

ISSUE 1719

“In Support of Progress”

Newsletter

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The Nightmare Scenario

The heightened sabre-rattling rhetoric of North Korea, threatening to strike a mortal blow at its enemy the US by firing 4 missiles at Guam sometime this week, and of President Trump, stating that the US arsenal was “locked and loaded”, and would bring down a “fire and fury on North Korea that the world has not yet seen”, brings us ever closer to a confrontation between the two countries. This vitriol will not simply go away.

China has a pivotal role to play here, and it would behove Australia well to recognise this fact for a whole host of reasons, and play its diplomatic cards well.

China has stated that if North Korea strikes first and attacks the US, and the US retaliates, then it will stay neutral, but that if the US makes a pre-emptive strike against North Korea, then it would step in to defend its neighbour. All of which we are all well aware of. My concern is that words can mean different things to different people.

If a missile is launched by North Korea, and is intercepted by an anti-missile shield (eg THAAD), how can one determine whether it was a test only or an attack? If a missile lands in the waters off Guam, it would certainly be a provocative act, but would it be an attack?

Similarly, the ANZUS treaty, in discussing an attack made **on** an alliance partner – as distinct from a pre-emptive strike made **by** an alliance partner - uses the word “consult”, which is a little different to being “joined at the hip”. It would seem that the PM has carried out his own pre-emptive strike.

Such nuances are the stuff of international diplomacy, but the stakes of misinterpretation are incredibly high, and neither the President of the US or the Supreme Leader of North Korea are known for their nuance.

Nationally

Marriage Equality

The Same Sex Marriage Debate has led the government down a most tortuous path. The split in the Coalition ranks over this issue is profound. Having failed to get approval for a compulsory plebiscite through the Senate, it has opted for a voluntary postal survey to be conducted by the Australian Bureau of Statistics. The difficulty of course is that 1. it is voluntary and 2. it is a survey.

Assume for the moment that the survey will even proceed (by no means a forgone conclusion as a range of issues are presently before the High Court which could cause the survey to be abandoned, and which would then cause the government much grief).

The difficulties surrounding the execution of this survey will ensure that there are enough OUTFITS for MP's on both sides of the debate to maintain their pre-existing positions. And there is the rub. The survey will not change anything. At the end of the day there will be a vote in parliament, and MP's will vote as they always intended to vote.

The government needs this matter to be resolved before the election so that it does not of itself become an election issue. However, it is highly likely that this exercise, to assist resolve an internal party matter, will rebound on the government, which will have to show its colours - and its continuing internal divisions - at a parliamentary vote, that much closer to an election.

Whereas Labor and the Greens have said they will campaign strongly for a Yes vote, and will gain a high profile in so doing, the PM has decided to vacate the field, citing he and his Cabinet will be too busy "running the country". It is an extraordinary statement for the PM to have made, and will alienate almost everyone, from all sides of the debate.

The risk for the coalition is that supporters of the NO vote will seek a more comfortable home, whereas supporters of the YES vote will also walk away from the coalition, in the other direction.

And if the survey does not proceed? – then the issue remains a live, distracting and divisive one for the coalition.

It is a classic OWN GOAL.

Who can be a Federal MP

To lose one of something is unfortunate. To lose another is just careless. That also goes for MP's. The current Parliament is destined to lose far more than that, most of the loss being through dual citizenship arrangements. Very careless indeed!

The rationale for such a law is admirable but the application of that law is something else. There are some who simply did not know they had ever held dual citizenship, such as Larissa Waters, born in Canada, and Barnaby Joyce, whose father was a New Zealander. And there are others, such as Eric Abetz and Sam Dastyari, who have pro-actively renounced citizenship of their birth country.

The argument that one is compromised if they are a citizen of another country and needs to therefore renounce citizenship of that country does not of itself remove the ties that bind, particularly if other family members are still in that country.

Some members (eg Malcolm Roberts) have said that they have sought advice and sent emails renouncing any citizenship of another country that they might have inadvertently held. Others say that this is not enough. Now this is wildly speculative, but what if a country with a rogue regime such as North Korea bestowed "honorary" citizenship on all of our MP's, and simply did not accept any renunciation of that which had been bestowed.

The matter has gone to the high Court for an interpretation of the existing law, but for a multicultural country such as ours the law needs some reconsideration. And particularly so seeing that the Constitution was written when the population was regarded as being British. In fact Australian Citizenship did not come into being until 1969.

The CBA

The CBA has been accused of enabling money laundering on a grand scale. In response the Board announced it had full confidence in its CEO. A week later, the CEO announced his resignation, to take effect at the end of the financial year.

This is nothing if not a complete abrogation of responsibility by the Board of the CBA. Corporate governance is broken, and the culture in the bank is toxic. The CEO, who will continue to draw a salary of over \$5m a year, itself an obscene amount, should be forced to leave immediately. Anything less is an acknowledgement that the bank has condoned the action. As the CEO of the ANZ stated, "This reflects badly on all of us". It sure does.

ENERGY Update

National

The last edition of the newsletter was devoted to the energy situation in the country, and of the various issues confronting the various sectors of that industry.

The PM has once again asked corporate leaders to "play fair" when it comes to electricity pricing, this time calling in the energy retailers for a dressing down. Previously he called in the generators and gave them a similar pep talk. This is limp behaviour. What does he really expect the corporates to do?

The corporates will keep on doing what they always have done. In particular AGL is both a generator and a retailer. It prides itself on its renewables credentials, but it relies on coal and gas for over 90% of its energy production, and will continue to do so. Talk about "Virtue Signalling".

What's missing here is leadership. The inability to resolve certain critical issues such as a reliable energy supply, the "Clean Energy Target", the continuing use of thermal generation, and other critical issues has led to increased risk and increasing risk inevitably leads to higher pricing.

The government needs to do more than bring a wet towel to these discussions.

South Australia

Meanwhile the South Australian government, a champion of renewable energy and the state with the highest energy pricing, has now moved to install a bank of diesel generators, burning up to 80,000 litres per hour, to provide the backup that renewables on their own cannot deliver. And diesel is not a renewable.

This ideological debate has been a very expensive exercise for South Australia, and the present action to provide diesel backup proves the point that when considering the question whether renewables is cheaper than coal or gas, the matter of providing sufficient backup must also be taken into account. Until now it hasn't.

Note: The marginal cost of generating power from an existing coal-fired power station is around \$40/MWh, from a new HELE power station is around \$70/MWh, while wind is around \$60/MWh. However, wind requires some form of backup. Data source: Fact Check Q and A

State

A number of issues have arisen at State level - below are 4 current ones.

EDUCATION

The Minister has stepped back from his commitment to lower the school starting age. Backflip it might be, but I believe he has made the right move, and I congratulate him for doing so.

In many ways the policy was using a sledge hammer to crack a nut. Yes it is important for kids to be exposed to learning at an early age, and yes, many are not getting that exposure, but there are other ways of doing so. In particular I commend to the Minister the existing Child and Family Centres, operated by his own Education Department, a program that could well be expanded.

HEALTH

The Minister continues to oversee a disastrous situation at the RHH. With the Emergency Department at breaking point, and morale all but collapsed, the Minister has now announced new beds and recliners will be in place by the end of October. For the life of me, I cannot understand why he places himself into such an exposed and unwinnable position. The need is now. In fact the need has been "NOW" for some time now.

The Minister continue to chant some mantra about the previous government, but that line is threadbare, and carries no weight whatsoever, especially considering that when in opposition his team opposed the building of a new hospital.

LAW and ORDER

The government states it wants to get "tough" on crime. We want to "lock 'em up. Mandatory sentencing is the go. Tough laws promote respect etc etc. Must be an election coming up. These lines always gets an airing at election time.

The two Ministers speaking on this have suggested that prison is not Club Med and that punishment promotes respect. O Dear Me.

The trouble with such an approach is the unintended consequences, which include:

- . that there is nowhere to put them. Risdon Prison is already full to overflowing
- . prison is an expensive way to make bad people worse (Douglas Hurd)

The real challenge is to reduce recidivism, and that is something over which the government shows no interest.

The GOVERNMENT'S 43 POINT PLAN

As if there was any doubt that an election is due, the Premier has scotched that by announcing on the weekend that he has a 43 -point plan for his next term. He hasn't said what the 43 points are, other than that they will cover "everything". According to the Premier, "everything" includes

- A stronger economy
- Act on cost of living
- Invest more into education, health and those in need
- Keep Tasmanians safe
- Protect the Tasmanian way of life, and
- Build Tasmania's infrastructure for the 21st century

Yes, I think that covers everything.

And yet, why am I not impressed so far?

Maybe, just maybe, how about advising us of the 43 points? That might help.

Further information is provided at www.julianamos.com.au.