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Transcript  
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**GILBERT:** Good morning and welcome to AM Agenda. After all the guessing games about his future for many years the heir apparent, Peter Costello's dream of one day becoming Prime Minister is now officially over.

**COSTELLO:** I didn't think I'd ever see the day where both sides of this Parliament would say nice things about me (laughter). It is just possible that both sides of the despatch box are happy with the announcement that I've made Mr Speaker and it's been my privilege to be in this Parliament for twenty years what I consider to be the best years of my life.

**GILBERT:** Joining me on *AM Agenda* to discuss the Costello career and his decision to leave politics is the Liberal frontbencher Sophie Mirabella, good morning Sophie, and Labor frontbencher Craig Emerson. Thanks for coming in Craig.

**EMERSON:** Pleasure Kieran.

**GILBERT:** Sophie first of all I want to ask you, it was a rare day of praise from both sides of the House yesterday for one of the more vigorous combatants in politics?

**MIRABELLA:** Well I think one of the true greats of Australian politics Peter Costello, and it was very fitting that both sides of Parliament in this very preliminary manner, paid him some tribute. Remember this is the bloke who took a back seat to the leadership, paid off \$96 billion worth of debt and let a whole generation enjoy prosperity without the debt hanging over their heads. And you know, it's quite an ironic timing for his departure that just as he departs with that on his record we're facing \$315 billion worth of debt without any knowledge of how it's going to be paid off by the Government. So Peter Costello's legacy will be amongst some of the most important in Australian political history.

**GILBERT:** It's not a bad record is it Craig? Unprecedented era of growth; some people would say it was a bit lucky some say, you know, he was the architect of it. I suppose there's quite a spectrum. But when you look at the numbers, as Sophie said, they're pretty good numbers?

**EMERSON:** The numbers are pretty good: a combination of good management in some cases and good fortune. This is not the occasion to be anything but supportive and praiseworthy of Peter Costello's record. I'd add to the accolades that are being showered upon Peter now the fact that, as a parliamentarian, whether you're on our side of politics or the other side, he was entertaining. He could get to the point. One of the best performers in Parliament no doubt over the, well over the last 50 years and I certainly pay tribute to that.

**GILBERT:** Would you say Keating would be the only one who would beat him as a parliamentarian in terms of the performance in Parliament?

**EMERSON:** Well in that era, yes I think Paul Keating. Mick Young used to be very effective in using humour and ...

**GILBERT:** Costello's right up there you'd say?

**EMERSON:** Well I think all three: Mick Young, Paul Keating and Peter Costello. Rather than the sort of heavy handed bludgeoning approach they used humour quite well and that's important in a democracy.

**MIRABELLA:** I think he is amongst the great parliamentary performers. I mean who could forget that episode where he borrowed from *Muriel's Wedding* and the episode about, 'Deidre what a surprise', that was one of the best moments, where he likened it to Kevin Rudd and Brian Burke's chance meeting in Perth. And that was truly quite memorable. But he was also, I think he was better than Keating and I'm not saying that just because I'm a Liberal but because there was a line below which he didn't stoop and that's the personality of the man. You know he wasn't going to go underground and plan an attack on the Howard Government. He wasn't going to undermine Malcolm Turnbull.

**EMERSON:** You'd hope not.

**MIRABELLA:** Well maybe the criticism is that he didn't have the mongrel in him, that he was a decent ...

**GILBERT:** Well let's talk about that because we've spoken about the positives, and there were a lot of positives, but the negative, and this is the one that probably stymied his career and stymied him from ever taking the top job which was his goal. He never got there because he didn't challenge and didn't push it and some would say he didn't do enough work in nurturing the backbench. You'd know better than most, what's the answer to it?

**MIRABELLA:** Well if Peter Costello's going to be criticised for not being a mongrel and not undermining John Howard well I think that says something about the values of those who criticise him. I tell you what if I was leader I'd much rather have a Peter Costello by my side than Kevin Rudd having a Julia Gillard because you know, you know where you stand with Peter Costello. You know the Prime Minister...

**EMERSON:** I don't know what that says about Malcolm Turnbull then because that's how he got to the position of Leader of the Opposition.

**GILBERT:** But isn't it naïve Sophie, I mean I want to just focus on this point, you can't just blame it all on, or who do you blame it on, the lack of transition? The fact that he didn't push it?

**MIRABELLA:** But is this a position of blame or not? Is it just one of those events of timing in politics? They say that timing is everything in politics and that's true to a certain degree in many cases and in the careers of many people and timing often just misses out on playing a significant part in some people's careers. But what isn't in doubt Craig, and I'm making this great prediction today ...

**EMERSON:** This is going to be a generous point, this is going to be a generous point.

**MIRABELLA:** ...that Peter Costello's career will be one of the greatest and his contribution to Australian life will be one of the greatest and even if you look at everyone in Parliament today he will stand amongst the best in Australian history.

**GILBERT:** He was frustrated though a lot and it was interesting to read Annabelle Crabb today in the *Sydney Morning Herald* it was very funny indeed where she says that "Malcolm Turnbull one man with a chronic oversupply of patience and the other never to know political patience in Malcolm Turnbull". But Peter Costello was so patient but frustrated time and time again.

**EMERSON:** Well he was frustrated but Sophie makes a point about timing and timing wasn't right. Well he got in in 1990 or 1993, he had a lot of time to take on the leadership but that never came his way.

**GILBERT:** But do you feel for him?

**EMERSON:** Well I think ...

**GILBERT:** As a politician he said every MP has got a glorious Prime Ministership in the backpack.

**EMERSON:** Well that's a Keating analogy. Look it was up to Peter to challenge, he didn't do that. I'm here to praise Costello not to condemn him. I think that's all come and gone. The question now actually Kieran is what is Malcolm Turnbull going to do? The real Malcolm Turnbull needs to stand up now. Because, I make this point, Malcolm on the economic stimulus package, the infrastructure investment and so on said we oppose the lot. The night before they made that statement Peter Costello was on television saying that it's a low quality spend it should be opposed. He'd said that.

**GILBERT:** Okay well we'll talk about Malcolm Turnbull and his challenges in a tick but first of all I want to ask you from the Labor perspective the fact that Costello has gone. It's known that Labor was doing polling and some research on a potential Costello takeover so was Labor concerned that a bloke with that economic record in this economic climate might prove a real threat next time around?

**EMERSON:** Well the truth is I don't know about polling but he looked like he might have been an alternative to Malcolm and now that's gone. The long shadow ...

**GILBERT:** So are you relieved to a degree?

**EMERSON:** Well I think there's some advantages for Labor for this in this regard and we'll come back to it you say, but Malcolm Turnbull's run out of excuses. He now has to stand up and be the reformer, support the Emissions Trading System. Malcolm's no longer got the long shadow of Peter Costello cast over his shoulder saying 'Well

I'd like to do the right thing but Peter Costello and the hard men and women of the Liberal Party right won't let me'. Malcolm Turnbull now has to lead. No more excuses.

**GILBERT:** Let's hear what Sophie's got to say.

**MIRABELLA:** Oh come on Craig. Fair slice of the salami mate, you know.

**EMERSON:** How very novel.

**MIRABELLA:** You know taking a leaf of your leader's book mate.

**EMERSON:** I know where you got it from. I know where you got it from.

**MIRABELLA:** We've got to have a bit of a laugh on these things. No actually but the Labor Party just can't accept the fact that they have a robotic leader who sits there coming up with these ridiculous lines, absolutely ridiculous lines and he makes Gillard who's also robotic look slightly better because she's not as bad as him in having the script, being wound up, going out and delivering the lines. There's one thing about Malcolm ...

**GILBERT:** What about this climate change issue? Tell us about that?

**MIRABELLA:** Well the one thing about Malcolm is you know what you're getting and I think for Craig to say that he should be real, Malcolm's very real.

**EMERSON:** Which Malcolm? Which Malcolm?

**MIRABELLA:** Well you talk to any journalist, you talk to the public and you think that's why there's been a decrease in the Prime Minister's approval rating because people are starting to see through the spin. You can fool some of the people some of the time but not all of the people all of the time.

**GILBERT:** Just answer the point that Craig was saying in terms of, in terms of, some of the difficult issues like climate change does this free up Malcolm Turnbull a bit to you know move in a different direction? There is a sense that Malcolm Turnbull wants to find a negotiated way forward with the Government on Emissions Trading.

**EMERSON:** That's his true position.

**GILBERT:** Because I suppose the real argument, and the Liberals want to make the case on the economic debate, and you don't want it to be distracted by this other issue. Is there a chance now for Malcolm to steer a different course unencumbered by that threat behind him?

**MIRABELLA:** Well Malcolm's focus is quite squarely on jobs and the economic fortunes of Australian families and Australia. And what we have been asking for is to consider the position of the United States, to consider the end of the year conference so we can actually not go into this blind, to make a decision in step with the rest of the world and not against Australia's interests. Not to willy nilly, just to tick a box, export Australian jobs, and that's the key. Let's not just talk in glib slogans and tick off a box and pretend that that's solved the problem. Malcolm is genuinely passionate about this issue and wants a genuine, not a superficial solution.

**EMERSON:** Well you could've fooled me.

**GILBERT:** Well I want to ask you now about the potential for a Liberal reshuffle now, a Coalition reshuffle. There's talk that Malcolm Turnbull might move in that direction to freshen up the frontbench in the wake of the Government reshuffle last week.

**EMERSON:** Sophie could be in Shadow Cabinet.

**MIRABELLA:** Oh look I don't think too many people have given thought to that. I think we're still consuming the impacts of the significant Government reshuffle of the other week and you know if that, if an Opposition reshuffle happens well so it happens but there's not done much discussion about that. I think that it was important. We saw after our last get together that very same day we saw the then Defence Minister resign and that was I think a very good result for democracy and I have to tell you there are a lot of relieved Australian servicemen and women around the country.

**EMERSON:** Just quickly on the reshuffle. Julie Bishop complained about the Labor frontbench reshuffle, arguing that there were not enough women. There are fewer women in the Shadow Cabinet than there are in the Cabinet. So what Julie Bishop is saying is that there needs to be more women. That's why I think you're a pretty reasonable prospect there.

**GILBERT:** Okay well let's just pause on that positive note.

**EMERSON:** There's a few blokes with very sweaty palms I can tell you.

**MIRABELLA:** Craig mate I reckon it's also about quality not just quantity.

**GILBERT:** Okay let's just pause on that generous reference from Craig. I'm not sure Malcolm Turnbull will listen to you.

**EMERSON:** (*Inaudible*)

**GILBERT:** Exactly that's right. Well stay with us after the break, we're going to look at the Newspoll results, the Coalition clawing back some support.

*BREAK*

**GILBERT:** Welcome back to *AM Agenda*. Joining me now from our Sydney studio is Martin O'Shanessy from Newspoll. Martin this latest result in today's *Australian* newspaper has the best result since the election for the Coalition.

**O'SHANNESSY:** That's right we see the Coalition drawing even just about on primary vote, with them on 40 and the Labor Party on 41. That's as good as they've done since the election and it, you know, it's part of a trend that's continued pretty consistently over the last three months with the primary vote for the Coalition going up four points since April.

**GILBERT:** It's interesting with the departure of Peter Costello, it's not the only bit of good news for Malcolm Turnbull. His approval rating is up to 44 per cent as well so he's well and truly out of that dead zone in terms of the approval rating, he's climbing and at quite a steady climb in recent weeks.

**O'SHANNESSY:** Yeah that's right and the second poll, the second Newspoll in two weeks with Malcolm Turnbull in positive territory. Sitting on 44 satisfied with his performance only 37 dissatisfied. And what we're seeing too in the background quietly happening, people satisfied with Kevin Rudd's performance in the same time since April going from 68 satisfied to 58 and we see the better Premier, better Prime Minister rating also changing, Kevin Rudd since April 67 down to 57. So while Kevin Rudd is still clearly in the lead on both those measures what we're seeing is a slow but steady improvement for Malcolm Turnbull and a fade in those sort of astronomic ratings we used to see for Kevin Rudd.

**GILBERT:** Do you have any sense for what the reason is for this gradual shift? Is it just the economy?

**O'SHANNESSY:** I think the economy is dreadfully important. As they say in politics the most sensitive nerve is the one in the hip pocket. But I also think Malcolm Turnbull's put in a pretty credible performance, you know done the hard yards and dug in and I think people are starting to listen to him. Note also that this particular poll was taken over the weekend before Mr Costello announced that he was leaving politics so this is sort of Malcolm Turnbull doing the job himself. I imagine he'll get a little bit of a boost now that he's got some clear air on the question of the leadership.

**GILBERT:** Martin O'Shannessy from Newspoll as always good to see you. Thanks for your time.

**O'SHANNESSY:** Always a pleasure.

**GILBERT:** We're now returning to our panel. Sophie Mirabella the Liberal frontbencher and Craig Emerson, Labor frontbencher. Guys what do you put the turnaround to? Is Labor concerned Craig?

**EMERSON:** Oh look, polls, you know I'm going to say this, they go up and down.

**GILBERT:** But they've been going down consistently recently.

**EMERSON:** We're governing in the national interest. We're governing in the national interest. We're governing in tough economic times, the worst global recession in 75 years yet Australian economic growth in the March quarter was positive making us one of only two countries with positive growth. But these are challenging times. I think ...

**GILBERT:** So no one's going to panic just yet from Labor?

**EMERSON:** What we have to do and we are continuing to do it, is to govern in the national interest, make the right decisions and the public then will deliver their verdict. But we can't be and won't be deterred or sidetracked by opinion polls. You have to do the right thing by the country. That's what we're doing.

**GILBERT:** Sophie is this a good sign? You know, we've been talking about the leadership issue that Malcolm Turnbull can move ahead now with that clear air but what about this, do you see this is a good sign?

**MIRABELLA:** Well what it's a sign of, and I've got to correct Craig, this is not the worst recession in 75 years

**EMERSON:** It is.

**MIRABELLA:** Keating's recession was worse.

**EMERSON:** The worst global recession in 75 years. The worst global recession in 75 years.

**MIRABELLA:** Keating's recession was worse.

**EMERSON:** Sophie, do your homework.

**MIRABELLA:** What we're seeing here is and I know this from my own constituents talking to me, is increased anxiety and deepening concern at the Government's inability to manage the economy. We've seen the debacle, the absolute debacle, with the schools bungle. Where you've had, even in today's news, a school in the Prime Minister's own electorate being forced to pay \$11,000 to fix guttering when they could've organised it themselves for \$1800 or receiving \$3 million for buildings which they've already built. Now when people see that out there in each community and they see an historic unprecedented debt of \$315 billion with no plan, with no plan to get out of it, and a Prime Minister focused on hard hats, slogans and silly language, you've got to be concerned and I think that's reflected in the decrease in his approval rating.

**EMERSON:** Well Malcolm Turnbull has an opportunity now to stand up and tell us who is the real Malcolm Turnbull on climate change, on the issue of debt - a dishonest scare campaign on debt. The best that we can ascertain from Malcolm Turnbull is that his debt would be \$21 billion less than ours so a \$167 billion net debt instead of a \$188 billion debt.

**GILBERT:** Seems to be working for him though.

**EMERSON:** Well this is the point. Sophie says that Malcolm Turnbull is concerned about jobs. Well the only job that he's concerned about is his own.

**MIRABELLA:** Oh that's not fair.

**EMERSON:** And the Australian people, the Australian people have a right to know what Malcolm Turnbull actually stands for. Meanwhile we will get on with the job of governing. Sophie's raised another example she says, of what's going on in particular schools. Not one of those examples that have been raised by the Coalition [cuts out]... criticism of the greatest school modernisation program in Australia's... history.

**MIRABELLA:** It's a debacle.

**EMERSON:** Criticism of the fact that 70 per cent of the stimulus package is on infrastructure, them pretending that they have a different policy but in truth, they don't.

**GILBERT:** Just one quick one before we move off the Newspoll issue. Sophie, for Malcolm Turnbull the satisfaction rating for him is up. Do you think there's some sense of, you know, some glimmer of hope there for the backbenchers who've, it's been a difficult time for the Liberals after losing Government after 12 years.

**MIRABELLA:** Opposition, particularly in the early stages, is always difficult. It's one of the most unpleasant periods that one can spend but it's an essential part of our

democratic system and Malcolm who's been undeterred in previous challenges in his life has sat down, knuckled down, travelled the country and spoken with people about the issues that they're concerned about and he has done it in a real low key manner not in some PR managed campaign, and I think we've seen the results of that in the polls today.

**GILBERT:** Okay, just on one final issue. Craig I want to get a sense from you on what we can expect in the New South Wales budget, the Queensland budget today. We were talking about the infrastructure spend before. We're hearing there's going to be quite a bit dolled out again. How will all this money be paid back at state and federal level?

**EMERSON:** Well the state governments are contributing and I hope they continue to contribute to the stimulus which is so important. Our own stimulus package has led to Treasury estimating that 210,000 jobs are being saved, compared with the situation if we didn't do it. So I welcome investment in infrastructure by the New South Wales and Queensland Governments. Obviously the Queensland Government is exercising wage restraint with the public service there, so they're as conscious as we are of bringing down a responsible budget but at the same time investing in the future. Supporting the jobs, the apprenticeships, the small businesses of today by building the infrastructure of tomorrow.

**GILBERT:** Sophie, have you any thoughts on it?

**MIRABELLA:** The NSW Government is a basket case everyone knows it. They are incompetent. They are incapable of governing basic departments and we see day after day after day the most populous state in the nation being treated in such a disgraceful manner by a government that cannot do its job. And it's just going to go down the path of Victoria, going further into debt and mismanaging funds and importantly not being accountable. The question you asked Kieran, how is that going to be paid back? That is the question that needs to be answered by the Federal Government.

**EMERSON:** It's laid out in the Budget. You know it's laid out in the budget.

**MIRABELLA:** No it's not.

**EMERSON:** Yet again a dishonest scare campaign. It's laid out in the Budget you know it is.

**MIRABELLA:** Craig, you guys suggested it was going to be paid beyond 2020 but you haven't provided the figures for that. You have no plan. This is why people are worried mate, you've got no plan. You've got no plan to pay it off.

**EMERSON:** You're making it up as you go along. That's just not true; it's part of the dishonest scare campaign that you're engaged in ...

**MIRABELLA:** Craig I know that's the line that you've been given mate but you know it's true.

**EMERSON:** ... and Malcolm's opportunism knows no bounds.

**GILBERT:** Well I've got to say though there that the NSW Labor Government hasn't been the best look has it so they'll want to do something to turn things around today.

**EMERSON:** Well I hope and trust and expect that they will invest in infrastructure. We need investment in infrastructure. I will make a slightly political point. Up to this point in time there has been really, for about 10 years, an infrastructure investment drought in this country. That's been a big problem because what we need to do is lift our productivity growth. The previous government left it at zero. It is really important to our future and if investing in infrastructure, education and innovation is the key.

**MIRABELLA:** The bumbling baffoons of the NSW Government make Kevin Rudd and Julia Gillard look slightly better.

**GILBERT:** All right okay Sophie, good to see you, thanks for coming in and Craig, as always good to see you. And that's all for this edition of *AM Agenda*.

ENDS.....