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“In Support of Progress”

Newsletter

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Pembroke by-election -the aftermath

The Pembroke by-election

The election at the weekend for the Legislative Council seat of Pembroke was to say the least controversial (see #1727).

The Liberal Party had a candidate, the Greens had a candidate, the Labor Party had a candidate, and the mayor of the area, a former Liberal Party President, was also a candidate.

The Liberals initiated a negative (read dirty tricks) campaign against the mayor, citing his age. The Liberals were keen to capitalise on their policy of taking over TasWater, which is presently owned by the local government councils. The mayor was opposed to this move.

Tactically it may well have worked. The mayor lost. With 20% of the formal vote he came in third behind the Liberal candidate (25%) and the Labor candidate (32%). The Greens captured less than 10% of the vote.

However, strategically it was a disaster, for the following reasons:

- it enabled the Labor candidate to win the seat with less than a third of the vote. The Labor candidate had also expressed her opposition to the takeover of TasWater.
- I suspect if the Liberal candidate came third, those votes would have flowed through strongly to the mayor, who would have been more in sympathy with the government than the Labor Party, and who could then have won the seat on those preferences. As it was, the mayor's vote split 50/50, handing the formerly Liberal-held seat to Labor.
- It alienated all people who had reached retiring age, (including I suspect many members of the Liberal Party), and that will have ramifications at the upcoming state election.
- It has created a maelstrom within the Liberal Party. The Premier (as well as the Liberal candidate) first distanced himself from the negative campaign (“it was a matter for the Party”) before finally stating that he supported it. I guess he had to.
- It has now created doubt in the public's mind over the Liberal's chances of retaining government at the next election.

All in all, a very very dumb move. This is the problem with negative campaigns. It may seem really smart at the time, but the consequences can be far-reaching.

TasWater
Forestry

The Treasurer has now mused that because of the Labor win his reform agenda, including the takeover of TasWater, may well be at an end. Which is a most peculiar statement to make.

Labor now has 4 seats in the 13 seat chamber (a minority), but the Treasurer is now saying that because of this latest Labor win it will be almost impossible to get his legislation through. Which is not really a true reflection of the state of play.

What does this comment now really suggest? That the government has given up? That if re-elected, it's all going to be too hard anyway? Or that it was always just a cynical move to "divide and rule"?

The tactic of knocking off the mayor, a tactic designed to strengthen the government's position, has now flowed through to a government reflecting on its own vulnerability.

TasWater

The government has sought to take over TasWater from local government, which has been resisting the move. The debate has got personal, with the Chairman of TasWater and the Treasurer trading verbal blows.

The Treasurer states the reason for the takeover is to ensure a more rapid rollout of infrastructure and has put together a proposal that would enable Councils a guaranteed revenue source for a period of time. The Councils state in response that the present rollout is OK, that it cannot be done quicker if it wanted to, and that the money offered is not enough.

To which the government counters that it does not accept this argument, and others that the Councils have been rorting the dividend arrangements.

There are other factors at play. No question, TasWater has a very lazy balance sheet, with a low debt to equity ratio. There is an opportunity to gain greater leverage, ie carry a greater level of debt, but it is not being taken. Obviously, if it was a government instrumentality, that opportunity could be taken up.

What is the principle here? I cannot see beyond the fact that the debate is all about money. Councils are concerned they will lose a revenue stream, and government sees the assets and the revenue stream as a useful addition (in the long term) to its revenue base.

Once upon a time, water supply and sewerage management was the responsibility of Councils, which depending on the Council, met that responsibility and took dividends from its investment. Over time, regional schemes became the norm, and Councils banded together to ensure these schemes delivered. Now, with the advent of TasWater, those regional schemes and structures have melded into the one entity.

IT has reached a stage where proper questions are now being asked about governance and accountability, factors that would be more suited to a government entity which could then come under parliamentary scrutiny.

It would be fair to say that the provision of this service is now beyond the remit of individual Councils, and on this basis alone, it makes sense that TasWater becomes a state-owned entity. It will inevitably become one, but in order to do so it will require a more nuanced negotiation than the blunderbuss approach presently being employed to bring this about.

Forestry

Sustainable Timber Tasmania, which is Forestry Tasmania under a new name, has just released its Annual Report for the previous year, (when it was still Forestry Tasmania) and announced a \$24 million loss. As if on cue, the baying dogs decried the performance (Forestry Failure Unsustainable), arguing that the organisation was a loss-making dinosaur. In response. The Minister has defended the result, stating that a \$21 million loss is far less than the \$64 million that was lost previously.

All of which misses the point.

Forestry, under whatever name is given it, is a land manager. It manages forest lands, for a variety of purposes, chief among them being a sustainable supply of timber to industry.

But it does more than that. It is a leader in forest science, which is a necessary pre-requisite for sound forest management, it is a fire manager in a highly flammable environment, it is a builder of roads, and it is a protector of certain areas of special environmental significance within the forest environment.

Yet, one does not anticipate that these "other" activities will or should be revenue-earning. I cite the CSIRO, MRT (Mineral Resources Tasmania) or even IMAS as examples of industry-connected organisations which also service industry, do not make a profit, and which are not expected to.

Its activities in timber production maintains a private sector workforce, although this number has fallen in recent times due to the sustained attack on the industry.

Similarly, Parks and Wildlife is a land manager. It manages land for a different set of purposes, related to environment, ecosystems, heritage and the like, and costs the taxpayer over \$57 million.

It employs more than twice the number in forestry (around 320 compared to 141), its activities also maintain a private sector workforce, and yet not one of forestry's critics questions this cost, or of its "subsidising" industry.

If the argument is that Forestry is *ipso facto* bad, and should be closed down, then what will be the cost to the taxpayer for all those put out of work, what will be the cost to the taxpayer for fire control, and what will be the cost to the taxpayer for the continuing need for land management?

It is beyond time that the nonsense argument against forestry was properly challenged and put to rest. Both organisations are land managers, and both are a cost to the taxpayer. However both support private sector interests, which benefit from their presence, but which add much value to the Tasmanian economy, and both carry out valuable work for the common good.