

Radio interview with Neil Mitchell, 3AW

NEIL MITCHELL:

The Prime Minister, Mr Turnbull, good morning.

PRIME MINISTER:

Good morning.

NEIL MITCHELL:

If we go to Syria in a moment, which is clearly a massive international significant event – couple of domestic issues first – is the Federal Government looking at helping finance an airport rail link for Melbourne?

PRIME MINISTER:

As you know I am a big supporter of rail and it is very important to have more rail, particularly in our big cities as they become more densely settled. And we are talking to colleagues about our infrastructure priorities but, Neil, the budget is only a month away, so I don't want to be drawn on any specific projects. But there is no question that, as you know, I mean, the Napthine government took steps towards a rail line to Tullamarine and it has always been something that has been seen as an omission in Melbourne is not to have a rail line out to the airport and obviously linking all those areas in between.

NEIL MITCHELL:

Okay. I have heard that your minister has been talking to our minister, so to speak. Is that correct?

PRIME MINISTER:

As he should. This is Darren Chester you're talking about, the Transport Minister.

NEIL MITCHELL:

Yes, that's right.

PRIME MINISTER:

He was out, just last week he was out on the North East line. He is always talking about the benefits of better rail services to cities and to regions together with Paul Fletcher, the Urban Infrastructure Minister, and whether it is in Victoria or elsewhere in the country.

NEIL MITCHELL:

I had a Canadian planning expert, who I was talking to last week who was in town from Vancouver. He said a city without a train to the airport is not a civilized city. Do you agree?

PRIME MINISTER:

Melbourne doesn't have a train to the airport, and Melbourne is one of the civilized cities in the world.

(Laughter)

So I'd have to say I completely disagree with him. Having said that, a train line to the airport is a very good thing to have.

NEIL MITCHELL:

I am told that it couldn't be done until the Metro Tunnel is built anyway, which is 2026. So we are looking long-term aren't we, if it happens?

PRIME MINISTER:

Well, Neil, again that's an engineering matter that I can't comment on but I think there is no doubt that as our cities become bigger and more densely settled, you need to have more mass transit. You need to have more rail, both heavy metro rail and light rail, trams, et cetera. Melbourne has got the biggest tram network in the world. It is one of its great blessings. I mean, those of us who live in Sydney regret the fact that our tram system, which actually at one point was bigger than Melbourne's, was torn up.

NEIL MITCHELL:

Also Prime Minister, tax, you're taking after the black economy – tradies doing deals for cash essentially – but not taking on family trusts. And the tax office figures today say billions of dollars are being dodged by wealthier Australians through these family trusts. Why target the tradies and not the trusts?

PRIME MINISTER:

Neil, its important, let me firstly say, I don't have a family trust, right.

NEIL MITCHELL:

Have you ever had one?

PRIME MINISTER:

No, never. No I haven't had a family trust. I have always had a very conservative approach to taxation matters.

NEIL MITCHELL:

Why is that? Do you think they're immoral?

PRIME MINISTER:

No, no – it's just that I just haven't done so.

But trusts are a very legitimate form of business structure. They are very widely used in small businesses, in family businesses, particularly with farms.

Now, we expect everyone to pay their fair share of tax. Regularly this criticism of family trusts, or trusts come up but it is a very long established and legitimate form of business structure.

NEIL MITCHELL:

We've got 643,000 people using them. We're told it is dodging, or minimizing tax to the effect of billions of dollars. It's not illegal, you're quite right. Why go after the black economy and the tradies and let that go on?

PRIME MINISTER:

People are not entitled to take a self-help approach to tax minimization. Whether it is the black economy and doing deals in cash and not declaring the income, or not paying GST, that is not acceptable any more than big multinationals using elaborate structures to avoid tax.

You've got to remember it is our Government which introduced the toughest laws on multinational tax avoidance – I might say the Labor Party voted against them.

NEIL MITCHELL:

Yep.

PRIME MINISTER:

Which is hard to believe, but they did. And we've introduced them, they're part of the law. And the diverted profits tax regime which is going through the Parliament now, that is going to impose a very heavy premium tax on people, on big companies that seek to ship profits offshore.

NEIL MITCHELL:

But what about the family trusts? Will you change them or not? Will you go after them or not?

PRIME MINISTER:

Can I say to you, Neil – I don't want to go into what's in the budget but there are no plans to deal, to make any of the sweeping changes people are talking about, often speculate about with the respect to family trusts, there are no plans in that regard. There haven't been. I haven't seen any other than those occasionally mentioned in the media.

I want to emphasise that family trusts are used, trusts are used particularly

by small businesses and family businesses and particularly by farmers where you've got a number of family members participating in the business and it is an efficient means of managing a family business.

NEIL MITCHELL:

Okay. We'll take a quick call, if you don't mind? Ian – go ahead Ian.

IAN – CALLER:

Mr Prime Minister, when the GST was brought in the plan was as I recall very well that sales taxes, stamp duties, payroll taxes and things like that were to be eliminated. How come that hasn't been addressed as yet?

PRIME MINISTER:

There were a number of taxes, state taxes that were eliminated but stamp duty was not one of them. Stamp duty is a very big source of revenue for states and it wasn't one of the ones scheduled, stamp duty on property for example, it wasn't one of the ones scheduled to be eliminated.

NEIL MITCHELL:

Okay.

PRIME MINISTER:

But you have got a number of state taxes, you're right to raise the issue, that are very inefficient and in the sense that any tax on a transaction obviously discourages transactions and if you discourage transactions that slows economic activity.

NEIL MITCHELL:

So you don't like stamp duty on real estate?

PRIME MINISTER:

Well stamp duty, every economist Neil would tell you that stamp duty, whether it is on any transaction – and let's talk about real estate – is a brake on economic activity. And that is why it is regarded as a tax that has one of the what is called the highest deadweight loss of any taxes. But the problem of course is finding the alternative source of revenue, because it is a very big source of revenue for states.

NEIL MITCHELL:

Prime Minister, before we leave the tax issue, I just don't think it is a good look, you know, that you go after the black economy, and it is mostly tradies and say we'll get you for that. Now admittedly what they're doing is illegal and what the, if you like, the top end of town is doing is legal. But there is billions of dollars being avoided.

PRIME MINISTER:

So you assert.

NEIL MITCHELL:

Well this is from the tax department and it is repeated in the report in the Fairfax papers today.

PRIME MINISTER:

I just emphasise that trusts have been a part of the –

NEIL MITCHELL:

But are they legitimate? Are they legitimate?

PRIME MINISTER:

Of course they're legitimate. Of course they're legitimate Neil – they're legal.

NEIL MITCHELL:

So the tradies not, but they are?

PRIME MINISTER:

Neil, the legitimacy is a question of, you know, if you talk about legitimacy, it is question of whether you are complying with the law.

NEIL MITCHELL:

It is legal, I agree. Yes.

PRIME MINISTER:

And the fact is that we need to ensure that everybody pays their fair share of tax and that is true, whether it is tradie as you describe, or whether it is someone on a high personal income, or whether it is a multinational corporation.

No government has done more to stamp out multinational tax avoidance. As you've seen we are exceeding our expectations in clawing back money that has been avoided in the corporate area.

NEIL MITCHELL:

If you don't mind, Syria. How did you feel when you saw that film of the civilians, children, the chemical attack, I mean you're a father and a grandfather? It hurt didn't it?

PRIME MINISTER:

Well, it is horrifying. We condemn it utterly. This is a war crime of the worst sort. It is inhuman, and it has been universally condemned.

NEIL MITCHELL:

The US wants to set up a coalition to act on Syria. Have we been asked to take part?

PRIME MINISTER:

Well we have been in close touch with our American allies on this, and I can't go into any more detail than that other than to say that I've spoken only a little while ago with the Defence Minister and the Chief of the Defence Force. We are in close touch with our American allies in that theatre.

NEIL MITCHELL:

Would you consider being involved in Syria?

PRIME MINISTER:

Well we already are involved in Syria in terms of making airstrikes in Syria as part of the anti-Daesh coalition, the anti-ISIL coalition.

NEIL MITCHELL:

Would you consider being increasingly involved in Syria after this?

PRIME MINISTER:

Well Neil I don't want to go, I don't want to perhaps you know speculate any further about that. You know where we stand, we have condemned this attack utterly, it cries out for a strong response and we are in close, very close touch as we always are, constant, close and constant communication with our allies and in particular the United States.

NEIL MITCHELL:

Is there any doubt that the Syrian leadership is behind it?

PRIME MINISTER:

There does not appear to be any doubt – well I know they assert that they're not – but the American assessment which is shared by America and her allies is that this was an action by government forces, by Assad Government forces, yes.

NEIL MITCHELL:

What is Russia's role in this?

PRIME MINISTER:

Well that is yet to be determined, Russia obviously is the principal foreign sponsor of the Assad regime.

NEIL MITCHELL:

Well Russia has got a responsibility to act hasn't it?

PRIME MINISTER:

They do, absolutely.

NEIL MITCHELL:

Have they acted appropriately yet?

PRIME MINISTER:

No, no. Look this issue is a profound war crime, it confronts our humanity, it cries out for a strong response.

NEIL MITCHELL:

It's hard not to shed a tear looking at that, wasn't it?

PRIME MINISTER:

It's heartbreaking. Every, look, you said as a parent and a grandparent, I mean everybody, everybody weeps when you see this sort of inhumanity, this cruelty. It is a shocking war crime.

NEIL MITCHELL:

Prime Minister, still internationalist. It's not unusual for there to be travel warnings around Turkey for Anzac Day – there seems to be a more serious warning, a more intense warning this time. Have you seen detail of the threat at Gallipoli?

PRIME MINISTER:

Well I'm – I, Neil let me just, I want to be very careful about how we address this. The level of advice for Turkey overall remains that travelers should exercise a high degree of caution. For Ankara, the Capital, and Istanbul, the largest city, the advice is that travelers should reconsider your need to travel.

Now we are also advising as you know that there is information to suggest that terrorists may seek to target Anzac Day commemorations on the Gallipoli Peninsula and so we have updated the DFAT travel advice.

But Turkey is a high risk location at the moment. There have been a number of terrorist attacks there as we all know including attacks targeting tourists.

Now, so there is a risk of attempted terrorist attacks on the Gallipoli Peninsula. The security, you know the levels of security will be very high there, of course, by the Turkish authorities, but it's very important to remember that the level of security risk in Istanbul and Ankara and in particularly Istanbul, I mean most Australians going to the Gallipoli

commemoration would travel via Istanbul and the risk there is very high. A risk against – of attacks against tourists and foreigners generally.

NEIL MITCHELL:

Are we still sending Ministerial representation or not?

PRIME MINISTER:

Australia will be represented at a high level but I won't go into any more detail than that.

NEIL MITCHELL:

For security reasons?

PRIME MINISTER:

Well I just said – we'll make it an announcements closer to the date, Neil.

NEIL MITCHELL:

Now back to something a little bit more basic and in some ways less important. Tony Abbott was dumped, reason given 30 negative polls. You've had ten in a row. Is your job on the line if you don't turn them around?

PRIME MINISTER:

Well Neil the answer is that we work hard every day to deliver for the Australian people and I know, look –

NEIL MITCHELL:

Well so did he though, so did he.

PRIME MINISTER:

Well Neil, I'm not Neil, I understand the interest in this, I just want to say this that my Government firstly we won the election, an important point not to overlook. We won the election in a year in which incumbency was not, was under siege all right around the world, you could say that.

NEIL MITCHELL:

Yep.

PRIME MINISTER:

Secondly, we have delivered all of our tax cuts that we promised in this term of government. We have delivered the big industrial reforms that caused the double dissolution election. We're getting our program through the parliament and we're delivering.

Now one of the important things to focus on is what is the government

actually doing for you the citizen and for you the voter.

NEIL MITCHELL:

Well that's true but also its fair to say, what is the metric? Is it still a metric if you have 30 bad polls you're gone?

PRIME MINISTER:

Neil, there is no such metric. That was a –

NEIL MITCHELL:

There was when Tony Abbott was in.

PRIME MINISTER:

No, when I challenged Tony Abbott I referred to the fact that he had lost 30 Newspolls in a row, or the government had lost 30 Newspolls in a row. That was not the only basis of my mounting that challenge. I made a number of other points. I don't want to go through it all, it's part of political history but that was not and I'd encourage you if you want to read or replay what I said. And I was discreet, as discreet as I could be in the circumstances. That was an observation I made and I know people delight – I mean, here's the reality Neil –

NEIL MITCHELL:

Yes.

PRIME MINISTER:

Nowadays the media, particularly the world of social media, everywhere around the world are fixated on conflict. I don't just mean conflict in terms of war I mean conflict in terms of political conflict and that's what drives the clickbait, that's what drives the political discourse increasingly in the media. Paul Kelly has written a lot about this very thoughtfully in *The Australian* and what I've got to focus on, I'll leave the commentators to deal with that, I've got to focus on delivering. You have to concede that we are delivering again and again.

NEIL MITCHELL:

But you've got to concede you've had 10 bad polls in a row.

PRIME MINISTER:

Sure!

NEIL MITCHELL:

You don't want that.

PRIME MINISTER:

Well of course I don't Neil, but can I say to you the poll, the election, is more than two years away. The election is due to be held in the middle of 2019, we are now in April 2017. So there is a lot of water to go under the bridge and the critical thing is to keep on delivering.

You see there is a sort of a parallel universe. You get in the media, the focus is on politics. For the public, the voters, what they're saying is what is the government doing for me? What is the government doing to support my business? To secure my job? To give my kids a great education, to ensure that I have got a public health system that looks after me when I'm crook. That's what they're focused on. Is there going to be railway, a new road, is a new roundabout going to be built? They are looking at outcomes and my job is to deliver outcomes and that is what I have been doing.

NEIL MITCHELL:

Okay, if I may just another internal matter, your internal report on the election performance is about to be released. Tony Nutt has resigned as director. It's been leaked to *The Australian*. You're criticised, Tony Nutt is criticised. Who wears the blame?

PRIME MINISTER:

Well in terms of the election campaign, the outcome of the election campaign, the leader takes full responsibility, total responsibility.

NEIL MITCHELL:

Do you agree it was a disaster?

PRIME MINISTER:

Well –

NEIL MITCHELL:

I mean, the senate is a mess, you've got one seat.

PRIME MINISTER:

Neil, yes, we won the election, right? I mean some of this commentary overlooks the fact that we won the election. Some of it overlooks the fact that we are in government and I know that people, it's easy to throw your hands up in the air and say oh it's terrible, the Senate, you haven't got more seats in the Senate – we were never going to win a majority in the Senate!

NEIL MITCHELL:

Oh yeah but you didn't expect this mess in the Senate surely?

PRIME MINISTER:

You describe it as a mess and yet I am able, with my colleagues, with my

Senate team and my leadership group, we are able to get legislation through the Senate. In fact, we are getting more through the Senate in this parliament where we have fewer seats in the House and fewer seats in the Senate than we did in the last parliament.

NEIL MITCHELL:

Tony Abbott told me yesterday, Tony Nutt, the man who, and the public don't know him but he's the ex-director who's quit, is not to blame for what happened. Is that right?

PRIME MINISTER:

Well I'm not suggesting that he is to blame at all. Tony Nutt as I said when he announced his retirement is one of the greatest political professionals of our time.

NEIL MITCHELL:

You do wear it personally do you? You say if there were mistakes it was your fault?

PRIME MINISTER:

Look, firstly obviously lots of decisions are taken in an election campaign by lots of people, number one. But the buck stops with the boss. So I am responsible for the election campaign. I'm responsible for the conduct of it. I'm responsible for the victory.

Remember we won.

This is the thing that keeps on being overlooked and you see again this is the parallel universe stuff. We won the election. We were returned to government in a very difficult environment. We were outspent by Labor three, four times to one, by Labor unions and GetUp! So we had a big challenge there in terms of beating, taking on that weight of money.

Remember there is a very cynical saying in the advertising business, it's very cynical but it says 'weight beats truth' and you saw that with Labor. That 'Mediscare' was an outrageous lie, we all know that but they piled millions of dollars behind it and it had a very big impact. We won the election and we are delivering.

NEIL MITCHELL:

Okay, I thank you very much for your time.

PRIME MINISTER:

Thanks a lot Neil.

[ENDS]