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# "In Support of Progress" Newsletter

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### **The Media Raid**

Last week, on two consecutive days, two separate and major media organisations were raided by the Australian Federal Police (AFP), searching for certain "material".

When told of these developments while overseas, the Prime Minister responded by saying: he supported the laws of the land;

the action was taken in response to referrals to the AFP; and

the decisions made by the AFP were not instigated by the government.

Leaving aside the actions themselves, and whether they should have been taken at all – a matter that has raised grave concerns around the country and around the world, I believe there are some other issues that require answers.

1 The raid on the News Corp journalist was at her home, and not her office, while the raid on the ABC and its two journalists were at its/their office and not their home. Why? Was there intelligence to suggest that one place should have been raided, but not the other? If not, I would suggest for starters a certain "unthoroughness".

2 The referrals were made some time ago, in 2018 and in 2017. What caused the raids to occur NOW, so much later? Although there have been vocal denials, the fact that the raids were made now, immediately AFTER an election, and not before or during an election, would appear to be more than simply a co-incidence.

3 After a while, but not immediately after, it became apparent that the referrals were made by two heads of Department, being the head of Home Affairs and the head of Defence. The government says it had no prior knowledge of these matters. If the PM and his Minister are to be taken at their word, which I have done in order to present these comments, then the two heads of department have taken this action without taking their Ministers into their confidence. In other words they have "gone rogue". This is definitely not a satisfactory state of affairs.

4. The AFP protocol advises:

*Where deemed appropriate by the referring agency, matters of a politically sensitive nature may be raised with the Minister responsible for the AFP by the relevant Minister or Department at the same time the matter is referred to the AFP. This enables the Government to be informed at the earliest juncture of potentially politically contentious matters.*

The Minister responsible for the AFP says these two matters were not raised with him, by the referring agencies or the AFP. So, it was either deemed not appropriate to tell him (why?) or the referrals were not deemed to be "politically contentious" (really, just prior to an election and all). Did they not anticipate that the media would be raided? And if that is the case, then what prompted the AFP to take such action, without advising the Minister?

The action taken, and its timing, raises serious issues, not just to the matter of a secretive government and of a free press, but also to the governance arrangements between the government and the public service. The public service is not an agent unto itself, and should never be allowed to be so.

## The State Budget and GST Receipts

In the last edition I commented on a simpler way of explaining the state of the State's finances. It showed the state was suffering a cash deficit, which means the State will soon need to borrow from somewhere to pay its debts.

What was also apparent from the Budget papers was that GST receipts were less than budgeted and that the trend of diminishing GST receipts was a real prospect.

**TABLE 5.2 GST PAYMENTS (\$'m)**

| budget  | est.    | budget  | est.    | est.    | est.    |
|---------|---------|---------|---------|---------|---------|
| 2018-19 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-22 |
| 2 487.7 | 2 445.1 | 2 475.3 | 2 559.3 | 2 697.2 | 2 799.1 |

The logic is clear, people are spending less on goods and services because they have less money to spend. (Note that the basics e.g. food, are presently GST exempt). It also suggests that more goods are being sourced in ways that may "escape" paying GST (e.g. the advent of online shopping).

There will be increasing pressure, generated by the States, to review the GST arrangements, by either increasing the percentage up from 10%, by broadening the tax to take in the basics, such as fresh food, or both.

The alternative approach, which is for states to rein in their spending, by for example being more efficient, will be met with howls of protest.

## The Battles Within

The Government has been returned with a 2-seat majority. It is similar to what the previous PM delivered, but where he was condemned for losing seats, the present PM has been praised for holding the line. The seats lost have not been regained.

Labor is gnashing its teeth at its "loss" - was it the message that was wrong, or was it the messenger(s)?

The figures of seats won and lost tell an interesting story (see yellow marker in particular):

|                    | Old Parlt |           |           |       |            | New Parlt |           |           |       |            |
|--------------------|-----------|-----------|-----------|-------|------------|-----------|-----------|-----------|-------|------------|
|                    | Ind       | Lib       | ALP       | Green | TOTAL      | Ind       | Lib       | ALP       | Green | TOTAL      |
| <b>NSW</b>         | 1         | 22        | 24        |       | 47         | 1         | 22        | 24        |       | 47         |
| <b>VIC</b>         | 1         | 17        | 18        | 1     | 37         | 1         | 15        | 21        | 1     | 38         |
| <b>QLD</b>         | 1         | 21        | 8         |       | 30         | 1         | 23        | 6         |       | 30         |
| <b>WA</b>          |           | 11        | 5         |       | 16         |           | 11        | 5         |       | 16         |
| <b>SA</b>          | 1         | 4         | 6         |       | 11         | 1         | 4         | 5         |       | 10         |
| <b>TAS</b>         |           |           | 4         | 1     | 5          |           | 2         | 2         | 1     | 5          |
| <b>Territories</b> |           |           | 4         |       | 4          |           |           | 5         |       | 5          |
| <b>TOTAL</b>       |           | <b>79</b> | <b>71</b> |       | <b>150</b> |           | <b>81</b> | <b>70</b> |       | <b>151</b> |

Against a concerted campaign against it, Labor held the line in NSW, WA, and gained in Victoria. It lost a seat in SA due to the redistribution, but gained one in the ACT for the same reason. This is no rout.

There is no huge across-the-board loss, which would lend itself to the argument that the message was wrong. It lost two seats in Queensland and two seats in Tasmania, both I suspect due to local issues. Seats the government picked up.

The real question for Labor is why does it poll so badly in Queensland, not just at this election, but more generally. It might be as much an attitude as it is policy. Class warfare is old hat. Regional Australia commands respect, and I believe Labor does not understand that. I will watch with interest the "contest of ideas" between Fitzgibbon and Butler, while musing on why Shorten would want to continue as a shadow Cabinet member at this time.

Meanwhile in the government's ranks, the two finance spokespersons, being Cormann and Freydenberg, are learning to speak sentences without constant reference to how bad Labor is, which is a novelty, while a new Minister for the Environment is trying to navigate a course through a fractious coalition. Another interesting contest.

The PM has already travelled to the South Pacific - a strategically sensible move - and he will need to do a lot more of it in this region as time passes. China has an increasing presence and influence in the region, and it will require from Australia diplomacy and finesse, not neglect. In this regard, what is odd is the recent visit by three Chinese warships.

The PM says it was all OK and had been planned for some time. Maybe. However, advising the NSW government was apparently not part of the plan, and that is a shocking look. Just imagine if three Chinese warships sailed up the Derwent and nobody knew they were coming?

### **Dark MoFo – an experience**

One of the speakers in the "Dark and Dangerous Thoughts" series was Stan Grant, a well-known journalist and presenter, who told a telling, moving, and highly articulate story (his word) of Australia and its history through indigenous eyes. It is a story of both hope and despair, of care and cruelty, the enormous opportunity for a shared future, and the barriers that need to be overcome for that to happen.

He explored the growing and broader "politics of identity", meaning the way we look at the world through the lens of difference, of "them and us", and how that so often leads to division and mistrust. And he reflected on what needs to happen to find the unity of purpose necessary if we are to move forward, united, one nation. "The ties that bind".

He also reflected on the need for a formal recognition of the first peoples as being an essential starting point, a formal recognition, not of advantage, but of equality. Obviously, such a recognition would be in the form of a treaty, a formal recognition of being.

And he reflected a view that moving Australia Day to another date would mean nothing, without there being in place that formal recognition of being.

I was extremely moved by his exposition (as you can possibly tell).

And I came away with the thought that if there was to be a treaty, that it should be signed on Australia Day. The day would then have a positive meaning for all of us, and be a unifying force, rather than a divisive one.