

30 June 2016

**TRANSCRIPT OF THE HON. ARTHUR SINODINOS AO  
INTERVIEW WITH CHRIS BOWEN MP & FRAN KELLY  
RN BREAKFAST**

*Subjects: Brexit, costings, same sex marriage, election.*

*EO&E.....*

**FRAN KELLY:**

So, for the final time before Saturday's poll, and our regular political panel, The Crunch, I'm joined by political heavyweights Arthur Sinodinos, Cabinet Secretary, he's in our parliament house studios, Arthur hello there!

**ARTHUR SINODINOS:**

G'day Fran.

**FRAN KELLY:**

And Chris Bowen, Labor's Shadow Treasurer, who joins us on the phone. Chris, hello.

**CHRIS BOWEN:**

Good morning Fran, good morning Arthur!

**FRAN KELLY:**

Welcome back, two sleeps to go, both of you.

**CHRIS BOWEN**

Well, you say that Fran but there's probably a lot of campaign workers out there who probably have one or no sleeps left to go. So, here's a shout-out to them on my side in particular.

**ARTHUR SINODINOS**

Absolutely.

**CHRIS BOWEN**

The hard working ranking file? young Labor who may or may not be sleeping tonight or Friday night, so they don't get two sleeps, so I just want to put a shout-out to them, it's

been a long two months for the campaign workers, and in fairness to democracy, on both sides.

**FRAN KELLY**

On all sides I think, exactly. Well, let's start with Brexit you two, because it is an issue that has framed the weeks politics to a large degree, the Prime Minister used it at the Liberal campaign launch on Sunday to put the case for stability. At the national press club on Tuesday Bill Shorten framed it another way, let's have a listen: (1:01-1:26) Recording.

That was Bill Shorten, a deep seated sense that political promises are wasted words. A question for both of you, if Bill Shorten's right, both parties have got a trust and credibility problem have they? Arthur?

**ARTHUR SINODINOS**

Ah no, I don't believe so. I think to address what Bill Shorten is talking about, if we want people not to be marginalised, if we want people to share an economic growth, then we've got generate jobs, and we've got to generate jobs across the economy, and that's what a strong plan for the future is all about. That's what we're prosecuting in this election, he's making our case for us, a strong plan to strengthen the economy, get the budget under control, promote new sources of growth in the economy, innovation, defence industry, tax cuts to take the pressure off companies so they can promote more jobs. All of that promotes mainstream participation of people, young people, through our PaTH Program. He is talking about the things that we are seeking to do through our plan for a strong new economy.

**FRAN KELLY**

And Chris Bowen? Does the Brexit vote and those as pointed out by, or, the point made by Bill Shorten there, does the Brexit vote indicate, and does it reflect what's happening here, in that high vote the polls are registering for anyone other than major parties, suggest though that pictures like that aren't being listened to or aren't being believed?

**CHRIS BOWEN**

Well no, Bill was pointing out the need to make sure that people understand about their party's plans on inequality for example and our plan is to grow the economy. He was pointing to what is a worldwide phenomenon in the developed world of the fall of the political elite? The rise of Trump, Corbyn, Marine Le Pen, both major parties being sidelined in Austria, and he was pointing out that in Australia we have to be alert to that, and that we've put out an agenda, of inclusive growth, an agenda which ensures that those who are vulnerable are not left behind, an agenda which includes community standards in Medicare, an agenda which includes investment in education so that every Australian can be able to grow to their full potential, and every young Australian child gets the investment they need

to grow to their full potential. That's been the hallmark of Labor's campaign, and of course we've put out our economic plan. Our plan for investment in renewables, manufacturing, investment in schools and infrastructure and creating the jobs of the future. So really, Bill was pointing to, I think, the global political and economic trends, which we have to be alert to in Australia as well.

**FRAN KELLY**

You both talk put out your economic plans and you've both given us a, sort of a snapshot of the picture in a sense just there, but, but, how believable are your plans and I ask this to both of you, Chris Bowen I'll come to you first, Labor's capital gains taxes or negative gearing, the Parliamentary Budget Office this week cautioned about how much revenue either measure would raise over a decade. The costing is considered to be of low reliability, it's said.

**CHRIS BOWEN**

Well that's not quite right Fran, with respect in fact they issued a statement yesterday clarifying the technical nature and pointing out that every costing has a degree of uncertainty including the Treasury's costings.

**FRAN KELLY**

Of course, yes.

**CHRIS BOWEN**

So, to deal with that, to deal with that, we commissioned a panel of three eminent Australians, professor Bob Officer who was John Howard's commissioner of audit, doctor Mike Keating one of the most distinguished and eminent public servants in Australia, former secretary to the past Prime Minister in cabinet and finance, and James McKenzie a chartered accountant and distinguished businessman to run through all our costings, and they provided me with a letter which I released to the public, which said these costings are as reliable as any costings done by the Treasury, by the government, they represent a suitable and reasonable analysis of the impact on the Budget bottom line. We have done Parliamentary Budget Office plus to provide that certain degree of rigour. Now let me tell you the panel questioned the Parliamentary Budget Office assumptions, sent them back for more work et cetera. That was the process, which was a very good process from our point of view, a very rigorous process. We did not sign off on our costings lightly. The Government has in their measures a whole range of zombie measures that will never pass the Parliament. They have a fantasy surplus projection, and I'll bet you a bottle of wine Fran, and you Arthur, if the Liberal Party does happen to win this Saturday, and Scott Morrison does bring down the Budget, he will be bringing down a deficit much bigger than the one he is forecasting. I'm prepared to be honest about it, he is not.

**FRAN KELLY**

But the point you make there, “as reliable as any costings done by the Government or Treasury”, I mean, Arthur Sinodinos, your ten-year \$50 billion company tax cuts, the Treasury Secretary John Fraser told Senate estimates last month, it’s not standard practice to release costings beyond four years, and that quote “as with all tax projections over ten years, these costings have considerable uncertainty attached to them”. That’s the point, “as reliable as any costings” that don’t seem to be reliable at all over the long term.

**ARTUR SINODINOS**

Fran, two points: first, we are strongly committed to our company tax plan. It’s a tax on jobs, we want to reduce the tax on jobs, and we will deliver that if we are lucky enough to get a mandate on the weekend. The second point is this, the certainty over the next four years is that under Labor you get higher debt and deficits than you do under the Coalition. If you want to look at the next four years, rather than the next ten years or twenty years or whatever, that is the certainty. It makes Australia more vulnerable in the context of adverse external shocks, and puts our credit rating potentially at risk. That is the certainty of the next four years. That’s what the Australian people have to weigh up on Saturday.

**FRAN KELLY**

But I guess the point is, do you think the voters are believing you pitches? Either of you? Chris, just briefly, I want to move on from this.

**CHRIS BOWEN**

Well this election is very competitive. Arthur and the Liberals may think they have it won, they don’t. It’s a tight contest out there, we’ve always been the underdogs. But I think people have responded very well to our campaign. And the Liberal Party has just engaged in scare campaign after scare campaign, they’ve brought very little policy to this election.

**FRAN KELLY**

I think both sides have been engaged in scare campaigns, not doubt about that.

**CHRIS BOWEN**

Well we’ve brought a policy agenda to this election. We’ve had huge policy announcements. We’ve been completely transparent about our plans; we’ve released our costings -

**FRAN KELLY**

Have you miscalculated releasing that bigger deficits number in the final days of the campaign? Was that a political miscalculation?

## **CHRIS BOWEN**

Well we've released our costings way in advance of political conventional wisdom. In the normal course of events, Fran, I'd be standing up today to release our costings. That's what the Liberal Party did at the last election. Today. Effectively twenty-four hours before the election, after the election advertising blackout. Well that's just wrong. That's just plain wrong. It's treating the Australian people with contempt. I wasn't going to do it; the Labor Party wasn't going to do it. We don't hide from scrutiny; we're proud of our plans. We've got nothing to hide. We have a remedy not a replica; we've got a different set of plans. Yes our fiscal plan is not a photocopy of the Government's. There's a revelation. Because we invest in schools and in hospitals, and in infrastructure. We don't engage in -

## **FRAN KELLY**

But your fiscal plan has much bigger deficits in it, and some say the moment you released that on Sunday was the moment Labor lost the election.

## **CHRIS BOWEN**

0.2 per cent of GDP. 0.2 per cent is the difference. The fact of the matter is, Fran, we're forecasting cumulative budget deficits over the next four years of a hundred and one billion, the government will deliver \$91 billion at least – at least – and they will come back straight after the election and Scott Morrison has said – he admitted in the debate with me at the National Press Club – will have to cut further because they're projecting Budget surpluses of 0.1 per cent of GDP, they say they want to get to 1 per cent. That means massive cuts.

## **FRAN KELLY**

Okay, I want to move on but Arthur, to be fair, to give you a reply to that, do you think actually people are taking any of this in?

## **ARTHUR SINODINOS**

The feedback I get is Australians are concerned about economic security. It's their number one concern and they want income security, they want job security and they want a plan and a direction and if we're privileged enough to form the Government on the weekend, that will be a vote of confidence in our plan and our first priority will be to implement that plan.

## **FRAN KELLY**

Okay, let's move on because another issue has inserted itself into this election campaign in the final days. The issue of marriage equality. If the Coalition wins there'll be a plebiscite on this by the end of the year – that's what the Prime Minister wants. And Malcolm Turnbull

says if it is a yes vote in that plebiscite then the follow up legislation in changing the Marriage Act will sail through the Parliament. Arthur, how can he be so sure?

**ARTHUR SINODINOS**

Look, we are committed to a plebiscite, a people's plebiscite. I believe that if there is a majority for same-sex marriage, it will pass through the Parliament. There is huge moral authority when you go to the people and the people have their say. I've been out in places like the Greek Orthodox Church in Parramatta where they said they thank the Liberal Party for having a plebiscite so that they and their congregation have the opportunity to put their view. So I think, that is our plan, and that is the plan we would implement in government and I believe that the Parliament will respect the wishes of the Australian people.

**FRAN KELLY**

Okay, we heard before eight Warren Entsch, Liberal MP, say that many of your colleagues are looking to a positive plebiscite result to give themselves cover from an electoral backlash in their electorates this is what he said:

**WARREN ENTSCH**

I have spoken to many that would vote in the reps against gay marriage. Privately they support it, but they are worried about the ramifications of their own constituency. They are also of the view that if we go to a plebiscite and the Australian public supports it with a yes, then they will absolutely come on board and support it no question about it.

[Audio ends]

No question about it Arthur is that what you say?

**ARTHUR SINODINOS**

I'm saying what the Prime Minister has said and what I think Warren Entsch is saying which is the moral authority that comes from the people having their say is something which means the Parliament will pass it, if Australians vote as a majority for same sex marriage.

**FRAN KELLY**

Chris Bowen it's still not clear whether Labor will support, if you lost and the Government wins and Malcolm Turnbull brings in legislation to enable a plebiscite to occur, whether Labor will support that, I mean is it possible that Labor would ignore a) the Coalition mandate for a plebiscite and then block the chance of any change on marriage equality given how strongly your party accepts it.

**CHRIS BOWEN**

Well Fran it's very messy on the other side on this issue –

**FRAN KELLY**

Yeah but I am asking you what your side would do.

**CHRIS BOWEN**

Well Fran you are asking me to assume a Labor loss at the election I am not prepared to do that, the polls are very tight –

**FRAN KELLY**

Yes but people are voting and they want to know what you are going to do.

**CHRIS BOWEN**

Well our plan is to have a free vote in the Parliament, now if we happen to come second on Saturday then that becomes a matter for the shadow cabinet, duly constituted after an election to consider its position on in the caucus, I am not going to 1) pre-empt the election result or 2) what a future shadow cabinet might decide should that be the eventuation.

**FRAN KELLY**

Is it possible that Labor would be the party that stands in the way of any kind of vote in marriage equality because what we have heard from some on the conservative side including Tony Abbott and we have heard this this morning, is that if the plebiscite is blocked there is no plan B that's our very firm position he says.

**CHRIS BOWEN**

Well look there has just been too many weasel words from the Government on this; you saw Scott Morrison wriggle around on the 7.30 report in that painful interview refusing to answer the question in effect about what he would do if there was a plebiscite. There is 150 of us going to be elected on Saturday Fran, I mean we are paid a salary to do our job we should get on with our job and vote according to our consciousness as to what we think should happen to marriage equality. That is the case, and if you vote Labor you get a bill before the Parliament which protects the rights of churches but enables same sex marriage, marriage equality for state and for those churches who wish to do it, that is the choice.

**FRAN KELLY**

Arthur Sinodinos some on both sides of this debate are suggesting some of the noises coming out of some of the conservative members on your side are suggesting that this is becoming a bit of a proxy for the conservatives' war on Malcolm Turnbull. I wonder if you

agree with Tony Abbott that it's the very firm position of the Coalition that if the plebiscite is blocked by Labor or the Greens or whoever – if it doesn't go ahead – then that is the end of the matter, there is no Plan B.

**ARTHUR SINODINOS**

Look, if we win the election on Saturday, we will have – among other things – a mandate for a plebiscite and I ask other parties in the Parliament to respect that mandate. We can't get to a situation in this country where every party says because they got elected to Parliament, they've each got a mandate, even if they're not the majority party in the Parliament. We need to have some order and consistency and respect each other and respect the views of the Australian people so if we form the Government, we ask other parties to respect the fact that we are the governing party and have a program and ask to be judged by the Australian people on that program.

**FRAN KELLY**

Okay, let's move on. We're speaking with Chris Bowen and Arthur Sinodinos on The Crunch. Attention is already turning to what happens in both your parties after Saturday. The former Prime Minister John Howard appeared to set a pretty high bar for Prime Minister Malcolm Turnbull when he was speaking on Sky News to David Speers this week. Let's have a listen.

**JOHN HOWARD**

Yes, I believe he will –

[Audio ends]

**FRAN KELLY**

He will win, that is.

**JOHN HOWARD**

He will get the numbers to pass those pieces of legislation at a joint sitting. He's got a double goal, he's got to win the election and he's got to get a majority at a joint sitting and I think he will. I've been around a lot of states. I don't find, David, any anger and my sense is that the Government will win.

[Audio ends]

**FRAN KELLY**

So John Howard predicting a Coalition win but setting the bar there for Malcolm Turnbull as a double goal, Arthur Sinodinos. The double goal is to a) win the election and b) get enough seats to be in a position to have the majority in a joint Houses of Parliament vote in a double dissolution after the election. Will he do that? And do you agree with John Howard that that

is the goal? If he falls short of that majority in a joint sitting is that a failure of the PM's authority?

**ARTHUR SINODINOS**

My goal is to get as many seats in the House of Reps and to maximise our Senate seats and, if possible, get a majority in the Senate. That would be great. What will happen, that will be determined by the electors on Saturday. But the point is Malcolm Turnbull wins this election, he will have greatly enhanced authority within the Liberal Party.

**FRAN KELLY**

Chris, on your side, Labor strategists are briefing a gain of ten seats would see Bill Shorten survive when the leadership is automatically spilled after the election, as occurs under your new rules. Is that the bar for Bill Shorten? And if there is – when there is a leadership challenge after the election, would you be a candidate?

**CHRIS BOWEN**

Fran, I think the question to be asked is not what happens if Labor loses but what happens when the Liberals win? You saw Tony Abbott out there last night criticizing Malcolm Turnbull. We're in this to win it, Fran. I've spent the last three years preparing to be Treasurer; I've written a 160-thousand word book on being Treasurer. That's been my focus, that will continue to be my focus and I hope that John Fraser's meeting me on Sunday to give me the incoming Treasury briefing.

**FRAN KELLY**

Arthur Sinodinos, Chris Bowen, thank you very much for joining us.

**CHRIS BOWEN**

It's been a lot of fun Fran.

**FRAN KELLY**

And may the best team win.

**ARTHUR SINODINOS**

Okay. Good luck to everybody.

**CHRIS BOWEN**

Some more than others but good luck to you Arthur. Good luck to you personally Arthur.

**FRAN KELLY**

Arthur Sinodinos is the Coalition Cabinet Secretary and Chris Bowen is Labor's Shadow Treasurer and they have been joining us through the campaign here on The Crunch and we thank them for that.

**[Ends]**