

ISSUE 1335

“In Support of Progress” Newsletter

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Christmas – a time of giving

Date: 18 December 2013

The Spirit of Giving

Christmas is a time of giving, and this year it has certainly come early for our political operatives. The question remains whether the Christmas stocking will be full, or whether it will all be a chimera, dissolving in the cold hard light of reality.

The Palmer United Party

The PUP has offered themselves. The Palmer United Party is planning to contest the next State election. To do so they need to be registered, and to be registered, they need to have 100 members. Senator-elect Lambie, the present voice of the PUP in Tasmania, says it has now lodged the requisite number with the State Electoral Office, and the list has today been advertised. (She also says that Tasmania should be a recipient of Australia's foreign aid program, another gift, but that is another story).

However, that is not the end of the matter. There will be a time for objections to be lodged (30 days), and a further time for objections to be heard (21 days). If an election is called within this time period, then all bets are off.

And there will be an objection – you read it here first.

The Federal Government

The advent of the Federal government has been a real gift, at least for its opponents.

The approach to foreign affairs has been somewhat underwhelming, with immediate difficulties experienced with two of our most important partners, Indonesia and China. The clampdown on news of boat arrivals, after an initial flurry of concern regarding open government, would appear to have been accepted by the mainstream media but remains an issue (read gift) for the broader community.

And for Tasmania, the ridiculous pantomime of Minister Pyne, suggesting an agreement over Gonski funding was not an agreement after all, could not have been a better political gift for the State Government. Since then, there have been a plethora of other gifts, with the cancellation of funding for a range of Council-sponsored projects, concerns regarding the payment of the \$100 million forest compensation money – still unpaid - and recent news of further funding cuts and job losses.

The withdrawal of federal funds will have a significant impact on the Tasmanian economy, and the State Government has been quick to take advantage of these policy decisions. The looming horror budget of Mr Hockey and the threat of GST receipts being reallocated between the states will only add grist to that mill.

The State Liberals

The State Liberals have suggested they can find \$500 million worth of savings in the budget, due to being more "effective" managers of the state's finances. Leaving for a moment the fact that the \$500 million may or may not be a reality, and leaving aside the fact that such savings would only be achieved over a 4-year time frame, announcements are coming thick and fast on how to spend it. Already over \$50 million of promises have been made across a range of vested interests.

Savings that will accrue from employing less public servants (over 500 at last count) will be spent on employing more public servants. Being good economic managers will now be overtaken with a spending spree. So either the present government has been a bad budget manager, and the budget needs repair, so the money is not available, or alternatively it has been a good budget manager, and the issue is simply one of reallocating priorities.

Having made promises on spending the savings, the question remains as to whether the savings are in fact real. What if they are not? Will 500 public servants depart immediately? Savings over 4 years should not be considered as spending opportunities in the first year. And if they cannot be realised, then presumably they cannot be spent. Compounding the budget issue is the fact that revenues are likely to come under pressure. The GBEs are under pressure to perform, especially with the removal of the benefit to the Hydro from the carbon tax, and the GST receipts are likely to be less due to a change in spending patterns within the community.

These presents may need to be reclaimed!

The State Government

The present Power Sharing Agreement between the Greens and Labor continues to be a bountiful present for its critics. If the purpose of the Agreement was to provide stable government, then it has achieved that result – but at a considerable cost. I have made much comment in these pages and elsewhere that the Agreement as constituted has caused the brand of both participants to be compromised. It will be a difficult task to restore the brand.

The Conservation Movement

The threatened program of protest, known as "Fearless Summer", will be a gift for its opponents, and will put the Forest Agreement under considerable strain. If the Agreement fails the durability provisions, and one of those provisions is that the protests cease, then it will be open season on all sides.

The Greens

The criticism directed at candidates who have been former members of the parliament has been a real gift and provided at least 2 weeks of free publicity to them. From a personal perspective, being one of them, long may it continue.

There is an old adage in politics – "It doesn't matter what they say, as long as they spell the name right!"
Within reason, of course.

Another Perspective

For too long, Tasmanian politics has been the province of parochialism, with politicians willing to support local interest groups and to write cheques using taxpayers' money to promote local causes. Nothing wrong with this per se, so long as it does not thwart the need to consider the bigger picture.

Sir Bede Callaghan wrote in 1977:

"Tasmania is beautiful, Tasmania is tranquil, Tasmania is economically vulnerable"
Not much has changed.

My report of 2011, entitled "*Tasmania – Present Prospects, Opportunities and Constraints*" quoted Sir Bede Callaghan, and went on to make the point that Tasmania can easily be distracted by single events and issues, which in the absence of an overall picture has the capacity to subsume all other matters.

An overall picture.

To say that the Tasmanian economy is in transition is glib, it has always been in transition. That is the nature of the beast. However, we must recognise the need to address some of the systemic issues confronting what is in reality a regional economy, and to take a whole-of-state approach to resolving these matters. Freight, planning reform, water reform, local government reform, parliamentary reform all fall into this Christmas stocking.

I would hope that the New Year will bring about a recognition of the need to replace glib promises with the requirement to deliver on promises made in the election, for the provision of competence in government and government services, of setting realistic targets, and a commitment to realising them.

This would be a real Christmas present.

Finally, may I wish all readers a safe and enjoyable Christmas break before the mayhem of a State election takes over in the New Year.

And to thank you for your support over the past year.

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