

ISSUE 1913

"In Support of Progress" Newsletter

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The Federal Election – The Senate

From figures published to date, the Senate returns would suggest the following line-up for the 40 seats made vacant, being half the Senate. (the figures in brackets are existing).

	LIB	ALP	GREEN	OTHER
NSW	3 (2)	2 (1)	1 (1)	0 (2)
VIC	3 (2)	2 (2)	1 (1)	0 (1)
QLD	3 (2)	1 (2)	1 (1)	1 (1)
SA	3 (3)	2 (1)	1 (1)	0 (1)
WA	3 (2)	2 (2)	1 (1)	0 (1)
TAS	2 (2)	2 (3)	1 (1)	1 (0)
ACT	1 (1)	1 (1)		
NT	1 (1)	1 (1)		
TOTAL	19 (15)	13 (13)	6 (6)	2 (6)

1. NB Preference flows have yet to be determined and may change this story.

The government parties would appear to have gained 4 seats, essentially at the expense of independents (and minor parties). Labor got a drubbing in Qld, gaining only 1 of the 6 seats. Elsewhere they returned 2.

In Tasmania, a former Jackie Lambie Party member who joined the Nationals, lost to Jackie Lambie, but the government gained a seat at the expense of Labor, which tried desperately and successfully to lose the seat by relegating their most popular Senator to the unwinnable fourth position on their ticket. Factions don't like popular people!

Now for Labor, winning only two seats out of six is not a great success story, but the result in Queensland would suggest, like the result in the Lower House, that a Queensland-centric, rather than a national issue was the dominant factor. And as we know, that was the Adani proposal.

The government is congratulating Bob Brown and his cavalcade for the swing to the government – Federal Labor, the party that suffered, has been very quiet about it.

Recognising the bleeding obvious, but refusing to acknowledge it, the Greens spokesperson Adam Bandt said, in an extraordinary outburst:

If Labor lurches to the Right under new leadership and backpedals on climate and Adani, the Greens will mount a fierce inner-city push to represent voters abandoned on the Left"

An idle threat methinks, because it's not new. They have been trying to do that for the last decade, scaring the horses, and with the unenviable result of ensuring their policies have never been implemented. As has been stated before in these pages, quoting Whitlam:

"Only the impotent are pure".

At a state level, the response of the Queensland Labor Premier is of interest. Citing her own ideologically driven Environment Department as being the cause of the continuing delays, by continually changing the goal-posts and "seeking more information" from the company, she pronounced "Enough is enough – get on with it", and called in her Co-Ordinator General to oversight the process. Suddenly her Deputy and left-leaning Treasurer, an opponent of the development and under attack from the Greens in her own electorate, was without friends, and began an urgent ring-around shoring up her own position.

So many southern critics say the mine is economically unviable. However, its guess work. None of them really know whether it is or not, because none of them know what the company's real economic drivers are. The company says it is viable, and they can operate it without government subsidy. So be it! It stands or falls on that.

State Budget

I attended the TCCI breakfast briefing on Friday, where the Treasurer presented an outline of his budget and provided some detail on collections and spending. The reception he received was one of interest, but subdued. Maybe it was the hour. I came away from the presentation thinking all was not quite right, and that the Treasurer was putting a brave face to a set of figures he was in reality rather concerned about.

He framed the budget, he said, recognising that the economy was strong, but that there were headwinds – a possible slowdown in activity and reduced GST receipts.

He advised that the budget would be in surplus, but that we would be going into debt. Now for a simple mind like mine, that is immediately confusing. "We are in the black but we are in the red".

What was particularly intriguing is that having argued for the last 6 years that it was a matter of government policy and prudent management to get the budget "back into surplus", and blaming the previous administration for having driven the state into debt, he was now claiming - unashamably - it was now a virtue to take the state back into debt.

It transpires that we are in the black if we ignore infrastructure spending, but we are in the red if we don't ignore it. And we have different names to define what these varying totals might be - names like "Net Operating Balance", "Fiscal Balance" and "Net Debt". Mmmm! (See Table below)

He emphasised the need for an increased spending on infrastructure, which was a major theme of this budget, and that gave him the opportunity to present data "across the forward estimates". In other words, a 4-year time span. So the data provided was wrapped around a 4-year spend, as distinct from what was to be spent next year. Not that there is anything wrong with such an approach, just that it gets a bit confusing.

For example:

Health expenditure will be a record \$8.1 billion over the 2019-20 Budget and Forward Estimates period, an increase of \$544 million on the level of funding included in the 2018-19 Budget Papers for that Budget and Forward Estimates period, while Education expenditure will (using the same comparison) increase by \$349 million to a record \$7.1 billion.

And who knows what might happen in that 4-year time frame? It is pretty much blue sky and rosy silhouettes. These record spends, by the way, turn out to be less glossy than they are made out to be, since the previous spend was far higher than last year's budgeted figure.

Actually, it turns out that the budgeted spend last year was too low. It sounds like:

I budgeted for 5, I spent 8, and now I plan to spend 9, an increase of 4 over last year.

In this example, the fact, of course, is that I underbudgeted, and the suspicion is that maybe just maybe this was a deliberate ploy for whatever reason at the time. (eg making the budget "look better", holding down wage demands, impressing rating agencies etc).

The theme was definitely "infrastructure". For example, in response to a question regarding housing policy, the Treasurer emphasised that the infrastructure spend would go a long way to easing this "multi-faceted problem", particularly in the outer suburbs. In other words, encouraging people to live in the outer suburbs, which will only exacerbate traffic problems in the city. I sense a policy disconnect.

The following is from Tables 1.1 and 1.2 of the Treasury Budget Papers (figures are in (\$'m))

	budget 2018-19	est 2018-19	budget 2019-20	budget 2020-21	budget 2021-22	budget 2022-23
General Government Sector						
Revenue	6 217.3	6 381.0	6 406.7	6 397.6	6 570.0	6 799.1
Expenses	6 055.4	6 339.7	6 349.3	6 312.5	6 395.5	6 549.8
Net Operating Balance	161.9	41.3	57.4	85.1	174.5	250.1
) NOB (2)		-112.3	-137.1	-134.3	-75.5	-68.5
Fiscal Balance	-284.6	-356.9	-248.4	-225.7	-19.8	3.4
Net Debt	-329.6	-535.2	284.5	643.1	820.0	1 114.7
GFS Net Debt	-329.6	-535.2	-50.4	321	520.2	839.1
Infrastructure Spend	752.4	719.6	723.3	715.9	630.1	695.7

NB 1 The NOB (2) figure is derived once one-off Federal payments are removed.

2 Net Debt represents Borrowings plus Lease liabilities, less the sum of Cash and deposits and Investments.

3 Infrastructure spending is not included in the NOB.

I must confess I struggle with this presentation every year.

There was an underspend in infrastructure over the last year. I am unaware the government has done much to address this problem, and it is all a bit chaotic. Certainly it is now looking to mainland contracting firms to fill the void. TasWater is a classic example where its entire works program has been outsourced. The trouble with this is that all they will do is screw down local contractors – already a number of them are refusing to engage with their mainland counterparts.

Housing

It would appear that the government has very little in the way of answers to what is becoming a crisis in the supply of affordable housing.

It is not that the government has been taken by surprise, it has known about this fact for some considerable time now. In fact it called a summit on eh matter over a year ago. And yet, it is bereft of solutions. It chants the mantra "this is a multi-faceted problem", but all it can come up with is to provide some cash benefits to landlords, and a rather nebulous commitment to a longer-term solution.

I would be asking the government, when it talks of increasing the housing supply – where do you intend to do this, and what planning has been done to date? The fact is this is a crisis and it requires the immediate provision of EMERGENCY shelter.

What could these be? Well, containers, as used by the University when it was faced with a similar problem, the provision of mini-houses, construction site housing, flat-pack houses to name a few. Quick to build, and quick to move around. Engage local architects.

Now these are not permanent solutions, nor are they intended to be. But far better to provide shelter, rather than provide no shelter at all.

As was said repeatedly in the fantasy series "Game of Thrones, "Winter is Coming" – in fact it is all but here, and it is indeed an indictment on the government that so little has been done to provide such a basic thing as shelter for those in need.

Now, if I am wrong and the government has done much to ensure adequate shelter, then they have done a lousy job at selling their story, both to the Speaker of the House, who has been outspoken in her condemnation of her own party, and to the homeless themselves. We can do so much better than this!

Macquarie Point

The Eden Project, once touted as the signature tenant for the precinct, has decided to pull the plug on Mac Pt and pull up stumps, citing "significant delays in deciding the future of the site". It joins a long line of developers who have washed their hands of this development.

The CEO says they were waiting on a Business Case from Eden. A "Business Case?" What do they expect to see in such a document, and how equipped would they be to analyse it anyway, if in fact they needed to at all.

What and where is the Business Plan for the Antarctic Precinct? Or for that matter the organic garden? It's a nonsense and a fabrication to hide the fact that they do not have a clue what to do, or how to progress the project.

As for the Open Day – "Meet me at Mac Point!" Come and check out what we have been doing over the last 5 years. Our organic vegetables and our bicycle track, perhaps. If I was to meet you there, it would be so that we could go elsewhere, where there might actually be something to see and do.

How is it that this outfit is allowed to survive? The government says it wants the public service to be "effective and efficient..." Well, what a great place to start!

In late-breaking news, the Hobart City Council' Planning Committee is debating whether it will even accept the reset Master Plan at all. Planning officers have apparently advised there is insufficient provision for permanent housing.

Yet this was the point at the outset. It has not been designed as a housing precinct. The provision of accommodation would take away from the very essence of the place, which is that it is a public space. So, back to the drawing board?

How is it that 5 years on, and we cannot even get to first base, other than to spend a heap of money while searching for it.

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