

ISSUE 1909

“In Support of Progress”

Newsletter

Date: 7 April 2019

Hobart CBD

Which shoe? Which foot?

Energy

The Federal Budget

Hobart Retail

Retail stores are closing in Hobart's CBD. Hobart's Lord Mayor has expressed her concern, believing the problem has been caused by a move to online shopping and fickle consumer demand. She has called on the State Government to “do something”. Helpful!. She suggests the government might engage a “business commissioner” to help stem the tide, but what would such a commissioner do exactly? And for whom? Calling for government help sounds a bit like seeking a government handout to me.

The problem could well be closer to home. Remember the time when subsidies were being offered to Myer to stay in the CBD, including underwriting turnover for a period of 5 years. Can you believe it, turnover! I understand Myer is still getting financial support from the Council, while at the same time, heavily discounting its wares, AGAINST the interests of other small businesses who are now walking away from the CBD. Basically, the Council is subsidising Myer's discounting policy. So, Lord Mayor, back to you. What are YOU going to do about that?

And now the University has decided to move much of its activity into the city. Imagine the traffic nightmare, and the parking nightmare. This will only encourage shoppers to stay away, and that will have an even further dampening effect on the retail sector. The Uni will bring more people into the city, but not necessarily retail shoppers, apart from food.

Council needs to think really hard about its policy on access to the city, and parking. The harder it is to get into the city, the more people are going to go elsewhere to shop and do business. “More buses” is not the answer.

Which shoe and which foot?

An ultra-marathon run through the Tarkine, organised by promoters wishing the area to be protected as a national park, was disrupted by protestors. Can you believe it? People protesting against protestors. The organisers of the run were outraged. How dare these protestors interrupt the run? “It reflects poorly on the region”, organiser Bob Brown was reported as saying.

Well I never, the archduke of protesting, who has made a career stopping people from going about their business, is complaining that people are protesting against an event he - or his group - had organised. And it is those very same people who were busy training protest techniques for people wishing to protest against the cable car.

Is hypocritical too strong a word? I don't think so.

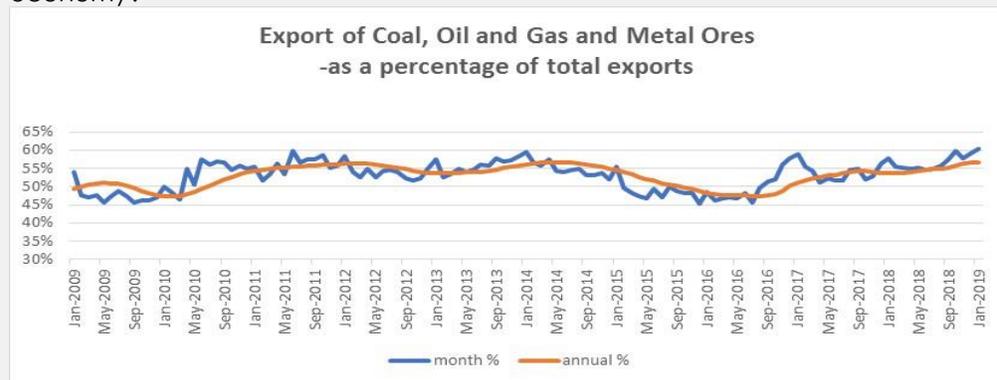
Energy

The national energy policy is a mess. It is confused, it is shambolic, and has now descended into the realm of high farce. It is being driven by a sense of high moral purpose, which is not clearly understood and is essentially futile in its effectiveness. It has demonised and penalised one source of power, causing it to falter, while at the same time subsidising an uneconomic and unreliable alternative. End result – electricity becomes more expensive and less reliable. Not smart at all.

The Treasurer, who as Energy Minister was an architect of providing subsidies to renewable energy producers, is now offering subsidies to cover (to a small degree) the price rises caused by his own policy, which included the promotion of non-competitive renewable energy production. Everyone is now in the business of collecting subsidies. Whatever happened to market forces?

The argument goes that we need to reduce "carbon pollution" to help combat climate change, which is all very well until one realises that whatever Australia does will make not one scintilla of difference to the world-wide output of carbon dioxide, or to the climate.

Labor is in a miasma over this issue. And the Greens have called for an end to coal production, and that basically means an end to electricity production. We could be world leaders, they say, but who wants to be a world leader in collapsing the economy?



The graph shows clearly that over 50% of Australia's exports **by value** comes from coal, oil and gas, and metal ores (mainly iron ore), and has done so for many years. Any policy to reduce these exports, for whatever purpose, will have a drastic effect on the economy. And yet this is being blithely ignored.

Less exports = less revenue = less money to spend on government services, including subsidies.

The Federal Budget

There is not much to say about the budget that has not already been said. To state the bleeding obvious, it is an election budget. Amidst internal ructions, promises to spend big on infrastructure projects, particularly in marginal seats, promises of a tax break (in 2024), one-off payments to help meet energy bills, and the Treasurer's fixation on how untrustworthy the Opposition is has all the hallmarks of an election "spin". To argue differently is ridiculous, and everyone knows it. Which makes holding off announcing the election day, in order to "sell the story" a humbug.

I suspect the electorate has already passed judgement on the government and it will be a herculean task to convince them otherwise.

Doing so will not be helped by its somersault on its approach to the one-off energy payment, the issues surrounding the administration of the NDIS (National Disability Insurance scheme) and its equivocation over the Adani mine.

Regarding the latter, the language is quite exquisite – with all approvals now in place and ready for Ministerial sign-off, the Minister apparently is now working through "sub-approvals". On this the government has been caught on the horns of a dilemma, as has the opposition. Two opposing and irreconcilable views.