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**TRANSCRIPT OF THE HON. ARTHUR SINODINOS AO  
INTERVIEW WITH DAVID SPEERS  
SKY NEWS PM AGENDA**

*Subjects: 12 months of PM Turnbull, PM's economic narrative, election result, reform agenda, age pension, budget repair, SSM plebiscite.*

EO&E.....

**DAVID SPEERS**

We are joined right now by the Cabinet Secretary Arthur Sinodinos. Today being the 12 month anniversary of Malcolm Turnbull taking over from Tony Abbott as Prime Minister –

**ARTHUR SINODINOS**

It's actually tomorrow I think, the 15<sup>th</sup>.

**DAVID SPEERS**

Tomorrow is it? The 15<sup>th</sup>? Well what happened twelve months ago today? Is that when the –

**ARTHUR SINODINOS**

No, no it was the 15<sup>th</sup> from memory.

**DAVID SPEERS**

Alright well there you go, you correct me, you correct me if I'm wrong there. But anyway –

**ARTHUR SINODINOS**

You should be looking at the Senate mate, can I just get that point in.

**DAVID SPEERS**

Is that more interesting?

**ARTHUR SINODINOS**

Absolutely, that's where the action is.

**DAVID SPEERS**

We'll do that. Well maybe you can tell us some of the highlights there a little later on but you of course have been key to Malcolm Turnbull getting the leadership and one of his right hand men as Cabinet Secretary over the last twelve months. Let me go straight to the question of whether it was worthwhile, the leadership change twelve months ago. What have you been able to achieve as a Government under Malcolm Turnbull that you would not have been able to achieve had you stuck with Tony Abbott?

**ARTHUR SINODINOS**

Well I believe, and the reason I supported Malcolm Turnbull for the leadership was that he could provide that economic leadership that he talked about at that press conference on the Monday afternoon when he made his claim to challenge for the prime ministership or the leadership of our party, and I still believe that and that of course culminated in the Budget process where we had our plan around innovation and science, around defence industry, around – you know – exploiting the export opportunities and the rest. Now, Malcolm has built on what came before but what is different and the reason I supported him is that I believe he has given us an economic narrative built around the diversification of our economy, accepting there is a transition going on, how do we manage that transition and I believe the policy framework that we've got is the right one to manage that transition and I think he's shown, and yes – in the period since he became leader we had those issues around tax that caused a lot of – I suppose – discussion in the community but he had to deal with a whole host of legacy issues and he had to look at tax, tax reform, bring that to some kind of finality, we looked at GST, evidence based approach –

**DAVID SPEERS**

We might unpick some of that but just to go to – I guess – the great achievement why it has been worthwhile. Is it because the economic growth figure is where it's at, that 3.3 per cent growth rate we saw last week, we wouldn't have seen that?

**ARTHUR SINODINOS**

Growth figures are important, but what's more important is giving people a context as to why we have to do what we have to do. That is what leadership is about and he's given us a transition narrative. See one of my regrets when we first got into government when I was Assistant Treasurer, I should have asked for us to release the Treasury blue book or whatever it was called which set out the economic challenges. I think if we had done that earlier we could have better explained –

**DAVID SPEERS**

After the 2013 election you mean?

**ARTHUR SINODINOS**

Yes, we could have better explained what needed to be done. I think we've got a Prime Minister who can do that and engage in that conversation.

**DAVID SPEERS**

Do you think he's doing that well? Explaining this narrative that you talk about?

**ARTHUR SINODINOS**

Well my view is that it is good to have the Prime Minister if possible out there every day, you can't do that and even though it's a very presidential sort of contest these days, I think he is doing that but I always encourage him to do that because when he's going out there and explaining why we have to do what we have to do, I think doing it with the passion he brings to the job, I think he does it really well.

**DAVID SPEERS**

A lot of people point to the election result, a win, just. But, would you have won with Tony Abbott?

**ARTHUR SINODINOS**

I believe we won because of Malcolm Turnbull.

**DAVID SPEERS**

So you believe you wouldn't have won with Tony Abbott?

**ARTHUR SINODINOS**

I don't believe so. I believe that we won because of Malcolm Turnbull, and I believe that what he brought to the job was the passion and conviction of his six point plan and I think also a belief, that the tone that he struck as someone who is essentially a centrist and who therefore has a capacity to reach out to different groups in the community. Now people say at the moment, Malcolm's got to deal with X he's got to deal with Y well yes that's what you do as Prime Minister but what he brings to that is I think a capacity to bring different people together and that does mean within the party straddling the broad church that we've got and actually taking account of the views of perhaps the more conservative wing of the party as well as the more liberal wing.

**DAVID SPEERS**

Any regrets over the last twelve months?

**ARTHUR SINODINOS**

The only regret I have about the last twelve months is that I think, the one thing that could've been done better by Ministers, is give support to the PM's narrative. I think as a team, we've got to step up more and give that support. And I think what we've got to show, ministers are stepping up now I think, but the point is we've got to keep displaying to the Australian people that we are a team, that we can't allow it just to be a presidential contest.

**DAVID SPEERS**

So, what, ministers need to be out in the media more? Selling -

**ARTHUR SINODINOS**

I think what's important is for us yes to of course be out there in the media and ministers are out there and you have the usual suspects who come through, but my point is making sure consistently we are spreading that economic narrative that Malcolm Turnbull has given us the framework for.

**DAVID SPEERS**

What about some of the tax debate that you mentioned, that did drag on and then ended up with a far more limited outcome than a lot of people thought. There was even the idea of the state income tax, and that was Malcolm Turnbull not one of his ministers that put that out there that lasted all of 48 hours. No regrets over any of that?

**ARTHUR SINODINOS**

We had to go through a process of actually working out what we were going to do on tax, and what Malcolm did was bring an evidence based approach. That's why as you will recall, once he came to a conclusion and we as a group came to a conclusion, that the GST would eat up too much in terms of compensation to give you meaningful tax cuts. And don't forget we put out the evidence to back this up, that was distributed to the gallery and through the gallery to people -

**DAVID SPEERS**

But is the debate allowed to run too strong on the GST?

**ARTHUR SINODINOS**

Well I think it was good to have something out there in the public debate on this, rather than just lob it and say this is what we're doing, it was a way of testing the propositions. But the point I'm making is he brought an evidence based approach to that. He also looked at the states and said well okay you're telling us you need more revenue sources, well here's a

potential income switch, if you're not prepared to take credit with us for bringing on the GST, or take the blame with us for a GST, what about an income switch.

**DAVID SPEERS**

Interesting approach going forward now, looking ahead this evidence based approach when deciding on policy, weigh up the options, be very public about it, we are looking at this, we are looking at that, and then reach the best outcome? Is that how Malcolm Turnbull should keep going?

**ARTHUR SINODINOS**

Well I think because he is a centrist I think a good evidence based approach is the best way to get people on board and I think that is the approach we need to keep taking. What it means is that reform and change has to be sequenced, you can't try and do everything at once. So in terms of what we took to the election the first point is try and get the commitments we made at the election through. If we get, if you look at industrial relations, we have the Australian Building and Construction Commission, registered organisations, issues like the Country Fire Authority, then we go on to the Productivity Commission review of the system as a whole – there is quite a bit there. If you look at the Harper competition policy review, we will legislate the Section 46, the misuse of market power provisions in a way that will level the playing field between small and big business. And then there is the rest of Harper, what Malcolm Turnbull and Scott Morrison did, I believe, is re-energise that whole Harper competition policy framework. We are going to the states, we have been to the states through COAG and we are working with them on how we implement that competition framework.

**DAVID SPEERS**

Superannuation, you have got to land that as well within the party room.

**ARTHUR SINODINOS**

Superannuation is a good example of something that Malcolm Turnbull changed. Because what he did was to say look, we have to have fairness in the way we go about budget repair and one of the ways to go about that is to sit down and say to everybody in the community, whether you are a supporter of ours or a supporter of some other constituency, everybody pays their fair share in the interests of budget repair.

**DAVID SPEERS**

[Inaudible]

**ARTHUR SINODINOS**

Well look, it's on its way but the important thing is do you want a leader who is prepared to stand up for fairness, take on his own base, which Kevin Rudd once said was 'the definition of courage in politics', or do you want to just give up? We are not giving up.

**DAVID SPEERS**

As your old boss John Howard used to say that reform line that finished –

**ARTHUR SINODINOS**

Ever receding! He's absolutely right.

**DAVID SPEERS**

Ever receding! So what is next?

**ARTHUR SINODINOS**

Well look I'm not going to speculate on what is next, because frankly at the moment our challenge is to get through what we've got in the Parliament where it involves legislation, bedding down other reforms with the states and then we can talk about the next tranche. Once of the big issues in politics is to fall in love with the next new idea, let's implement the existing ideas. The other point I want to make about this whole debate around reform, it's also about how you go about it, and that's why it's important to have that discussion. And yes it means it takes a bit longer but it actually sticks when you get a consensus.

**DAVID SPEERS**

Well let me go to an old idea then, and we heard about it today I'm not sure if you were watching the National Press Club, there was a debate about the pension, the age pension, and frankly the fact that people can't live on it, a lot of elderly Australians can't live on it, it's not an adequate income for them. What is the scenario now? We have heard Malcolm Turnbull talk about the 'moral challenge of the budget', is it impossible to do anything on things like the age pension now?

**ARTHUR SINODINOS**

You mean in the sense of what, increasing the age pension?

**DAVID SPEERS**

Offering either increasing the age pension or some more help whether it comes to dental care, rental expenses and so on for the elderly.

**ARTHUR SINODINOS**

I think we look at this as a dynamic issue rather than a static issue. With the ageing of the population the challenge is to maximise labour force participation, and also among older people, who are now staying healthier for longer, facilitate them staying in the workforce rather than going. So one element of it is to have as strong an economy as possible, a strong revenue base as possible. On Superannuation, if we're to have a sustainable system, you make sure the tax concessions are fit for purpose, they encourage people to provide for their own retirement, supplement the pension or take them off the pension, but not use it as an estate planning tool.

**DAVID SPEERS**

There's no room to help out age pensioners?

**ARTHUR SINODINOS**

Look, at the moment the priority is Budget repair, and if we get that under control there's then a capacity to do other things, but there's a whole list of other things you can then do. But Budget repair is important, and we have to have that ongoing conversation. We've had a good outcome this week, and thank you to Labor for being supportive in that regard. It's important that both the big sides of politics show that they are talking and getting things done because Mr Shorten said he wanted a Parliament that can work, well this is one way to do that, another way is to help us keep our promises in areas like the same-sex plebiscite.

**DAVID SPEERS**

Just on that same-sex marriage plebiscite. Bill Shorten looks like he's going to tell the Labor caucus to vote against it. It looks like it's dead. What happens then?

**ARTHUR SINODINOS**

Well, I'm not going to speculate on that because I want to try and maximise the prospects of getting it through. And I want people out there who – the sort of people who come to me, I went to St John's Greek Orthodox Church in Parramatta one weekend ago, during the election, and they said thank you for the opportunity for us to have a say, people out there do want to have a say. Don't underestimate the attraction of people having a say, who feel strongly on this issue.

**DAVID SPEERS**

You'd strengthen your chances if you said: 'This is it. This is the one shot in the locker. There's not going to be any Parliamentary vote if this doesn't go ahead.'

**ARTHUR SINODINOS**

Well, the reason I'm not going to speculate on anything else is because as far I'm concerned, I want to keep this promise, so I'm going to talk about this promise and ask everybody in the Parliament to help us keep it.

**DAVID SPEERS**

But you're keeping alive the option of a Parliamentary vote after that.

**ARTHUR SINODINOS**

We get lambasted so often, allegedly, as Governments, over time of both colours for breaking promises. We are pleading with people to help us keep our promise.

**DAVID SPEERS**

I'm not saying you should break your promise. But you should make it clear this is it; there's no Parliamentary vote after this.

**ARTHUR SINODINOS**

As far as I'm concerned, this is what I'm focused on getting through.

**DAVID SPEERS**

But why not say, 'We promised a plebiscite. This is what we're offering. We're not going to offer a Parliamentary vote'?

**ARTHUR SINODINOS**

Our policy is this, and this is what I'm talking about.

**DAVID SPEERS**

You are leaving the door open to a Parliamentary vote, if it fails?

**ARTHUR SINODINOS**

I'm not leaving any doors open or speculating on anything. I'm not here to talk about that. I'm here to talk about a policy that we want Labor and others to help us keep our promise.

**DAVID SPEERS**

It doesn't look like they're going to help you.

**ARTHUR SINODINOS**

Well and they stand condemned in the arena of public discourse if they do that. But I am pleading with them, I am pleading with the crossbench, and others, help us keep our promise. People out there do want to have a say.

**DAVID SPEERS**

Arthur Sinodinos, we've got to leave it there, but thank you for joining us on this eve of the anniversary of Malcolm Turnbull taking the leadership. I appreciate you taking the time to be with us.

**[ENDS]**