



## SENATOR THE HON SIMON BIRMINGHAM

Shadow Minister for Foreign Affairs  
Leader of the Opposition in the Senate  
Senator for South Australia

# TRANSCRIPT

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**Interview on ABC Afternoon Briefing with Greg Jennett**

**Topics:** *Albanese's broken promise; Stage three tax cut changes;*

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**Greg Jennett:** Well, Liberal frontbencher and Opposition Senate leader Simon Birmingham was also the finance minister in the days of the Morrison government, so was integral to its original design. Simon Birmingham joins us now from Adelaide. Senator, great to see you again. The Prime Minister says this is the right decision, done for the right reason. He went further. I want to be known as the Prime Minister who had the ticker to do what's right. Isn't he doing exactly as all governments have done, adapting to change as voters might expect?

**Simon Birmingham:** Well. Hello, Greg. It's good to be with you. Anthony Albanese is clearly breaking a very significant election promise. This isn't just another broken promise. This is real treachery by the Prime Minister. And no matter how many words he might utter and give grand speeches, the reality is he is turning his back on the word he gave to the Australian people prior to the last election. On more than 100 occasions, Anthony Albanese and his treasurer went out and said they were committed to the stage three tax cuts as legislated. That's what they promised again and again. And he was still saying it in the last couple of weeks - before the election, after the election, a couple of weeks ago, he was standing by the tax cuts as legislated that he's now seeking to abandon and rewrite. So, you've got to ask, what is it other than politics, frankly, driving this Prime minister who clearly wants to set up some type of class war debate rather than standing by the promises he made of tax cuts that were part of a three stage package carefully calibrated, which he had said he would honour. And yet now he's abandoning those promises.

**Greg Jennett:** All right. Well, I'm going to wend my way towards the Coalition's position. But as we get there, do you acknowledge on the figures that have been outlined today by Treasury and by the Prime Minister, that low- and middle-income earners need the money that these refined or modified tax cuts will give them? In many cases, as you'd be aware, \$800 and more each year.

**Simon Birmingham:** Well, with a quick look on the information available in the last couple of hours, it appears that the Albanese Government is abandoning income tax reform in favour of income tax tinkering and, in fact, a medium term tax grab, because what they've done is to step away from the

abolition of the 37 cent in the dollar tax bracket which the Coalition had put into law. And with that, they're keeping in place far greater likelihood of Australians, particularly middle-income Australians running into bracket creep in the years to come, being pushed into higher tax brackets and because people will be pushed into higher tax brackets, their own Treasury advice shows there's a \$28 billion tax grab from the Labor Party under these changes. So, Australians might think they're going to be a little bit better off to a few dollars a week over the next year or two, but in a couple of years' time, they're going to find that overall, they're paying more tax than would have been the case under the Coalition's proposals. With the Government's own analysis showing there's that \$28 billion tax grab coming from Labor to get more income tax revenue in. So, it's actually a tax grab rather than a tax give.

**Greg Jennett:** All right. Well, that does assume of course Simon Birmingham, that no government, Labor or Coalition would ever seek to update for the effects of bracket creep in the course of a decade. Now, obviously there's a fight on your hands. Sussan Ley has said you, the Coalition, will fight this legislation in the parliament. But, you know, it is conceivable that you could be returned to government sometime in the next decade if the opportunity arises. Will you rescind these changes and fully restore the original stage three tax cuts, with the obvious implications of a tax hike for low- and middle-income earners?

**Simon Birmingham:** Well, Greg, we will certainly fight the Prime Minister breaking his promise and his solemn bond and word to the Australian people. And we will fight that through the Parliament and we will do so because it's a breach of promise, but also because he is stepping away from tax reform and stepping away from the abolition, really, of bracket creep that we had legislated for by putting all Australians between \$45,000 and \$200,000 of income on a top marginal tax rate of no more than 30 cents in the dollar. Ensuring that they could work those extra hours, those extra shifts, that extra job and not be penalised for it. Now Labor's abandoned that they're keeping bracket creep. They're applying higher taxes and we will fight that in terms of the details of our future position, we'll have to look at the detail of the legislative package that is brought forward, the analysis that we can to underpin it, and we will work our policies up for the next election. But they will be policies consistent with our Liberal and National party values of fairer, lower, simpler taxes. We're the ones who started this process of getting income taxes down. We saw stage one of our tax cuts, implemented, stage two of our tax cuts, implemented, stage three was legislated and would have provided structural reform to the income tax system. But Anthony Albanese has now junked that in favour of tax tinkering and a tax grab by Labor to get an extra \$28 billion into his government's pockets in the years to come.

**Greg Jennett:** I hear what you're saying, Simon Birmingham, but it's pretty clear to me and everyone listening at the moment that you are stopping short of a commitment to rescind these changes if in government. Isn't that disingenuous, if you're up for the fight in the short term about it being a tax grab, why can't you commit clearly and fully to restore the original stage three cuts?

**Simon Birmingham:** Obviously, we want to see the detail of the legislation and understand what's there, and we will put forward the best policies we can for what has been legislated, what the circumstances we face are at the next election, but they'll be consistent with our commitment to lower, simpler taxes. Australia can believe the Liberal and National parties when we promise lower, simpler taxes because that's what we have delivered in the past. That's what we have legislated. That's what we're standing up for now. They won't believe Anthony Albanese because he's broken his promise on

this at this time. And having broken his promise to stand by the tax cuts that were legislated, how can anybody trust him in the future?

**Greg Jennett:** All right. I think you may have had an opportunity, Senator, to hear some of our exchange with Katy Gallagher immediately before you. There seems to be some anxious anticipation on the part of the government to work as quickly as it can to legislate these changes announced today, including through the Senate. You're not completely powerless there. Is there anything the Coalition would seek to do to frustrate or slow the intended passage by the government?

**Simon Birmingham:** Well, we will want to apply the full and proper scrutiny to Anthony Albanese's broken promise to the tax grab that he's making against Australians, and we won't be doing anything to make his life easier, to break his promises to apply a penalty to a million plus Australians today, many more millions into the future to grab more tax from Australians. We're not going to make life easy for Labor on that. We will apply the blowtorch of scrutiny. We will make sure that we hold the Government to account, because ultimately this is about the taxes Australians pay. Anthony Albanese, junking his commitment to what would have been a lower, simpler, fairer tax system for all Australians that ended bracket creep. And instead he's proposing to keep bracket creep and to have a model that will see Australians paying even more tax in the years ahead.

**Greg Jennett:** All right. Well, we'll be keeping across every twist and turn, we can assure you, through the Senate and elsewhere. Simon Birmingham, really appreciate you joining us for an instant reaction to the Prime Minister's presentation today. Thanks so much.

**Simon Birmingham:** Thanks, Greg. My pleasure.

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