

## 'Fairness' budget gets poll boost



Prime Minister Malcolm Turnbull with transplant patient Cody Sheehan at Sydney's St Vincent's Hospital on Friday. Turnbull's personal approval and two-party preferred polling have improved. Peter Rae

AFR, Phillip Coorey, 15 May 2017

The Turnbull government has received a boost in support and voters have applauded its big tax increases and spending measures, according to a new poll which shows an overall positive reaction in the wake of Tuesday's federal budget.

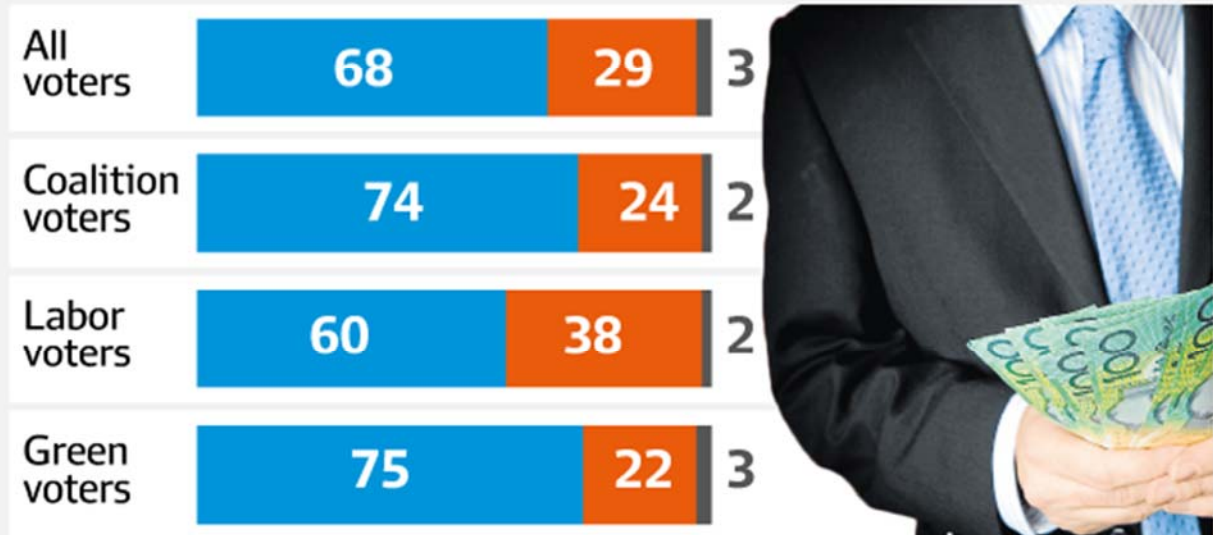
The post-budget Fairfax/Ipsos poll shows the budget has also lifted the personal standing of Prime Minister Malcolm Turnbull to its highest level in more than six months. At the same time it has given a bigger lift to Opposition Leader Bill Shorten, who fought to portray the budget as unfair by opposing the application of the proposed Medicare levy income tax increase to people earning less than \$87,000.

In an indication the politics of the budget is still up for grabs, voters were evenly divided as to whether the budget was equitable with 42 per cent saying it was fair and 39 saying it was unfair. Re-establishing fairness by burying the ghosts of the notorious 2014 budget and its harsh spending cuts was the key political aim of the budget.

Similarly, the poll found 44 per cent were satisfied and 43 per cent dissatisfied with the budget, while 50 per cent felt they would be worse off and 40 per cent said they would either be better off or unaffected.

Budget reaction, by voter (%) ■ Support ■ Oppose ■ Don't know

**NEW TAX ON AUSTRALIAN BANKS**



SOURCE: FAIRFAX IPSOS POLL

The poll of 1401 voters was conducted from Thursday night to Saturday evening, after both the budget was handed down on Tuesday and Mr Shorten gave his official reply two days later.

It shows that since the last poll six weeks ago, the Coalition's primary vote has increased 4 percentage points to 37 per cent while Labor's has risen 1 point to 35 per cent. As a result, Labor leads the Coalition on a two-party preferred basis by 53 per cent to 47 per cent, down from its 55-45 lead at the last poll but still enough to ensure a comfortable victory if an election were held today.

The Greens' primary vote was 13 per cent while One Nation was on just 2 per cent nationwide.

Mr Turnbull's approval rating climbed 5 points to 45 per cent and his disapproval fell 4 points to 44 per cent. It is the first time in more than six months the Prime Minister has had a higher approval rating than disapproval rating. But Mr Shorten has also made strong gains on the back of his response to the budget, which demanded the government spare the lower paid from the Medicare levy increase and instead retain the deficit levy, a three-year, 2 point increase to the top marginal tax rate due to expire on July 1.

Mr Shorten's approval rating rose 7 points to 42 per cent and his disapproval rating fell 6 points to 47 per cent. He trails Mr Turnbull as preferred prime minister by 47 per cent to 35 per cent.

This week, Treasurer Scott Morrison and Mr Turnbull will hit the road to sell the budget, which featured two massive tax increases – a \$1.5 billion-a-year bank tax for "budget repair"

and a \$4 billion-a-year increase in the Medicare levy from 2 per cent to 2.5 per cent to fully fund the National Disability Insurance Scheme. The poll showed 68 per cent support for the bank tax and 61 per cent support for the Medicare levy increase.

The budget's \$18.6 billion increase to school funding over the next decade was a hit with 86 per cent support, despite concerns raised by the Catholic sector and attempts by Labor to portray it as a \$22 billion cut. The budget decision to blow out gross debt by \$25 billion by borrowing to build the Badgerys Creek airport, the Melbourne-to-Brisbane rail line and to establish a \$10 billion urban and regional rail fund, won 58 per cent support.

Labor has said it will pass the bank tax through the Senate but, at the same time, is warning that any costs passed on to customers or shareholders will be the government's fault. Labor's own post-budget research shows voters, while supporting the tax, fear increased costs as a consequence. Mr Shorten alluded to this in Sunday after Mr Morrison again urged the banks to absorb the costs but accepted they could not be forced to do so.

"I don't believe it should be beyond the wit of man to make the banks pay without slugging ordinary account holders," Mr Shorten said. "But clearly this is a government who've rushed the notion of this bank tax. Now we're not being obstructionist here; we want to see them do their best to repair the nation. And we do believe that the banks need to pay their fair share."

Shadow treasurer Chris Bowen said the government had not consulted the banks nor sought advice about the impact from the Council of Financial Regulators, which comprises the Reserve Bank, the regulators and Treasury.

Standing firm on banks

"It was a desperate measure because they were short of cash so they said 'I know what we'll do, we'll dump a bank levy in'," Mr Bowen said.

Mr Morrison said claims by the banks that they could not absorb the cost were "nonsense". "If banks think the way to build shareholder value is to fleece their customers then I don't think that is a very sound business strategy," he said. "To suggest this is somehow the end of financial civilisation as we know it is one of the biggest overreaches in a whinge about a tax I have ever seen."

He continued to criticise Labor's positions on the Medicare levy increase and deficit levy which, combined, would result in a 49.5 per cent top marginal tax rate.

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