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E&OE

Subjects: Budget.

SAUNDERS: Federal Budget last night handed down by the Treasurer Wayne Swan, being described beforehand and in the aftermath as the no-frills Budget. With me is Craig Emerson, Federal Minister for many things. Among them small business, competition policy, consumer affairs, and minister assisting the Finance Minister on deregulation.

Craig Emerson, good afternoon.

EMERSON: Good afternoon, Louise.

SAUNDERS: The no...

EMERSON: Thanks for having me on the program.

SAUNDERS: It's good to talk to you.

The no-frills Budget, and one that the Government was saying was not about turning around the popularity polls, but given the full day you've had, I guess, at your disposal to talk to people, what sort of reaction are you getting from voters to the Budget?

EMERSON: Well, I think that there is an appreciation that this Budget is built on a strong economy. We're coming out of an economic downturn, whereas the rest of the world went in to a deep recession and in our case we avoided recession which is one of the very few countries in the West - in the advanced world

that has done that. And I suppose the big story out of it is that we will be back in surplus in half the time. That is, in three years' time.

So, that's good news, in terms of overall budget management and there are a few initiatives, but Wayne Swan's right in describing this as a no-frills Budget.

Louise, we've been around here in Canberra for a little while, and there has been a pattern of the previous government in the year of an election spending up big. We haven't done that because we think the right thing to do by Australia, including small businesses, is to bring that Budget back in to surplus as quickly as we can.

SAUNDERS: What about the states themselves? They still face their own economic imperatives and Tasmania while coping quite well over the last 12 months on the economic front, is now facing somewhat of a lag effect, perhaps, with increasing unemployment and so on.

Has Tasmania, I guess to take the selfish approach, done well enough out of this Budget to have continued faith in what the Government's doing?

EMERSON: Well, we really committed to supporting the Tasmanian economy and a very important way of doing that is to support small business. About 96 per cent of all businesses in Tasmania are small businesses. We did that through the economic downturn with the stimulus and that's really, largely, in the area of Building the Education Revolution. We're not going to abandon that, as the Coalition has called on us to do. There's, around Australia, something like 3,600 projects in primary schools yet to formally start, and 150 science and language centres in secondary schools. We are going ahead with those, and what that will do, Louise, of course is support our tradies.

I agree with you. I think there's a little bit of flatness in retail sales at the moment and that's probably a result of winding back the stimulus and so we need to be in there still supporting the economy to make sure that we get on a very solid path to recovery.

SAUNDERS: The big projects, I think too, are considered as being important to Tasmania. There are some major infrastructure and in - projects scheduled down here. Question mark hangs over one or two of them. There was allocated funding for some infrastructure work in - to do with rail and transport hubs, and so on. Interstate, not specifically for Tasmania.

Is that something, perhaps, that this Government has been remiss on not asking for, for money?

EMERSON: Well, I think the - no, no, I don't think that's right.

It's a funny thing with budgets. You announce, you know, new spending in a particular year and there's not a lot of new spending in this year. But that doesn't mean that the spending that was announced last year and the year before ceases. And so there has been significant investments in infrastructure in Tasmania. We don't re-announce them in the next budget, but they're still there and they're still real. And I know that the local members - people, you know, like Duncan Kerr and Sid Sidebottom and Julie Collins and Dick Adams have been very, very forthright in pushing for those, and Jodie Campbell as well.

So you're getting good representation there. But it's one of those things; you just don't re-announce the funding that's already been provided. And bear in mind, our political rivals are saying all - the spending that has been announced through the stimulus, through infrastructure has been too much and it ought to be, you know, cut back. Well, we don't agree with that. That would pull the supports out from under the Tasmanian economy.

SAUNDERS: Craig Emerson, I'll leave it there. I appreciate your time. Thank you.

EMERSON: Okay. Thanks very much, Louise.

SAUNDERS: Thanks.

Federal Minister Craig Emerson.