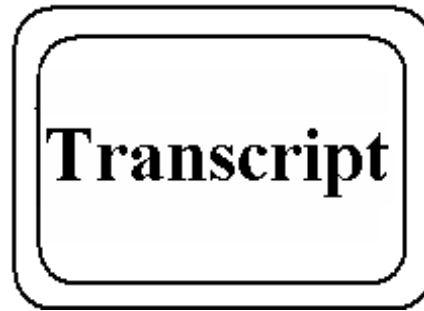




ASSISTANT TREASURER

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Senator Nick Sherry

Assistant Treasurer

ABC Radio AM Program

Interviewer: Lyndal Curtis

1 July 2010

E&OE – PROOF ONLY

SUBJECT: Tax cuts, Resource Super Profits Tax, leadership change, mental health policies

Introduction: Assistant Treasurer Nick Sherry is here speaking with chief political correspondent Lyndal Curtis.

Lyndal Curtis: The people getting tax cuts today, will they see some of them maybe all of them, eaten up by rises in State Government charges? Are you disappointed that having done the hard work, that people won't get the benefit because of the actions of the states?

Nick Sherry: Well we are aware there are cost of living pressures and the state charges you refer to are part of those cost of living pressures, but Australia is in a strong economic position; we are able to provide what is a third round of income tax cuts; unemployment's coming down and that's in marked contrast to other countries where unemployment is much higher, their economies are much weaker and actually are actually increasing taxes.

Lyndal Curtis: You used to be Minister for Superannuation and have argued strongly in favour of superannuation would you be personally disappointed if the rise in superannuation your Government has proposed couldn't go ahead because of any changes made to the mining tax?

Nick Sherry: Well, we have indicated from day one that the mining tax revenue was part of a package of tax reform and that we won't compromise the Budget moving back into surplus in three years – three years early, so by necessity when these

discussions on the Resource Super Profits Tax are concluded, whatever changes, whatever the final negotiations, there may be an adjustment to other elements of the tax package.

Lyndal Curtis: Business has said it still wants the company tax cut to go ahead, that's what your Government said would help fund the superannuation increase, should that company tax cut go ahead or is that also up for discussion if there are changes to the mining tax?

Nick Sherry: No, the mining tax profits revenue was to fund a range of tax changes and reductions to company tax was one of them. There is a cost to government in the superannuation improvements, but let's wait to see what the final outcomes of the negotiations on the Resources Super Profits Tax are and what any consequential amendments may or may not be necessary.

Lyndal Curtis: The Opposition yesterday announced 1.5 billion dollars it says it would spend on mental health if it wins Government; you've had a well publicised battle with depression should your Government have earlier have done more on mental health - has the Opposition gazumped you?

Nick Sherry: Well, Nicola has announced some 136 million dollar package for mental health, putting aside my personal circumstances, what concerns me about the announcement yesterday is that it appears it is going to be funded by cuts to the broader health system. So, shifting monies from other essential elements of the health system to fund mental health will have consequential impact and reductions in other areas of health that used to be the Opposition's approach.

Lyndal Curtis: But the Opposition has won praise from mental health advocates who have been particularly critical of your Government.

Nick Sherry: Well, as I said Nicola, and I have had conversations with Nicola in the Expenditure Review Committee of which I am a member about mental health, Nicola has provided an additional package of 136 million dollars. I think critically you shouldn't be funding these proposed improvements by cutting other areas of health.

Lyndal Curtis: But would you like to see more money spent in the area to allow more people timely access to mental health services?

Nick Sherry: Well certainly and Nicola herself as Health Minister, recognises that more needs to be done. She's committed 136 million dollars moved intervention extra nursing assistance in this area, so she has accepted more needs to be done but cutting other areas of health to fund mental health is not the approach that the Government is taking.

End: The Assistant Treasurer Nick Sherry speaking there with chief political reporter Lyndal Curtis.

