, so hypercritical, so inconsistent, so disingenuous, so insincere or do they say well we will swallow that we will stick to that, they are not at the end of the day going to get a Greens Government or Greens in a Coalition, so I think the analogy with the UK is a very limited analogy and equally don't forget the Greens are a radical party. The Liberal Democrats in the United Kingdom comprehend a much wider views than the Australian Greens do, Nick Clegg - the Deputy Prime Minister - is somebody who was quite comfortable being Deputy Prime Minister in a Government that's led by a conservative party.

Kieran Gilbert: Do you think that the Labor Party will eventually get the Green vote back anyway at the election through preferences and so on? This poll is a bit deceptive.

Nick Sherry: Green preferences favour the Labor Party, but look ultimately I agree with George on that one point - ultimately the Australian people at the next election will make the decision between a Liberal National Party or the Labor Party to form

Government. However well the Greens do, I think it is very, very unlikely that they will be a player in the House of Representatives. I think that's very unlikely, ultimately it will be a choice Kevin Rudd delivering a strong Australian economy, cushioning our Australian economy from what's occurred in the rest of the world, we have got a plan for health and we have got a plan to reform the tax system. Ultimately the Australian voters will make the decision between George the Liberal National Party and Tony Abbott and Kevin Rudd and the Labor Party.

Kieran Gilbert: Gentlemen now to the mining tax. First of all, the Newspoll has looked at the mining tax. It shows that thirty-six per cent of people back the idea forty-one per cent oppose, you have a lot of work to do don't you Senator Sherry to convince people on this?

Nick Sherry: Well look it is no surprise that when you make a major reform to the tax system - of which the Mining Super Tax is a part of - there tends not to be a focus on the reduction of company tax, the improved write offs for small business, improvements to superannuation and those sorts of reforms, it is a contentious policy, it is controversial ...

Kieran Gilbert: So you will win the voters over on this?

Nick Sherry: Well I am confident, this is right, it is right that in an era of improved profits as a result of fundamental increase of demand in mining because of the demand from Asia, it is right that the resources owned by the Australian people, owned by the Australian people, a greater share and a fairer share should go to the broader Australian community.

Kieran Gilbert: Senator Brandis, there is a lot uncommitted here in this poll, around twenty per cent uncommitted.

George Brandis: Well, that is not surprising, but there is a clear majority for those who oppose the tax and could I also direct your attention to another poll, Kieran that was published yesterday by the Morgan Polling Organisation that was taken in WA and WA as we know along with QLD are the two great mining states. It showed that in that particular state, seventy eight percent of people were opposed to the mining tax, eighteen percent favoured it and that the last time that question had been asked those numbers had sharpened so ...

Kieran Gilbert: Does that justify the Government's spending on advertising because the mining companies have been successful in their scare campaign?

George Brandis: Absolutely not, I mean it is the most flagrant, shameless breach of promises as we all know. I mean, I am not even going to waste your time emphasising the point because everybody knows that, but let me address an argument that is being mounted on behalf of the Government: that this is a scare campaign or a misinformation campaign. Now the fact of the matter is those who are opposed to the mining tax have a point of view and they are entitled to argue that

point of view in the public arena they are entitled to run ads and we don't expect the Labor Party to agree with them but nevertheless, the Labor Party if they want to advance the other point of view they should do it with their own money. What Mr Rudd and his spokesman find it very difficult to accept is that there are two points of view on this mining tax and merely to stigmatise the point of view they disagree with as misinformation doesn't address the merits of the issue.

Kieran Gilbert: Minister, the cabinet documents released yesterday or the Treasurer's letter essentially requesting approval for this advertising campaign it came before the tax was even announced, the ads came before the tax isn't that a bit rich?

Nick Sherry: We are unapologetic about this tax, it is in the national interest we are absolutely unapologetic about it ...

George Brandis: You argue about that Nick and you argue that in the Labor Party's own money.

Nick Sherry: You've given your answer, let me give mine. We face a massive campaign of misinformation, we've seen all this before George. We've seen it when the oil and tax gas was introduced, we saw it when we had a debate on land rights - the mining industry said it was going to be the end of the world for them they were going to cease to exist all sorts of extraordinary claims. We have seen and, frankly I am not all that unsurprised, we've seen the same sort of campaign being mounted this time we've seen people like Mr Palmer running around making all sorts of frankly absurd claims and I might say funding the Liberal National Party particularly in QLD. We face a massive up to one hundred million dollar campaign most of it coming off the tax they paid because it is a deduction ...

Kieran Gilbert: The Treasurer requested the ads be approved before the tax was announced, did he have a crystal ball that was going to tell him that Clive Palmer was going to be running a scare campaign for the mining companies.

Nick Sherry: Don't forget we had some sections of the mining industry, including Mr Palmer, commenting on the prospects of a mining tax over the last eighteen months. There was a fairly rigorous debate about this issue before the announcements in early May, but look, in the budget there was a sum of money included for advertising the Government's tax reform package - it's not just about the Resource Super Profits Tax, it's about cuts to company tax, improvements to write offs for small business and a whole range of other very important issues, standard deductions that benefit six million Australians - that money was contained in the budget after the tax changes were announced which was the week before the Budget was delivered, the big mining companies including particularly Mr Palmer started their misinformation campaign.

Kieran Gilbert: All right Senator Brandis, twenty seconds or less I am sorry we are almost out of time.

George Brandis: Nick you don't have a feather to fly with on this. This Government advertising campaign was put in place in April, as you rightly say Kieran, before the mining tax was announced and then when the Government's advertising campaign itself was announced the Prime Minister dishonestly said: "Oh heavens above, we have to evoke the national emergency exception because of the impact on financial markets." It was in the can, he knew it he was lying about it.

Kieran Gilbert: Gentlemen, thank you very much for your time.

Nick Sherry: Good morning Kieran, George and to your viewers.

George Brandis: Thanks Nick, have a good day.