

## Newspoll: PM's budget gamble falls flat

David Crowe, The Australian, 12:00AM May 15, 2017

The Turnbull government has failed to generate a swift reward from its dramatic move to "reset the budget" by using tax hikes to replace divisive spending cuts, with the government losing ground against Labor to trail by 47 per cent to 53 per cent in two-party terms. In a blow to Malcolm Turnbull's plan for a political recovery, voters have shifted to Labor and the Greens while voicing concern about budget tax increases, with 45 per cent saying they will be worse off from the budget.

The latest Newspoll, conducted exclusively for The Australian, reveals that 54 per cent of voters back the new \$8.2 billion increase in the Medicare Levy amid a furious dispute over personal tax rates and Labor's proposal to lift the top rate to 49.5 per cent over time.

### FAIRER THAN PREVIOUS BUDGETS

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
<b>Fairer</b>	<b>39</b>	57	30	43	36	37	33	45
<b>Not fairer</b>	<b>36</b>	<b>19</b>	<b>48</b>	<b>37</b>	<b>34</b>	<b>40</b>	<b>40</b>	<b>30</b>
<b>Uncommitted</b>	<b>25</b>	24	22	20	30	23	27	25

**Question:** Would you say this budget is fairer than previous federal budgets delivered by this government, or is it not?

### APPROVE OF MEDICARE NDIS LEVY

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
<b>Approve</b>	<b>54</b>	63	51	56	52	51	46	61
<b>Disapprove</b>	<b>36</b>	<b>30</b>	<b>40</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>43</b>	<b>31</b>
<b>Uncommitted</b>	<b>10</b>	7	9	8	11	11	11	8

**Question:** To pay for the National Disability Insurance scheme, the government will increase the medicare levy by half of one percent to 2.5%. Do you approve or disapprove of this?

The government has strong support for its \$6.2bn bank levy amid a war with the industry and negotiations in the next few days on how to impose the plan, with 68 per cent of voters endorsing the idea and 71 per cent saying banks should not pass the cost on to others.  
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But the budget has failed to deliver a political pay-off for the Prime Minister and keeps the government on course for a devastating loss to Labor at the next election, despite hopes within the Coalition that it could use the economic statement to stop the slide in support.

## APPROVE OF BANK LEVY

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
<b>Approve</b>	<b>68</b>	73	67	69	67	65	67	71
<b>Disapprove</b>	<b>21</b>	<b>19</b>	<b>24</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>21</b>	<b>20</b>
<b>Uncommitted</b>	<b>11</b>	8	9	10	11	11	12	9

**Question:** The government will make the five largest banks pay a levy which will raise \$1.5 billion a year which is the equivalent of 5% of their profits. Do you approve or disapprove of this?

## BANKS JUSTIFIED IN PASSING ON COSTS

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
<b>Justified</b>	<b>19</b>	24	18	24	14	22	20	17
<b>Not justified</b>	<b>71</b>	<b>67</b>	<b>72</b>	<b>68</b>	<b>74</b>	<b>64</b>	<b>72</b>	<b>74</b>
<b>Uncommitted</b>	<b>10</b>	9	10	8	12	14	8	9

**Question:** The banks have said the cost of any new tax will ultimately be borne by shareholders, borrowers, depositors, and employees. Would the five largest banks be justified or not justified in passing on the cost of the levy to these groups?

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A key finding is that 45 per cent of voters believe they will be worse off from the budget, a result that is better than the record 69 per cent finding on the divisive May 2014 budget but the second-worst for a federal government since 2000.

Another 19 per cent said they would be better off from last week's measures, a level that is higher than the response to the May 2014 budget and in line with the reaction to the past two Coalition budgets.

## BETTER/WORSE OFF FINANCIALLY

BETTER/WORSE OFF FINANCIALLY											May									
	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	
Lot better off	2	2	2	1	0	3	5	4	4	2	2	2	1	2	1	1	3	3	5	
Little better off	13	15	15	6	15	26	29	31	32	27	20	17	10	16	10	4	17	15	14	
Total better off	15	17	17	7	15	29	34	35	36	29	22	19	11	18	11	5	20	18	19	
Little worse off	20	25	17	31	22	14	14	15	9	21	24	20	26	24	30	43	23	26	33	
Lot worse off	9	18	12	13	10	8	7	9	5	11	9	10	15	17	14	26	7	13	12	
Total worse off	29	43	29	44	32	22	21	24	14	32	33	30	41	41	44	69	30	39	45	
Uncommitted	56	40	54	49	53	49	45	41	50	39	45	51	48	41	45	26	50	43	36	

**Question:** How do you think the budget will affect your own financial position in the next twelve months?  
Do you believe you personally will be better or worse off?

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
Lot better off	5	8	4	6	3	5	5	4
Little better off	14	24	7	13	14	19	11	12
<b>Total better off</b>	<b>19</b>	<b>32</b>	<b>11</b>	<b>19</b>	<b>17</b>	<b>24</b>	<b>16</b>	<b>16</b>
Little worse off	33	23	43	33	33	35	35	30
Lot worse off	12	4	16	12	13	13	17	10
<b>Total worse off</b>	<b>45</b>	<b>27</b>	<b>59</b>	<b>45</b>	<b>46</b>	<b>48</b>	<b>52</b>	<b>40</b>
Uncommitted	36	41	30	36	37	28	32	44

Scott Morrison stepped up the case for his two big tax hikes yesterday by calling on Labor and the Greens to "come to the middle" in the economic debate by accepting the increase in the Medicare Levy from 2 per cent to 2.5 per cent on most workers.

"We have already come to the middle on this. We didn't want to put on an increase in the levy. We wanted to be able to do it through savings. The Senate, in their decision, decided to reject that," the Treasurer said.

Bill Shorten declared the budget was “sinking without trace” because the Medicare levy was being imposed on all workers when the government should instead keep a 2 per cent temporary deficit levy on people earning more than \$180,000, a measure due to expire on June 30.

“Under Mr Turnbull’s budget on Tuesday night, millionaires pay less and everyone pays more — and that’s not fair,” he said. While the government has lost ground, Mr Turnbull has extended his lead over Mr Shorten as preferred prime minister, with 44 per cent approval compared with 31 per cent for the Labor leader.

The Prime Minister’s net satisfaction rating — the difference between those who are satisfied and those who are dissatisfied with his performance — has improved from -25 points to -20 points — his best result in months. Mr Shorten’s net satisfaction rating deteriorated from -20 points three weeks ago to -22 points.

While voters believe the new measures will hit their hip pockets, 7 per cent believe the budget will be “extremely good” for the economy while 29 per cent say it will be “quite good” — a total of 36 per cent and a better result than last year’s budget.

Another 19 per cent believe it will be “quite bad” and 8 per cent believe it will be “extremely bad” for the economy, a combined total of 27 that is lower than any budget since May 2008, when the Rudd government forecast big surpluses before the global financial crisis struck later that year.

#### FEDERAL BUDGET – IMPACT ON ECONOMY

FEDERAL BUDGET – IMPACT ON ECONOMY													May						
	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
Extremely good	6	2	4	3	4	4	6	6	9	3	3	5	3	3	3	9	5	7	7
Quite good	40	33	35	33	39	46	44	45	51	46	42	39	34	34	32	30	41	27	29
Total good	46	35	39	36	43	50	50	51	60	49	45	44	37	37	35	39	46	34	36
Quite bad	15	22	21	22	17	17	19	17	10	18	23	21	23	26	24	25	21	19	19
Extremely bad	5	9	6	12	4	5	7	3	2	5	10	10	9	11	13	23	7	10	8
Total bad	20	31	27	34	21	22	26	20	12	23	33	31	32	37	37	48	28	29	27
Uncommitted	34	34	34	30	36	28	24	29	28	28	22	25	31	26	28	13	26	37	37

**Question:** Overall do you believe the budget will be good or bad for the Australian economy?

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
Extremely good	7	13	4	8	5	8	6	7
Quite good	29	49	18	31	29	32	25	31
<b>Total good</b>	<b>36</b>	<b>62</b>	<b>22</b>	<b>39</b>	<b>34</b>	<b>40</b>	<b>31</b>	<b>38</b>
Quite bad	19	7	27	17	21	22	21	16
Extremely bad	8	2	12	8	7	6	10	8
<b>Total bad</b>	<b>27</b>	<b>9</b>	<b>39</b>	<b>25</b>	<b>28</b>	<b>28</b>	<b>31</b>	<b>24</b>
<b>Uncommitted</b>	<b>37</b>	<b>29</b>	<b>39</b>	<b>36</b>	<b>38</b>	<b>32</b>	<b>38</b>	<b>38</b>

With economists warning about the need for stronger action to prevent deficits mounting, there has been a slight increase in objections to spending cuts that could help pay down debt.

While support for this has held steady, 45 per cent of respondents said they were not willing to see a reduction in entitlements such as family payments to restore commonwealth finances.

This is up from 43 per cent one year ago.

The Newspoll survey of 1716 voters was taken from Thursday to Sunday amid a heightened public debate over personal tax rates, with Mr Turnbull defending the increase in the Medicare levy while Mr Shorten came under fire for a budget reply speech that signalled a 49.5 per cent top tax rate under Labor.

At 36 per cent, the Coalition’s primary vote was unchanged from the past two Newspoll surveys but remains six points below the result at the July 2 election last year.



Support for Labor increased from 35 to 36 per cent in primary vote terms since the previous Newspoll, which was conducted from April 20 to 23, while support for the Greens rose from 9 to 10 per cent.

#### OPPOSITION DELIVER A BETTER BUDGET

	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
<b>Yes</b>	26	28	28	29	27	29	31	26	31	29	33	36	38	37	41	39	36	34	33
<b>No</b>	50	49	51	46	51	46	49	51	44	52	51	46	41	42	41	46	51	46	47
<b>Uncommitted</b>	24	23	21	25	22	25	20	23	25	19	16	18	21	21	18	15	13	20	20

Do you believe the Labor Party would have delivered a better budget for Australia's current economic conditions?

May 2017	Total	Political Support		Sex		Age		
		Coalition	Labor	Male	Female	18-34	35-49	50+
<b>Yes</b>	33	8	64	31	34	39	32	29
<b>No</b>	47	81	16	52	43	40	48	52
<b>Uncommitted</b>	20	11	20	17	23	21	20	19

After strong gains last year, Pauline Hanson's One Nation's primary vote slipped from 10 to 9 per cent amid scrutiny of its policies and inquiries into the ownership of a small aircraft used to fly Senator Hanson to events.

The combined impact of these shifts was to give Labor a lead of 53 per cent to 47 per cent in two-party terms, widening the gap from 52 per cent to 48 per cent in the last poll.

Mr Turnbull countered arguments last Friday that Australians felt they would be worse off under the budget, saying he believed it was "well received" because people knew it was fair.

*These surveys were conducted in all states of Australia and in both city and country areas. The data has been weighted to reflect the population distribution. The latest survey is based on 1716 interviews among voters. The maximum sampling error is plus or minus 2.4 percentage points. Copyright at all times remains with Newspoll.*