

PULPING STATE POLITICS, OR DUCKS ON A STRING

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In “A Wave of Unreason” (http://tasmaniantimes.com/index.php?/weblog/article/a-wave-of-unreason/show_comments), I argued that neoliberal politics are sweeping the Western world, Australia in particular, with highly adverse results for the majority of people. How might this argument affect Tasmanian politics, particularly with an election looming?

Recent political history provides the context; the running thread is the corruption wrought by forestry operations.

Cargo cults 1: Hydro-electricity

Where Tasmania differs from other states is in its size and resulting culture. Our powerbrokers whether in business or politics forgather in the plush and oak-dark Tasmanian Club where the affairs of Tasmania are ordered. Deals are done for mates that are said, however improbably, to fix the ever fragile Tasmanian economy. It is a perfect setting for cargo cult type thinking.

We start with hydro-electricity. In the 1930s, Premier Albert Ogilvie saw “white coal” as a means of getting Tasmania out of depression. It worked: many industries were attracted to Tasmania for the cheap electricity (which doesn’t apply to households). But it became a cargo cult. The Hydro-Electric Commission in its hubris planned to dam every free running river in the State. Two such projects changed the face of Tasmanian politics.

The first was the damming of the Gordon River in 1972, which inflated Lake Pedder from two to ninety square miles. This was done in the face of massive local, national and international protests. One important fruit of that exercise was the formation of the United Tasmania Group, to become the world’s first Green party.

The second project was uncovered four years later by Bob Brown while rafting down the Franklin River. He discovered that damming the Franklin had already started, without parliamentary approval. As a result of Bob’s contagious outrage the Tasmanian Wilderness Society was born. Protest was widespread and effective. The issue split the Labor Party, which handed the 1982 election to the Liberals under Robin Gray, who enthusiastically continued Franklin dam operations. However, Doug Lowe during his brief stint as Labor Premier had had the Gordon-Franklin area listed as World Heritage, which placed it under Commonwealth jurisdiction. That eventually saved the Franklin. Today, Tony Abbott plans to hand environmental discretion back to the states – a move that has important and adverse implications for our forthcoming state election.

Cargo cults 2: Woodchipping

Gray, re-elected Premier in 1986, saw woodchipping as the next cargo cult. He was a board member and later director of Gunns timber company, you see. Gunns, with Forestry Tasmania, plunged ahead with highly mechanized and destructive operations in the heart of Tasmania’s old growth forests. However, Gray lost the 1989 elections to Labor Premier Michael Field in an accord with Green Independents. Together, Labor and the Greens put in place much progressive legislation, such

as forest protection, gay law reform and Aboriginal land rights, and importantly, they had an agreement on woodchipping targets.

This not being what Gunns wanted, chairman Edmund Rouse offered \$110,000 to Labor member Jim Cox to cross the floor handing power back to the Liberals. Gunns could then proceed with rather more woodchipping than the Labor-Green accord allowed. Cox went to the police; Rouse went to gaol; Gray was severely reprimanded.

Gray's parting gift to the new Government was a massive deficit of some \$100 million. Having to cut public spending, under pressure from the timber industry Field increased woodchipping over the amount agreed with the Greens – and blamed the Greens for subsequent loss of government.

This schism, and its different interpretations, were to haunt Labor-Green relations for years.

Decreasing the size of both Houses

In 1996 the Liberals held the balance of power with the Greens. Tasmania, as Nicholas Rothwell put it, was “close to the point of breakdown”, citing the social indices of health, unemployment and so on that we are familiar with as descriptors of today's Tasmania.¹ And it was all the fault of those bloody Greens, Labor and Liberals agreed. Then followed a nasty stitch up: an attempt, vain as it turned out, to lock the Greens out of Parliament.

Opposition leader Jim Bacon, no doubt on the correct assumption that he would be next premier, revived a plan to reduce the size of the House of Assembly from 35 to 25, and the Legislation Council from 19 to 15 members. Labor and Liberal members had just voted themselves a 40 per cent salary increase at a time of stringency; they claimed that the fewer members would offset the cost of the salary increases. The real reason however was to squeeze out the Greens. Under the Hare-Clark system in a 35 member house, a party had to obtain 13 per cent of the votes to gain a seat but in a 25 member house a party had to gain 17 per cent of the votes, which would hardly affect the major parties but would severely disadvantage minority parties and independents. It also delivered much more power to cabinet and to the Premier in particular, which in Bacon's view and in that of subsequent premiers was a very good idea indeed.

In the event this didn't spell the end of the Greens but it did spell the end of competent government. Fewer members meant that ministers were hideously overloaded with portfolios; there was no back bench worth speaking of and bills were rammed through with minimal examination or discussion. The *Mercury's* Wayne Crawford summed it up:

Parliament has degenerated into a form of absolutism where Cabinet controls the caucus which dominates the legislature and Parliament becomes little more than a raucous debating panel... If we have sacrificed anything by slashing the number of politicians, it is only democratic representation.²

The decrease in the size of the house meant that the costs of incompetent government were far higher than what might have been saved by having fewer members of parliament.

The Bacon-Lennon Years

Jim Bacon came to Tasmania as a senior official in the far left wing Builders' Labourers' Federation, in 1989 becoming secretary of the Tasmanian Trades and Labor Council. Less than ten years later he was Premier of Tasmania. A member of the extreme left no longer, this one-time enemy of big business was now their best friend, his very best friends being the timber industry and the hospitality and gaming industries.

Bacon established a forum, "Tasmania Together", whereby concerned citizens could give their views on issues to which he promised to listen. One of the first requests was that clear-felling old growth forests would cease by 2003. His response after winning the 2002 election in a landslide was to allow a sharp increase in clear-felling.

In like manner, despite much pressure to reduce gambling, Bacon gave Federal Hotels a 15 year monopoly on poker machines, and in a generous gesture to Federal he waived the licensing fee of around \$300 million. He explained in a baffling *non sequitur* that a Federal monopoly would discourage gambling.

He got away with these and other slaps to the public face, first, by virtue of windfalls to the State's finances, notably Howard's new GST, which conveniently covered Bacon's many extravagances. Second, Bacon got Deputy Premier Paul Lennon to play bad cop to his good cop: "Bacon's attack dog" as ex-Liberal leader Bob Cheek described him. When however Bacon died in 2004, the attack dog became top dog, a role for which Lennon was ill suited. Now the consequences of the depleted parliament really kicked in. Lennon made matters even worse by decreasing the number of parliamentary sitting days to the lowest in Australia.

Caucus was now Lennon's megaphone, parliament his rubber stamp. There was simply no time for overloaded ministers even to argue, let alone to debate and fine tune, legislation. The results in a variety of areas – public housing, prisons, education, the environment public and mental health, transport and infrastructure generally, planning development (not to mention the pulp mill, see below) – were grievous and still are. Lennon had dragged the popularity of the Labor premiership from Bacon's high of 78 per cent to 17 per cent.

Exit Paul Lennon front stage but he certainly remained as puppet master back stage.

Cargo cults 2 (cont): Forestry agreements and disagreements, not to mention the pulp mill

Gunns, in conjunction with Forestry Tasmania, clear-felled large areas of old growth forest, chipping the high quality old growth logs themselves. The original forests were replaced with plantations, mainly the exotic *e. nitens*. Around 200,000 ha of plantations were established both on the old growth sites and on once highly productive farmland. The plantations created much ecological, agricultural and social damage.³ Federal Forestry Minister Eric Abetz offered 100 per cent tax offset for those investing in plantations as management investment schemes (MIS). Hundreds of millions of dollars that should have gone into general revenue were being used for such destructive ends.

So what was that all about?

In 2003 we found out. Paul Lennon and CEO of Gunns, John Gay, lunched together to discuss a pulp mill. That lunch had consequences that ushered in surely the most bizarre phase in Tasmanian politics, two phases in fact: from 2004 to 2012, and from 2013 to date and beyond.

I have detailed the facts and issues in Phase1 elsewhere.⁴ In brief, to set the context:

- On 16 December 2004, Gunns announced their pulp mill proposal, which was referred to the Government's Resource and Planning Development Commission (RPDC) for assessment. Paul Lennon heaved two RPDC Chairmen in succession, both resigned.
- In March 2007 the RPDC found the mill "critically noncompliant" with the RPDC guidelines and wrote to the Premier's Office to that effect. An insider leaked that information to Gunns allowing them to withdraw from the assessment before that finding became official.
- Premier Lennon promised Gay a fast-track assessment. Gunns' lawyers drew up the assessment guidelines that addressed the benefits of the mill but not the health, environmental and economic costs. The assessment was carried out by SwecoPic, a company with an interest in the construction of the mill.
- In March 2007—events moved swiftly – the Pulp Mill Assessment Act (PMAA) was rushed through Lower and Upper Houses, with a nasty Clause 11 that protected Gunns from any legal redress in the event of any adverse effects during the construction and operation of the mill.
- Events then moved slowly. So slowly the must-start-by date of 30 August 2009 had been passed with nothing to show. Gunns were granted a two year extension to 30 August 2011 by which date they had to show that "substantial commencement" on the mill had begun. On 27th August 2011 Gunns let a \$20 million earthworks contract in order to get some "substantial commencement" in place, but work didn't actually commence until *after* the second expiry date. The Tasmanian Conservation Trust went to the Supreme Court arguing that the mill had not shown substantial commencement by the due date and that any further work on the mill was illegal. That case has yet to be heard.
- From 2008 Gunns' share prices started to decline rapidly. In November 2009, CEO John Gay unloaded 3.4 million Gunns' shares just before they crashed. He was charged with insider trading, he pleaded guilty. Justice David Porter, praising him for his "exemplary" character, fined him \$50,000. The Federal Police did not press charges and allowed him to keep the \$780,000 odd he made on the deal. If David Hicks and Schapelle Corby could be so lucky.
- In October 2010, representatives from the timber industry sought an agreement with environmental groups (but not including the Greens) in order to restructure the industry and to end the scarifying warfare that had split Tasmania for over forty years. After hard negotiation a deal was struck: the Tasmanian Forestry Agreement (2012) passed both Houses. The industry agreed to Forestry Stewardship Council (FSC) certification and to locking up some 420,000 ha of old growth forest, the environmentalists to cease demonstrations against forestry operations and to agree to "a" pulp mill. Neither side was entirely happy but at least there was a general agreement where before there had been fierce hostility and an industry in crisis. Some outside the negotiations weren't happy either, but a peace agreement had been signed and sealed, giving the timber industry the way ahead it had itself requested.
- In Parliament in 17 May 2011, Premier Giddings stunned Tasmanians when she said that the TFA "was all about getting the pulp mill up." Now where did that come from? Most Tasmanians had thought it was all about reconciliation between the industry and environmentalists and restructuring the industry, in which "a" pulp mill might be involved.
- The Liberals were also for getting "the" pulp mill up – but without any TFA. As soon as the TFA was proclaimed Hodgman swore he would tear it up if the Liberals were in government. His Big Brother in Canberra, Tony Abbott, agreed and further, plans to ask to the World Heritage

Committee to delist 74,000 ha of old growth forest from an additional 172,500 that had been listed as World Heritage only months previously. The Forest Industries Association of Tasmania does not support these moves by the Liberals: loss of the TFA would mean no FSC certification which would mean any timber would be unsaleable.

The pulp mill saga Phase 2.

- In September 2012 Gunns lapsed into bankruptcy owing over \$3 million, the ANZ Bank being the major creditor.
- On the 19th September 2013, Gunns' receivers, KordaMenthe, wanting to sell the permits for the pulp mill, wrote to Premier Giddings requesting Parliament to enact legislation specifically in order to forestall the pending court case by the Tasmanian Conservation Trust. If that case was successful (and they obviously feared it would be) the permits were invalid and therefore unsaleable. KordaMenthe asked the Premier to pass a *new* act along lines dictated by KordaMenthe to bypass whatever decision the court might make.
- The Premier convened Parliament specifically to do KordaMenthe's behest. The Lower House passed the Pulp Mill Assessment Amendment Bill on 28th January, the Upper House two days later, both by large majorities. The Supreme Court had been bypassed.

Most Tasmanians had thought that "the" pulp mill, deceitfully conceived and improperly assessed, was dead and buried. And here, in 2014, it is back again. Centre stage.

Twice now, both Houses of Parliament had, with large majorities each time, passed an improperly assessed and potentially hazardous mill at the behest of private companies. Geoff Cousins, on ABC's 7.30 Report, claimed on advice that Premier Giddings had corruptly submitted the wording of the legislation to KordaMenthe for their approval before putting it to the Parliamentary vote. Another disturbing issue about this legislation is that a company, for private commercial reasons, had asked Parliament to legislate in order to forestall an ongoing court case – and Parliament had *agreed* to being so used.

None if this is in the public interest. Parliament exists to legislate for the benefit of the people of Tasmania not for that of private corporations. Parliament is also required under our democratic system to respect the separation of powers between the executive and the legislature. Both Houses have failed on both counts; they have therefore failed Tasmanians and arguably the constitution.

The Greens and some independents in the Legislative Council who voted against this legislation are the only ones to emerge with credit.

The 2014 elections

A major issue in the forthcoming election is what should be a non-issue: minority government. Minority or power-sharing governments are common all over the democratic world. Power-sharing allows inputs into government from a wider variety of sources and thus to legislate for the wider interest; it requires much more consideration and negotiation, which must make for better legislation. If the pattern of voting indicates no majority for any one party, then that should be respected as reflecting the will of the people.

Tasmania previously has had successful minority governments. The minority Field Government of 1989-92 enacted excellent legislation – where that went wrong was disagreement over woodchipping when Field didn't honour the agreement. The 2010-2014 minority government was unusual in that two Greens were part of a Labor Cabinet. As a legislative machine it worked as well as could be expected, hobbled mainly by the fact that too few ministers were grievously overloaded, one holding five portfolios! Such a load must have made informed decision-making on any one portfolio virtually impossible, needed decisions were shelved. Without the Greens in Cabinet matters would have been worse. The Green influence in fact was relatively minor: forest protection, climate strategy and social justice legislation, which should have been in Labor's toolkit anyway, as once it had been.

The government was undermined by anti-Green hate campaigns, mainly from the Liberals, who prefaced criticisms with "this Labor-Green government" as if Labor had been taken over by an extreme leftist "anti-everything brigade." If that dishonest nonsense was intended to alienate Labor's traditional support base, blue collar workers particularly in mining and forestry, it succeeded. With an election only months away, the hardliners in the Labor Party ordered the Parliamentary party to distance themselves from the Greens. Premier Giddings sacked the Greens, and to make sure everyone understood that the association with the Greens was over she resurrected the pulp mill – an issue on which Labor knew the Greens would never compromise.

That didn't stop the Liberals opened their election campaign with: "A vote for Labor is a vote for the Greens!" This is patently silly and untrue, for in the event that no party gains a majority in an election, the Governor asks the parties if an arrangement can be reached that can be tested on the floor of the House. For a leader to demand majority government or nothing is not the way democracy should work. Democracy is not a matter of winner-take-all with a mandate for all the winner's policies, as the current Federal government is doing, but to give maximum representation to community views, as our Hare-Clarke system is precisely designed to do.

As we enter the election campaign, there is little to distinguish the platforms of the two major parties from each other except for the Tasmanian Forestry Agreement, which has important implications for future directions. In terms of financial outlays the two parties overlap by 97.5% but the Liberals have said less about their budgeting.⁵ In their style of electioneering based on raucous negativism and name-calling, and in their small target platform, the Liberals are behaving like their Federal counterparts.

Will Hodgman started off as a "wet" Liberal like his father Michael, who was on the side of business but listened carefully to people and showed a human face to legislation. However, the prevailing climate in the Liberal Party is now very dry indeed. Eric Abetz, the Tasmanian Liberal Party' Godfather, like the First Witch in *Macbeth*, has drained Will dry as hay with respect to Abetz's prime interests: industrial relations, and development unfettered by environmental concerns especially the regard to forestry. Under Hodgman, there would be widespread cuts, including 500 public service jobs, despite the pledge to reduce unemployment, the TFA would be shredded, environmental protection (rephrased as "green tape") would be minimized, appeals against damaging developments made more difficult, while demonstrators against forestry operations in particular would be fined \$10,000.

The Labor Party for its part seems to have learned nothing from its history. The fact that its vote is low is inevitable given that its power base is confused – recall when Paul Lennon, heading 2,000 baying unionists, cheered *John Howard* in the 2004 election campaign in Braddon! That was all about forestry, that suppurating sore in Tasmania’s body politic. The pulp mill became Lennon’s personal obsession, so it shouldn’t have come as a surprise when Premier Giddings, his protégé, revived the mill. It seems that whereas the Greens’ views on the mill are substantive those of Labor are not. They too must surely be aware that the mill is economically and environmentally a dud – but it would, along with mining, provide that depleting Labor resource, unionized labor, upon which the Party depends. This would explain Lennon’s determination to get it going from the outset, assessed or unassessed, and however heavily subsidized with public funds.⁶ At least, however, the Labor Party still stands by the TFA – and that is an important “at least”, for the FTA opens the door to new possibilities.

Labor’s trouble is that the Hawke-Keating embrace of neoliberalism landed the Labor Party in bed with the corporate world. But that’s Liberal territory and they can’t beat them at that. They would do better and be more authentic to Labor philosophy to go back to where they once were on social justice – which is roughly where the Greens currently are – and to be more flexible about the environment. The Greens and Labor as ostensibly parties of the left have more in common than Labor does with the Liberals, yet on so many issues Labor has been playing the same game as the Liberals. That spells death for Labor. Their only hope, as Dennis Altman points out, is in presenting a genuinely *different* vision from the Liberals.⁷

Tasmania is today repeating much the same pattern as in the 1990s: the worst state in the country on indices of health, education, unemployment, the economy. On the other hand, tourism is booming, Tasmania’s reputation in the arts, fine food and wine indicate a potential for a post-industrial future direction that the Greens strongly support and Labor kind of supports. Such a direction is vital as Tasmania cannot possibly compete in large scale manufacturing projects such as a giant pulp mill and we must also get away from the extractive chop-it-down and dig-it-up economy that has resulted in division, failure and bankruptcy. Yet this is the failed old-fashioned economy that the Liberals are intent on reviving.

To return to my original question, the neoliberal wave of unreason sweeping the Western world is indeed affecting Tasmanian politics, most strongly as the Liberals follow their dry Federal counterparts. Tasmanian politics is additionally driven by the cargo cult mentality of the one big corporate owned fix, using Parliament as the means for achieving that undemocratic and divisive end. Here is neoliberalism with Tasmanian characteristics.

Jonathon West writes: “The final source of blockage and failure to take advantage of opportunity is *internal division*” (my italics).⁸ The main source of division in the community has stemmed from the forestry industry, including the pulp mill (despite Lara Giddings’s assurances that the mill is not a divisive issue). Will Bibby is more specific: “Many wonder if the ghosts of Gunns will continue to stalk Tasmanian politics and limit Tasmania’s imagination of future options.”⁹ If the Liberals obtain a majority in the coming election we need wonder no more; their imagination is limited to a future based on repeating the mistakes of the past, especially with respect to forestry. They have learned nothing from the past. Gunns may be dead, but its ghost would live on.

There is a story, probably apocryphal, that as a wild Tasmanian boy, Errol Flynn tied a piece of meat to the end of a long piece of string and fed it to a duck. It duly excreted the meat with the string attached; Flynn attached another piece of meat to the string and fed it to another duck, and so on until he had a line of ducks threaded bill-to-arse on the same length of string.

Call the string Gunns, and the ducks successive Tasmanian governments, and you have a nice metaphor for the thread running through Tasmanian politics over the past forty years.

¹ "Lost Island", *Weekend Australian*, 26-27 April, 1997.

² *Mercury*, 2nd May 2008.

³ John Biggs, *Tasmania Over Five Generations: Return to Van Diemen's Land? Forty Degrees South*, pp. 292-7

⁴ Op. Cit. Chapter 48 and Postscript

⁵ John Lawrence, *Tasfintalk*, 19 February, 2014.

⁶ An interpretation suggested to me by Anthony John.

⁷ Dennis Altman, "Labor's Green opportunity", *Inside Story*, 13 February 2014.

⁸ *Griffith Review* 39 (Autumn 2013), p59.

⁹ Op.cit. p. 73.