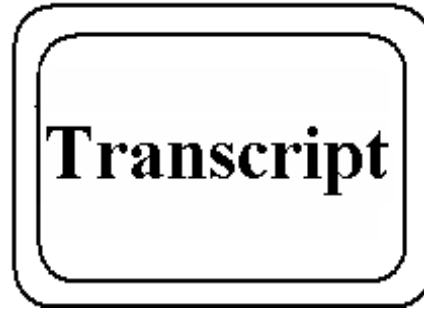




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Senator Nick Sherry
Assistant Treasurer

Sky News Lunchtime Agenda
Interviewer: Ashleigh Gillon
Panel member: Senator Simon Birmingham
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SUBJECTS: Mining tax, Election result, National Broadband Network

INTERVIEWER ASHLEIGH GILLON: Joining me this afternoon on our panel of politicians, from Sydney, the Assistant Treasurer Senator Nick Sherry. Good afternoon to you.

ASSISTANT TREASURER NICK SHERRY: Good afternoon Ashleigh and, I think, Simon. And good afternoon to your viewers.

ASHLEIGH GILLON: You've stolen my next line, Nick Sherry, we do have from Adelaide the Liberal Senator Simon Birmingham. Good afternoon Simon.

LIBERAL SENATOR SIMON BIRMINGHAM: Good afternoon Ashleigh, Nick and viewers as well.

ASHLEIGH GILLON: Now we are going to start with you Nick Sherry. Labor has been accused this morning of breaking this deal to re-look at the mining tax, is that the case?

NICK SHERRY: No I don't accept that. Wayne Swan has laid out the position, certainly, as I and other members of the Government understood. We've presented a tax package and I emphasise a tax package which obviously includes a mining tax. There is further consultation through a committee headed by Don Argus on the detail of that, of the mining tax, and the mining tax...there will be extensive consultations with the crossbenchers in the House of Representatives. Frankly, that is no different a process than we have seen in the Senate on major issues, certainly in my time, twenty years, and certainly over most of the last thirty odd years because no

government other than one had a majority in the Senate so I don't see anything significant in this at all.

ASHLEIGH GILLON: But why can't that consultation extend to that tax summit? How can we have a tax summit without looking at the most controversial tax policy that this Government has put forward?

NICK SHERRY: Well there will be a tax summit as was indicated to the independents, but the...

ASHLEIGH GILLON: Not looking at this issue.

NICK SHERRY: However, the issue of the tax package, in this case the mining tax, there'll be conclusions in terms of consultation through the Don Argus committee and there'll obviously be consultations with the crossbenchers in the House of Representatives about the details of the legislation. That process will obviously occur. As I say, this is part of the normal process of Government, it has occurred in the Senate over most of the last thirty odd years other than the very short period, three years, when the Liberal National Party had a majority in the Senate. We are now going to see a consultative process on legislation that has occurred often in the Senate, effectively and largely being transferred to the House of Representatives. I don't see anything significant in that, frankly.

ASHLEIGH GILLON: Well we understand that Mr Windsor has spoken about this with the Treasurer this morning but we are waiting to hear whether Mr Windsor thinks this has been resolved or not, but Nick Sherry what parts of the mining tax, then, are up for discussion in this consultation process before this gets to the form of legislation in the Parliament?

NICK SHERRY: Well as was indicated before the election, the Prime Minister Julia Gillard had a breakthrough agreement with the mining sector and we continue to support that breakthrough agreement, but also Don Argus' consultations are continuing. It was also intended they would continue to look at various implementation issues and design issues. That's continuing and there will be obviously discussion with the crossbenchers in the House of Representatives about legislation. In fact, one of the commitments with the crossbenchers in the House of Representatives is to consult with, directly, Ministers and directly on legislation, and that will occur.

ASHLEIGH GILLON: The Greens' leader Bob Brown had his say on this, this morning, and of course his say we are taking a lot of notice of it, probably more than normal considering the new makeup of the Senate.

[Cross to footage of Senator Bob Brown]

So, Senator Sherry, the Greens want input. Initially the Greens of course had said they wanted the tax to go back to its initial level of 40 per cent, that's still being ruled out though by Labor, right?

NICK SHERRY: Well of course the Greens want consultation, that's the reality of the House of Representatives. They are on the crossbench, they have a member in the House of Representatives, they will hold the balance of power in the Senate from July 1 next year, it's only reasonable that they will want consultation. They make up the crossbench in the House of Representatives. There's a commitment to provide consultation, meetings with ministers, consultation about the details of legislation to all of the crossbenchers, this is part of the new process in the House of Representatives I've emphasised. Some people seem to think this is all a bit new and strange, it has been going on in the Senate for the last thirty odd years and now that process will take place in the House of Representatives.

ASHLEIGH GILLON: Yes but you're not paying any attention to that tax being lifted?

NICK SHERRY: Well we've set out the parameters of the tax, it's part of a tax package, it is to fund infrastructure, it is to fund cuts to company tax, cuts to superannuation tax, cuts to tax for small business – part of a package. And we intend to, we've argued for that package, we aim to implement that package but there will be consultation on the legislation and details with Wayne, obviously and the crossbenchers and we intend to legislate for that.

ASHLEIGH GILLON: Simon Birmingham have you lost all hope that this mining tax could disappear or do you think that there could be movement there?

SIMON BIRMINGHAM: Well Ashleigh I think there are several points to make in relation to the mining tax and this debate today. Firstly, here we are less than 24 hours after a deal was stitched up between Labor and the Independents and the deal is already unravelling. The Independents are finding that what they thought they had signed up for, a root and branch tax summit, to look at all matters of tax is not going to do that. The mining tax Tony Windsor thought was going to be included is not going to be included in that review so that of course shows the Government is already failing to keep its word with these Independents and to keep the faith with these Independents. The second point is that Wayne Swan and this Government are repeating the mistakes of the past. In the previous term of office they had a so-called root and branch review of the tax system conducted by Ken Henry but they failed in that review of course to allow all aspects to be considered. Most notably they took the GST off the table and said you can look at other things but not at that. Here we're now going to have the furphy, the farce of a tax summit taking place that is being told you can't look at this new mining tax proposal. That in itself is madness. But lastly then there is of course the very structure and nature of this mining tax. We want to see all of the modelling, all of the costings and we want transparency around this because there is an awful lot of doubt about whether this tax can actually raise the

type of money the Government is talking about and indeed lots of speculation that there is multi billion dollar black hole in this Government's Budget because of the costings around this tax. So there is a long way to go in the debate around the mining tax and we will certainly be doing our best to hold the government to account for it.

ASHLEIGH GILLON: OK Simon Birmingham and Nick Sherry stay with us because I do want to get your opinions after the break on just how things did unfold yesterday. Stay with us.

[BREAK]

ASHLEIGH GILLON: Welcome back to Lunchtime Agenda. With me this afternoon, Nick Sherry and Simon Birmingham. Simon, you must be bitterly disappointed about the loss yesterday. Do many Liberals blame the Nationals? Of course the seats that the Independents hold were previously Nationals'. The vagueness of Tony Crook's position for most of the negotiating period wouldn't have helped much either in giving the Independents much confidence in the Coalition.

SIMON BIRMINGHAM: Ah, look Ashleigh, of course it's disappointing to come so close. And particularly for Tony and the leadership team. We all feel that pain. It's not a time for blame, it's a time for us to get on with the job of the period in Opposition. To see whether this Government – whether it lasts 6 months, 12 months, 3 years...to hold them to account. To learn some lessons. Obviously, though we came so close, we didn't manage to win a majority of seats. That means we need to do a bit better next time.

ASHLEIGH GILLON: What are those lessons, Simon? What are those lessons?

SIMON BIRMINGHAM: Well I think we need, I think we need to make sure that we present a stronger, clearer alternative plan for the future at the next election. We had good policies, Tony has built us into a great and formidable opposition. As leader, he's taken down one prime minister, almost taken down another. They're great achievements. We had some good policies in this election. But I think we need to up the way that we sell them, make sure that we present a really good strong positive vision for the future at the next election. And make sure the Australian people know that, with us, they're not just getting a more competent line-up than the Labor Party offer, but also one that has a clear vision for the future.

ASHLEIGH GILLON: Well, of course, the Independents were won over by a package for the bush and also Labor's Broadband Network. Nick Sherry, on Broadband, yesterday we heard Labor promise that a single wholesale price structure will be put in place for regional and metropolitan services. So, if that wasn't the original plan, this must cost more now, mustn't it? When are we going to finally see a cost benefit analysis? It seems ridiculous that we haven't seen one laid out so far.

NICK SHERRY: Well, I don't accept that it will cost more. The National Broadband – the company – obviously will be involved in the implementation of that detailed commitment. But, as we know, this was a major issue in the election. There was extensive discussion and debate about it. We stand by what is a fundamental modernisation of the Australian economy going forward. And it's a very...

ASHLEIGH GILLON: Sorry, Nick Sherry, how can it not...

NICK SHERRY: Very significant...

ASHLEIGH GILLON: ...cost more if that wasn't the plan before and now you agree?

NICK SHERRY: We will...we will obtain the details from the National Broadband, the company...

ASHLEIGH GILLON: Wouldn't you have got those details before you made that commitment?

NICK SHERRY: ...that's responsible. And, and we released yesterday, in detail, the discipline that we will continue to maintain in terms of the Budget moving back into surplus in three years' time. And how the range of commitments, the range of commitments that were made to the crossbenchers, are to be funded, and ensure that the Budget goes back into surplus in three years' time.

ASHLEIGH GILLON: Are we ever going to see a cost benefit analysis for this though?

NICK SHERRY: Well, there continues to be appropriate scrutiny and release of the detailed operation of Broadband. This, this issue is debated, frankly, up hill and down dale. And I have to say, it's one of those policies – certainly from the feedback I received – where the Australian electorate saw a clear distinction between the cobbled together horse-and-buggy operation that the Liberal National Party was proposing, and that which the Labor Party was proposing. And I have to say, generally, out there in the community, our approach on Broadband is the favoured approach.

ASHLEIGH GILLON: We are going to have more discussion about this issue on PM Agenda this afternoon. I'm sorry, Simon Birmingham, we have run out of time. Thank you both for...

SIMON BIRMINGHAM: So much I could say on the NBN too, Ashleigh.

NICK SHERRY: Thanks a lot. Good afternoon.

ASHLEIGH GILLON: Thanks for joining us.