

Katter backs Turnbull, as credit agency puts Australia on notice

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Crossbencher Bob Katter has given his support on supply and confidence to a Coalition government after a meeting with Prime Minister Malcolm Turnbull in Brisbane.

This reassurance came as Turnbull received a blow when Standard and Poor's rating agency revised the rating outlook on Australia from stable to negative.

On latest counting it is unclear whether Turnbull will need crossbench support in a minority government or if he will reach the required 76 seats to form majority government. The ABC website gives the Coalition 73 seats with six outstanding.

Katter, whose Katter's Australian Party is both conservative-leaning and populist, said he had provided support "with no great enthusiasm".

"I maintain my right to move at any point of time in another direction," he told reporters, making it clear he was not giving any commitment on how he would vote on legislation.

He warned Turnbull – who used industrial relations bills to trigger the double dissolution – against attacking the unions. "I told him any union bashing – he will be getting our opposition not our support."

Katter dismissed the suggestion his support mightn't be needed.

"You try running a government with one vote up your sleeve. Don't have your mother die because you can't go to the funeral. Don't go to the bathroom [and miss a vote]."

On the budget front, Standard and Poor's said in a statement: "We believe that without remedial action the government's fiscal stance may no longer be compatible with the country's high level of external indebtedness."

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The agency said “ongoing budget deficits may become incompatible with Australia’s high level of external indebtedness and therefore inconsistent with an AAA rating”.

It said that given the election outcome, in which neither side might command a majority in either house, “fiscal consolidation may be further postponed”.

In a short statement to camera, Turnbull said Standard and Poor’s statement had been a reminder that budget repair, reducing the deficit, and managing public finances must be a very high priority for the next parliament. This was critical for the future of the economy.

Treasurer Scott Morrison stressed that Australia retained its AAA rating from Standard and Poor’s. He said that over the next six to 12 months Standard and Poor’s would continue to monitor the success or otherwise of the government’s ability to pass revenue and expenditure measures through both houses.

Shadow Treasurer Chris Bowen said the rating update “reaffirms that now is not the time for a A\$50 billion ram raid on the budget courtesy of the government’s ten-year company tax cuts”.

Turnbull said that the Coalition and Katter had a common commitment to northern development. They had had a “very good and constructive discussion”.

Katter did not reach any policy deal with Turnbull. He said it would be improper behaviour to be talking about quid pro quos. But he would be getting in writing “what their policies are”.

The Construction, Forestry, Mining and Energy Union said on Facebook: “Bob has just confirmed that he won’t stand for any union bashing!”

“What a legend! ... [Katter’s] vote will be very important in stopping Malcolm Turnbull’s attempts to attack workers.”

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Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond the academic appointment above.

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