



THE HON DR CRAIG EMERSON MP
MINISTER FOR SMALL BUSINESS, INDEPENDENT CONTRACTORS AND
THE SERVICE ECONOMY
MINISTER FOR COMPETITION POLICY AND CONSUMER AFFAIRS
MINISTER ASSISTING THE MINISTER FOR FINANCE ON
DEREGULATION

Transcript
Sky News AM Agenda
7 September 2010

E&OE

Subjects: Negotiations with Independents; Coalition costings

SPEERS: Let's bring in our panel now, Craig Emerson, the Minister for Small Business, joins us from Brisbane this morning. And Cory Bernardi, Liberal Senator and Shadow Parliamentary Secretary, joins us from Adelaide. Thank you both for being with us. All eyes here are on Canberra, of course. We're still waiting to see which way these Independents are going. Craig Emerson, I'm sure MPs like you must be sweating on knowing whether by the end of today you're going to be in government or opposition.

EMERSON: Obviously there's a lot at stake here David. But really, the people of Australia come first and a stable government would be a very good development for this country. It's a very tight go amongst the Coalition parties versus Labor and I think it's incumbent on all of us as parliamentarians to try to work together as best we can on legislation. I welcome Rob Oakeshott's work and the work of others in the parliamentary reform process, because we'll see the committee stages, I think, being more meaningful in building consensus around some policy areas that hopefully will lead to the passage of legislation through Parliament.

SPEERS: And Cory Bernardi for you, I mean, we've seen the Independents late yesterday trying to get some sort of clarification from Tony Crook, the Nationals MP from Western Australia. He did last night say that, 'yes', he is willing to back Tony Abbott in a minority government. But it's taken him a long time to give that assurance – and he's certainly giving no assurance on the policy front either. So, is there some question mark over whether the Coalition can provide stability of government with the uncertainty that's surrounded Tony Crook?

BERNARDI: Oh David, there's no question about the stability that a Coalition government could provide. We have to assess this. These three Independents are conservative leaning Independents. They hold conservative seats. It would be much wiser for them – and I think better for the country – for them to side with a centre-right, conservative Coalition versus a Labor-Greens alliance that has been cobbled together with an Independent as well. And it's also worth noting that Andrew Wilkie has said he won't support no confidence motions that are spurious, whether Labor is in government or the Liberals are in government. So, you know, there would be greater stability under a Liberal-led Coalition government than otherwise.

SPEERS: Yeah, but when you look at the policy fronts – and Senator, I note you said these Independents would be better off backing the Coalition – but the things that they have signalled themselves that they most care about are the National Broadband Network which they say Labor has the better policy on; Robb Oakeshott and Tony Windsor have supported Julia Gillard's plan for a multi-party Cabinet-level committee on putting a price on carbon; they like what Labor's doing on health and education; they've been critical of the Coalition on costings. So is there a fear there in Coalition ranks that these guys, albeit coming from country areas, are going to go with Labor today?

BERNARDI: Well David, I can give you 43 billion reasons why the Labor Party's broadband network is not a good idea for the country. I can also highlight ...

SPEERS: But you haven't convinced these Independents. That's the point.

BERNARDI: That's right.

SPEERS: I mean there's no point running the argument with voters, it's with these Independents now who decide government and they believe Labor's plan is better.

BERNARDI: Well, we've explained to them that by having a competitive network, and by ensuring that there is fast broadband access across the country, in an affordable manner, that will deliver not only upside results for the whole nation, but it will deliver a better Budget bottom line. And that's one thing we can't dismiss.

SPEERS: I know the argument. I know the argument. But the point is, these guys haven't been convinced of that. I'm just asking whether you're now fearing that these Independents will go with Labor?

BERNARDI: Well David, this is one of the inputs that they will assess before they make their decision. I'm not going to pre-empt their decisions. I simply believe it would be better for the country, it would be better for all of us, if they sided with a Coalition government. Now, of course you'd expect me to say that, but I can mount a plethora of reasons why that would be the case and I hope that in their consideration in totality they will say – they will agree with me and they will say that it's better for us to go with a Coalition government.

SPEERS: Now Craig Emerson, the costings have been important for these Independents as well ...

EMERSON: They have, yes.

SPEERS: And we saw Treasury expose problems in Coalition costings. But I want to ask you about Labor's costings, particularly on the mining tax. And we read in The Australian newspaper this morning that there's possibly an \$8 billion hole in the mining tax revenue. This has been found by global resources intelligence firm, Intierra. It says that you're only going to get \$2.5 billion, not \$10.5 billion from the mining tax.

EMERSON: The age-old practice of Commonwealth governments is to rely on the costings provided by the departments of Treasury and Finance. In relation to this particular issue in the newspaper today, that's a private company, so too were the costings that were generated for the Coalition – generated by a private accounting firm. The practice of the government of the day is to reply on Treasury.

SPEERS: Treasury, Craig Emerson, Treasury got the figures on the mining tax wildly wrong as well. In the space of weeks, when they first announced the mining tax and then the amended one, it suddenly shifted by \$10 billion, the revenue estimate.

EMERSON: And we know that based on extra information that Treasury obtained, Treasury obtained about price negotiations with China, they made those revisions. Now the important point here, David, is that it's not the Gillard Government that determines these figures, and it should not be an accounting firm that determines these figures. Nor should it be an outside independent consulting firm that determines these figures. The departments of Treasury and Finance do and we then rely on those figures. Now, why is that? Because you can't have the government of the day making up its own figures, putting its own numbers into its Budget that suit its political purposes. That's why we have the integrity provided through the Charter of Budget Honesty, which the Coalition absolutely ignored – admitted that they had engaged that accounting firm two months before the election – obviously were never going to subject their costings, their policies to the Charter of Budget Honesty. And those are the figures you must reply on – Treasury and Finance, not an outside accounting firm, not an independent consulting firm, not an international firm – Treasury and Finance.

SPEERS: Whoever is in government, the Budget is going to be tight. We know that. And we know these Independents still want something for the bush, for regional development. They've been talking about this. Not a lot has been said publicly about exactly what they're after, or what's going to be offered by the two leaders. But Cory Bernardi, we saw Tony Abbott offer Andrew Wilkie a billion dollars for the Hobart Hospital, which he knocked back. Do you think Tony Abbott – or do you know whether Tony Abbott is going to have a big wad of cash for the bush to win over these Independents?

BERNARDI: Well, we know that the Budget bottom line will always be better under a Coalition Government. And we know also that the Coalition is also more interested in regional and rural Australia than the Labor Party ever has been. Now, you can understand then the confidence that I have that we will give a better deal to regional and rural Australia than the Labor Party will. And I think the Independents should consider that in their negotiations. And I'm sure they have, because obviously they want to make sure that not just their electorates but all of regional and rural Australia is not left out like the Labor Party have done.

SPEERS: Would you be comfortable, Cory Bernardi, with sending the Budget deeper into the red as part of a deal to win over these Independents with a regional assistance package?

BERNARDI: Well our Budget bottom line is going to deliver a surplus, so you know, we're not endorsing sending it into the red. The country is in enough debt already. Labor have squandered billions of dollars in surplus and wasted billions of dollars on fruitless and silly programs, we don't want to see a repeat of that.

SPEERS: So no further spending that would affect the Budget bottom line to win over these Independents?

BERNARDI: No.

SPEERS: You won't support any further spending that affects the bottom line?

BERNARDI: No. No, David, we said we wouldn't send the Budget into deficit. We've said we would deliver a bigger surplus than Labor ever would. Now, of course, with our costings there is plenty of money there. If we have to reappropriate some expenditure from one area to another that's a decision for the leadership group to take. I can't pre-empt that, but let's see what the outcome of the negotiations are. Let's see what happens. But you can always have confidence, and the people of Australia can have confidence, that the Budget bottom line will always be better under the Coalition than under Labor.

SPEERS: Craig Emerson, same question to you. Would you be comfortable with Labor affecting the Budget bottom line in any package to win over these Independents?

EMERSON: Julia Gillard has reaffirmed at the National Press Club that we will get that Budget back into surplus in 2012-13, as she had indicated all through the election campaign. That's what we will do. I don't know where Tony Abbott was going to get his extra \$1 billion for a hospital in Hobart from. But we do know, what we do know from the Treasury and Finance costings is that Mr Abbott would deliver a smaller surplus because he's got a Budget black hole of up to \$11 billion.

BERNARDI: That's not true Craig, that's not true.

EMERSON: Just money pouring through his hands. He then just says, 'here's another billion dollars for the Hobart hospital.' This is precisely why the Coalition refused to subject its policies for costing by the departments of Treasury and Finance through the Charter of Budget Honesty that was brought in, not by Labor, but by Peter Costello who described it as one of his great achievements. If you're looking for fiscal responsibility look to the Australian Labor Party.

SPEERS: Alright, Craig Emerson, I'm sorry I have to interrupt you there. Rob Oakeshott's now speaking out the front of Parliament. I'll say goodbye to Craig Emerson and Cory Bernardi. Thank you for joining us for those comments this morning.