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**TRANSCRIPT OF SENATOR THE HON. ARTHUR SINODINOS AO INTERVIEW WITH FRAN KELLY, RN
BREAKFAST**

Subjects: *election results, composition of the new Parliament, the Coalition's plan.*

EO&E.....

FRAN KELLY

Cabinet Secretary, Arthur Sinodinos. He's a close Malcolm Turnbull ally. Arthur Sinodinos, welcome back to Breakfast.

ARTHUR SINODINOS

Hello Fran, good to be with you and your listeners.

FRAN KELLY

Malcolm Turnbull is still Prime Minister but considering this election result, why should he stay in the job?

ARTHUR SINODINOS

Well because he led us to the election, he articulated a clear economic plan for the country, and if we are fortunate enough to form a government he should be at the head of it for that reason.

FRAN KELLY

But he articulated a clear economic plan that at least half the country has rejected.

ARTHUR SINODINOS

Look, Fran, it's clear in this election that there were a number of issues that were very important at both the national level, and at regional and local level. And part of the challenge of this forthcoming Parliament is for us to sit down and sift those issues and get the priorities right because as you're alluding to there, while we've been served up with this particular Parliament as it evolves over the next few days as the counting is completed, we have to determine from those results exactly what it is the Australian people want of us.

FRAN KELLY

But there's no other way to see it though.

ARTHUR SINODINOS

But Fran let me make this clear. We have to make sure going forward there is a plan for the country. And the reason I say that is because without a plan, if you don't have a plan, you don't know where you're going and any road will take you there. So we need a situation where we can make the Parliament work to a plan. And that has to be a plan which recognises that the Budget has to be strong, we have to be in a strong position to afford the very things that have been issues in this campaign. So, Fran, this result does not shirk the hard work, the hard intellectual work of putting together a framework to reconcile the various competing demands which clearly were in the minds of voters in this campaign.

FRAN KELLY

I want to ask you what you think those competing demands were and, of course, whoever governs is going to have to have a plan for the economy, no doubt about that. But given the Prime Minister's plan was jobs and growth and behind that was the \$50 billion company tax cut—that was the centrepiece. There were also superannuation changes which we know from feedback from local members that people, many people, were mentioning on Election Day as something they were unhappy with. How is it possible to see this as anything other than a rejection of that plan?

ARTHUR SINODINOS

What I'm saying to you is that there were a number of issues playing in people's minds. The challenge now is to reconcile all this. The reason we have a jobs and growth plan, and a plan for a company tax cut to take taxes off jobs was to provide a growth element to the economy. Without that growth element you don't get the sort of growth in income and living standards that Australians, particularly in NSW, clearly, are looking for.

FRAN KELLY

Well obviously the voters, or half of them, didn't buy it. When you say you need to zero-in now on the competing issues and take them into account, what do you think they were?

ARTHUR SINODINOS

Well I think it's clear from the result that while the economy was an important issue to people, issues around health particularly played largely, and in health of course we had this whole issue of the Medicare scare campaign, but that seemed to be emblematic of the public wanting to indicate how strongly they feel about health, and Labor found a very clever way, if very cynical way, to do that through the Medicare scare campaign, but my point is if we want to have good services you've got to have a strong economy and the challenge for the next Parliament is to have a policy mix which brings that about.

FRAN KELLY

And how are you going to do that with a hung parliament? Because even if it's not strictly hung, as in even if the Coalition, and Malcolm Turnbull says he is quietly confident that you may be able to form or win a majority of seats, it will be the slimmest of majorities, you might get 76 or 77 in your own right, but it's almost a hung parliament in the sense that if someone's missing or someone's sick, or someone gets cranky with the Prime Minister, then anything could happen. Over in the Senate the crossbench will be even bigger and I think even more troublesome just looking on the face of it at who the contenders are there. It was the PM himself who described this very scenario as chaos. So

Malcolm Turnbull has delivered-up chaos and you're going to have to work with that. How possible is it that he's going to deliver economic change and clarity

ARTHUR SINODINOS

Look Fran, the first point is this: we on all sides have to work with the Parliament that the Australian people have delivered. So that means, I think, we have to have a dialogue. The Prime Minister has started by talking to various crossbenchers. I note that Mr Shorten is doing the same thing. Jaw jaw is better than war war. I think what we need to do is to calmly sit down and work through the issues. Anybody who is elected to the Australian Parliament, which is a great honour, is someone who is clearly committed to public life. We have to respect all of the people who have been selected or elected to the Senate for example, and the House of Reps, and I'm thinking of the Senate particularly now, and work constructively with them, and that's what Malcolm Turnbull as a Prime Minister, in my view, can do. I think he's got the temperament for it.

FRAN KELLY

There are going to be no formal deals, it would seem, in the lower house. If it comes to this, and I know you're not conceding that, but if it is a hung parliament, and it is reliant on getting the support of the minor parties and the independents, we spoke to Cathy McGowan and Andrew Wilkie, they made it absolutely clear there will be no out-and-out support, every bit of legislation will be considered on its merits. Even on the question of how they ultimately – when the support or confidence is tested on the floor of the Parliament initially to find out who is going to be Prime Minister – is still not entirely clear what it is that is going to change them or make up their minds for them. Cathy McGowan says it's things like values, trust and respect. What is the Prime Minister's pitch to the independents to attract their support so he can form a government on the floor of the Parliament?

ARTHUR SINODINOS

Well look I think you put your finger on it when you mentioned that they were looking at issues on their merits. If you look at an issue on its merits, if you look at it in the context of the evidence base available to support the proposition being put, if there is an understanding that individual propositions also have to be part of a strategy, that you can't just salami slice matters, if we can have that sort of discussion with people, I think we can go a long way to resolving some of the issues that people are concerned about.

FRAN KELLY

You're listening to RN Breakfast, our guest is Cabinet Secretary Arthur Sinodinos. Arthur Sinodinos, you say jaw jaw is better than war war but is war breaking out in your own party? I mean some conservatives appear to be already in open revolt. Senator Cory Bernardi says the election is a, quote: product of a contempt shown to the conservative base that has been the building block and foundation of the party. How is Malcolm Turnbull going to govern with a divided party room?

ARTHUR SINODINOS

Look, it's natural that after an election people will come out and say all sorts of things, depending on the circumstances but the important thing is for us to form a government and then sit down with the party room, work out our strategy for the next three years and go from there and everybody will be given the opportunity. Malcolm Turnbull is a leader who is prepared to straddle the conservative and the liberal strands of the Liberal Party. The important thing here is to remember the base of the Liberal Party is quite diverse, it is not owned by any one branch or section. That is the important

thing, he has got to straddle. Any leader – and John Howard was the same, any leader has got to straddle and Tony Abbott when he was leader, had to straddle conservative and liberal branches of the party and the tributaries that make up the Liberal Party. So there is no one base and it is a diverse base and the other important thing is that yes, it's good to have post mortems, it's good to have post mortems among ourselves as we work through the issues and figure out how it is that we prosecute the very values and the very policies that we all as Liberals stand for because we're all members of the one team because the things that unite us are bigger than the things that divide us.

FRAN KELLY

Well on some issues maybe that's in contention but there is plenty of conservative cheer squad, I suppose if I can call them that, commentators on the sidelines now calling for Malcolm Turnbull to go, there is plenty calling for Tony Abbott to be put back in to the front bench. Does Malcolm Turnbull deserve to lead the Liberal Party after this loss? You had a 21-seat majority, or 19-seat majority depending on how you look at the figures, and you're looking at this hung parliament. Why does Malcolm Turnbull deserve to lead the Liberal Party?

ARTHUR SINODINOS

Because I think he still has the vision; I think he still has the policies that are right for Australia in the 21st century; and I think that's a very important thing for us to focus on. And the challenge over the next three years for us is to find a way to square the circle of the Parliament that the people have given us in order to prosecute the case for how we advance the country's interests. Because, Fran, we can't end up in a situation where debt and deficits just continually get higher and higher because no one is prepared to do anything about them – because, ultimately, you then have a crisis. And we want to avoid a crisis, because in a crisis, it's often the most vulnerable – the weakest – who are most affected. If we want to avoid that, we have to be able to take action. So, in other words, we have to be able – as a Parliament – to take decisions which protect the economy, grow the economy, so we can do all the other things that people want.

FRAN KELLY

There were some surprise results for the Coalition; disappointments, I guess, in Queensland – we're going to be speaking to Ewen Jones who lost the seat of Herbert. Wyatt Roy lost the seat of Longman. We've seen the rise of Pauline Hanson well and truly in that state. She's just told Sunrise she'll pick up two Senate seats, she thinks, in Queensland, one in New South Wales, possibly one in WA and even more. Now, of course, she might be talking up her prospects, but she will be a force to be reckoned with within the Senate. Do you think there is a direct link to the rise of Pauline Hanson and the removal of Tony Abbott as Prime Minister?

ARTHUR SINODINOS

Well, I think you're drawing a bit of a long bow there, in the sense that you seem to be suggesting that somehow under Tony Abbott we would have policies that would make us far more attractive to One Nation [interrupted].

FRAN KELLY

No, but perhaps a leader more reassuring to some of the conservatives.

ARTHUR SINODINOS

And don't forget, Tony Abbott was one of the people who helped to deal with Pauline Hanson and One Nation some years ago when she was previously a force through some of the work he did on her campaign.

FRAN KELLY

It's more about connecting with some elements of the nation. I'm not saying that he would have had those same policies – not at all. But it's more about a connection.

ARTHUR SINODINOS

No, I don't believe so – because in this campaign we continued to burnish our credentials around issues of border protection, if you want to take an obvious one that some people may raise; and that was an important issue where the public, I think, accepted that we'd done a very good job. In a sense it wasn't an issue in the campaign, because people accepted that as long as the Coalition is there, borders will be controlled. So, I suspect what's happening with One Nation is that in places like Queensland, they're starting to be a strong force because the Queensland Government is very weak.

FRAN KELLY

Okay. Will you get to 76 seats, Arthur Sinodinos?

ARTHUR SINODINOS

I don't have a crystal ball. We're cautiously optimistic, but we're really in the hands now of the AEC. And may I say: I think they've done a pretty good job under difficult circumstances, given some of the differences in this election with previous elections – particularly the size of the pre-poll. But we're in their hands.

FRAN KELLY

Arthur Sinodinos, thank you very much for joining us.

ARTHUR SINODINOS

Thanks Fran.

ENDS.