

Poll Position

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Peter Lewis [00:00:05] Okay. Hello, everyone. Welcome to pole position. My name's Peter Lewis. I'm director of Essential Media. I'm with my regular partner in crime, Katherine Murphy from Guardian Australia. But we are without Ebony. Although there is a photo of her up there at the moment, I don't know how you can all say that, but she is in the sickbay and she has entrusted Mace to run this discussion today. So get ready for some thrills and spills as we work our way through The Guardian Essential Report in our fortnightly poll position. For those who have not been here before, and I'm sure there's very, very few of them used the chat and the Q and I to have your views and questions put into the discussion, but also make sure that we all keep it nice. Or, as Ebony always says, we will put you out. I'm joining you here from Gadigal Land in Sydney. It's a beautiful sunny day up here. I suspect Katharine is just in the bunker in Parliament House. So wherever you are, you will join us in recognising the land that we're all on was never sated and paying respects to elders past, present and emerging know the way we normally kick these things off is just to do a bit of a sit analysis, isn't it, Katharine, about what the mood is in Canberra. It's the week of the budget. There is air reform going through the House. Of course it's the first Tuesday in November. So apart from the race that stops the nation, which we have got some polling on, it's also the Reserve Bank board meeting that that stops the nation. I don't know if we're just a little bit ahead of that or not, but what's the vibe a week off from the budget or as I like to call it, the budget because it was a little while. And where do you think both the Treasurer and the PM are sitting in terms of I guess their their expectations from a couple of weeks ago and where they've landed now.

Katharine Murphy [00:02:10] Yep. Well, hello, everyone. And hello to Eb. If she's listening while she's at home sick. This for Peter and me is sort of a kind of throwback to what we used to do this by ourselves. So anything could have it really do. I will try and try and keep it on track. Hello, everyone. Yes, let's start with where we're at. So it's obviously been a really be the couple of weeks. There's there's the budget and there's the beginnings of an argument between the new government and the business community on industrial relations legislation which kind of kicked up towards the end of budget week and has flown sort of a will is continued into into this coming week. And yes, it will be a very busy afternoon in, as Pete says, because if you're not into the Melbourne Cup and a lot of people aren't, I think everybody more or less is into what the Reserve Bank is going to do this afternoon in terms of interest rate rises. The tip is that interest rates will go up again and I think that's the seventh, I think that's the seventh increase. So anyway, where are we at? Well, I think sort of having done lots of budgets, too many to even think about, I think the lead into the budget was

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largely well managed by the government. I think the sort of what they what the government wanted the budget to be about was very clear to people and I think we can see that a little bit in some of the polling numbers that we'll go through in a bit. People people got two messages. I think if we look at the poll and I'm not running ahead of us here, but if you look at the poll, we'd say that voters certainly got the message that the first Albanese Government budget was a down payment on budget repair and certainly got the message that there weren't cash handouts coming for them in terms of cost of living in in the budget documents. So but the thing about budgets is you can set up this narrative very neatly and the government did I think over about a four week period. But then the minute, of course, everyone cracks the budget papers, the counternarrative begins. So it's sort of like, I think in the government's mind they wanted the budget to be about first sort of well a about about several things, about election promises, about a down payment on budget repair, because obviously one of the fastest growing measures in the budget papers at the moment is the interest we're paying on on the borrowing for the borrowing that that is funding various expenditures. So and so it was sort of in that promises budget responsibility kind of frame the minute the budget papers opened cost of living was far. More central because in the inflation section of the budget papers, there were some forecasts about energy prices, the direction of them this year and next. And even though I think a lot of people are conditioned now to the fact that energy prices are going up and and there's not a lot of options to do anything about that quickly, I think, nonetheless, a focal point emerged around those energy forecasts. And then the sort of more radical element of the budget was sort of to the fore by radical I mean, over the last several years and some of some folks on this today will have been with us, because these conversations basically started in the pandemic, and a lot of people will have been with us throughout that time. So the pandemic has really conditioned all of us, conditioned the country to have different expectations of budgets, sorry, of governments, which which is is sort of really interesting. We now sort of have this expectation that government will be present and empathetic at governments, will also react to short term discomforts and pressures. And I think the government, the new government, Anthony Albanese and Jim Chalmers sort of wanted to start to turn that mindset slowly, not not away from the idea of empathetic government. That's a whole package. But from the idea that that the answer to every every short term to the billions is that the government will give people money or give people temporary assistance in order to weather those cost of living pressures. And and obviously, that has to happen because if we do this in perpetuity, it's obviously we get back to the the the debt problem that we've got also because the Reserve Bank at the moment is trying to basically fight inflation in the economy by lifting interest rates. And we'll look at it again this afternoon. So fiscal and monetary policy do need to align better them all. The more kind of stimulus you put in the economy, the worse inflation gets. So there's that whole picture. But I think always sort of when you sit in a room and you wargame the reception for the for the for the budget, how is it going to go? What things are people going to pick up on? It's one thing to do that in theory as a new government, say, look, we've got to turn a bit of a corner here. We've got to redraw expectations a little bit and we're going to do that in our first budget. It's one thing to do that in theory, and then it's another thing to experience it. When you stand up in budget night and all of a sudden your budget is is sort of not exactly what you thought it was going to be about.

Peter Lewis [00:08:04] Can I ask you about the dynamics in the lockup when the papers are delivered for those that haven't lived through the seven sorts of hell that is the budget lockup, you basically are locked up with a whole bunch of pretty dense books to work your way through. Was

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there an aha moment where everyone went, Oh, look at these energy numbers? Or was it something that was seeded in by government and Treasury officials, or how did that whole dynamic play out?

Katharine Murphy [00:08:34] You know, I think it was like that, although in terms of the I don't I don't know what happened. Deb, the other end of the corridor is if.

Peter Lewis [00:08:44] People are.

Katharine Murphy [00:08:45] Listening, can can envisage the press the parliamentary press gallery where we are locked in these days. You used to be committee rooms in Parliament House. Now we are actually locked in.

Peter Lewis [00:08:54] Are you just in your own office now.

Katharine Murphy [00:08:56] That we're we're basically imprisoned in the press gallery for a number of hours, which is why I was going to make a joke, but I won't. So the basically we are at the Werribee end and and the Treasurer and Treasury sort of start the walk through down the other end of the galleries.

Peter Lewis [00:09:15] So they start at News Limited or they come to you guys first.

Katharine Murphy [00:09:18] No, I think it's no other other end. So I think the first office they probably visit would be the nine the nine newspaper office, because I think that's the first one you hit. So so anyway, I don't know what happened down the other end because the thing about lockups is that you're very compressed for time. I mean, you know that no one's hanging out in the corridor, working out what the hive mind tells you at the best of times. And he's certainly not doing that on budget day. So I don't know what happened down the end of the corridor in terms of where we said, I think the dynamic of the budget coverage was, you know, people looking for that, the new throw forward bit of information because we knew that we knew there would be funding of election promises. A lot of people very familiar with Labour's election promises. Now we knew the major forecasts in terms of the inflation. But the unemployment number, the growth number, we knew this in advance and reported these things. So I think the question on budget night is always what what does the whole story tell us? But also what is new? And because those energy figures were unknown until budget night, although we had we had some other figures that would lead us to.

Peter Lewis [00:10:37] A.

Katharine Murphy [00:10:38] Similar conclusion, I think that's why those figures got a lot of focal point on the night because because it was genuinely new information. This was unknown until we all cracked budget paper number one inflation section.

Peter Lewis [00:10:52] So well, I'll jump into the numbers. If the coming plan was too lawless out of any sense that this was business as usual, you'd have to say it was pretty successful on just checking. Can everyone say that? I think it's looking okay. So let's start with a long trend line we've had, which is people's expectations of economic conditions in the next 12 months. And this is almost an economic by a rhythm really. And if you look at the journey from the 61 getting worse to 21 getting better in the budget, I think that must have been something we asked just at the beginning of the the global financial crisis 2008, the good times by nine and then sort of the good times again 59, better, six and worse in September 15. And now we we're looking at a world, obviously, where we've been through the pandemic, where it never really got to doom and gloom. It was always like 43, good, bad. And I don't know if that just changed our expectations or whether the government was doing a good job, but now we're back to 5224. Katharine, that says to me that if the government is trying to get people to accept a sense of the gravity of the situation we face, then they've been pretty successful with it.

Katharine Murphy [00:12:16] Yeah, well, I hope I said a minute ago, it's sort of like I think the lady in was very successful in terms of that sort of framing of both what the budget would do and the conditions in which the budget was being delivered. And of course the Treasurer, you know, made much of the fact that in advanced economies there's a very high prospect of hard landing, which is a bit of jargon, which basically means a recession in in the United States, in the United Kingdom. And if that were to be the case, then obviously Australia would not be immune from those conditions. So that was very much front and centre in the pre-budget messaging. And if for engage voters and a lot of people with us today are obviously very engaged in politics. People would know, I'm sure that the Treasurer went to the G20 finance ministers meeting a week before the Budget, basically to get a bit of a readout from global colleagues about the state of the global economy, which for some of us with long memories and was a bit reminiscent of what Wayne Swan did at the start of the global financial crisis. But that was that was a that's obviously a different level of threat, but similar in that the first Labour budget sort of after the 2007 election was initially focussed on fighting inflation. That was its sort of central messaging after Wayne Swan took some soundings internationally about the scope of the banking crisis that was going to roll through global financial markets. He came back home from the United States and fundamentally altered the budget. So nobody thought Jim Chalmers was sort of guy to just chuck out the budget entirely and start again ala before the GFC. But I think there was, you know, people who were following politics closely would be well aware that the international conditions were relevant and and people who are hyper aware, hyperconnected would even know that the Treasurer was going to go to the US just before the way we have to wait before the budget.

Peter Lewis [00:14:22] Yeah. Yeah. The other obviously we've spoken about the one that people didn't see coming, including us, was energy prices, although we were going into field Tuesday night

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and we held it back to Wednesday morning, I think we had a favourite exchange, although you were probably a bit crook by then, but we did ask a couple of questions on energy. The first one was just asking people of all the different issues floating around, which they think are the most important. And we gave them five issues and we said, you can say it, you're not sure as well and ask them to say the most important and the second most important. I might just for those listening at home, Essential Report accommodate you, but just going from the most important to the least. Number one excessive profits by energy companies. Efforts to fight climate change in a two. The current network becoming old and worn out, coming in at three. Ukraine which is the default reason at four and then kind of the the contra argument that suggests there's too many restrictions on oil and gas which really means they won't let us frack came down the bottom of the line so a bit of everything but it's interesting to me that excessive profits by energy companies is seen as the number one. Yeah.

Katharine Murphy [00:15:39] And the grain schemes just, I'm sure will come back to. I should bet that the, the grain schemes are higher in public consciousness at the moment as a cause of these things than, than two of the most acute causes at the moment, which is the war in Ukraine, which has created this global shock in energy markets and also the state of Australian is generation assets. But anyway we'll come back to that on.

Peter Lewis [00:16:02] I yeah, I reckon we've got a bit of time to spend on energy Katharine but this is the one that I reckon would be sending shivers down the spine of the Labour Government because 67% of people believe that the government can do something and make a difference on energy prices. That was pretty much equal across the political spectrum. In fact, Labour vote is slightly more likely to be expecting the Government to do something than others. And I guess that before we go into the other budget, so much has come up from Air Fryer for a sec to say, although I've probably stuffed all this up right at the important moment, can we get back to full screen? I don't know. Maybe I'll just stay and stuff. Share. Sorry, guys. We privatised the electricity over the last couple of decades. A Guardian reader has pointed out that Queensland still has elements of its network in public hands that probably got a little bit more control. But I have put a piece up in The Guardian just sort of musing on the parallel universe about how the politics would be playing out now if that whole movement to privatise electricity had either not occurred or not been successful. And in a way, it was the high point probably of the neoliberal agenda. I end up being drawn into it intimately. This is at a stage of my career where I was working out of the trades call for John Robertson, who was head of Unions New South Wales at the time, before he became Labour Opposition Leader. For those with long memories, it actually brought down a New South Wales Premier, Morris Iemma, with Robbo. His predecessor Michael Costa, took to an ALP state conference, the privatisation and they got rolled and it was in a way in New South Wales, the breaking of the McKell model, which had always been that accommodation that the industrial wing would let the political wing at the end of the day govern and a broke relationships. It was a real free shot in New South Wales politics for a long time and while the side was blocked it also kind of rendered the last term of labour of those four terms up to 2011, effectively a lame duck. And then the Libs got in promising not to privatise and then they did as you do. Although to his credit Baird went to an election on the issue and also interestingly, the ultimate buyers were industry super funds, which always made me wonder whether the whole thing had been framed up rather than the binary of public ownership prior to

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private ownership. But workers capital investing in the system which is interesting. So I think a Chalmers is talking about that a lot now would have been a very different history. So to wrap all that up, I think that the Government's labours are limited. But when you're looking at what Government is trying to do, Dan Andrews effectively setting up public ownership of renewable companies, the WA Government reserving parts of the gas system and this talk about a new idea of investment, particularly as we build community grids as opposed to the old distribution grids. It almost feels like by stealth we're moving back into that virtual reality. So I don't know, Katharine, you were there for that journey as well. I don't know if you carry quite the same scars as made from the actual battle, but would it be a different world with a network of energy companies that were publicly owned and existing in the public interest?

Katharine Murphy [00:19:36] Well, it's sort of a feature of modern governing that there are very high community expectations about what governments can and should do, and there are limited levers for governments to actually deliver these things. And that's a consequence, despite says of a long history of deregulation and privatisation and other sort of handing back of powers and obviously a lack of centralisation in the economy. So I don't know. Yes, obviously it would be a different world. The government would have more levers than they currently do in order to sort of step in and intervene. But the sort of the counterfactual is what else would be different? Well, it's it's hard to judge what else would be different. Governments would certainly possess the power, but but what else would be different in the market? And that's the sort of unknown if we sort of just pretended the whole privatisation era never happened. So hard to know, but also with great power comes great responsibility. For a fellow Spider-Man fans out there, so in the event that governments maintain full ownership of these assets, then obviously the government would be responsible for all kinds of things, which these days it's not responsible for. So anyway, it's just it's an interesting thought experiment.

Peter Lewis [00:20:58] And the other thing, though, is that just before the sell off, there was this big investment in gold plating the network so private companies could make money out of it. Is that what Boeing is doing again, this time with the renewable networks, or is there a different model at the end of this?

Katharine Murphy [00:21:12] Well, it is a big question, apart from can it actually be done, apart from can rewiring the nation be rolled out on the government's pre-election timeframes? That's the first question. The second question is how that fits with a more sort of decentralised distributed energy network as a consequence of Australians being rapid early movers with solar panels, for example, we have, I believe, one of the most distributed energy systems in the world. Old. So it. One level, sort of all of this high, high value transmission infrastructure, which is at the heart of the Powering the Nation plan. If people are across that, you sort of look at that and think, oh, really? Except the thing is, if we actually want to execute the low emissions transformation in the energy market that we need to execute, then that's the means of doing it. The more high voltage transmission infrastructure we we can put in place, the more renewables can be can basically grow as a share of generation in the grid. So but it is a conundrum that I it's it's absolutely a conundrum whether or not.

Peter Lewis [00:22:32] The.

Katharine Murphy [00:22:32] New form of gold plating.

Peter Lewis [00:22:34] Yeah. The final point I want to just make as well is the extent to which when power prices do rise, we've actually got two classes of citizens, those that have had the wealth to put solar on their roof and those that do not have the wealth or are renting. It seems to me it's almost like we've had a vaccination programme where running the rich can be vaccinated.

Katharine Murphy [00:22:58] Now there are big there are big equity issues. I can't believe that we've never spoken about this. I mean, I'm saying that sort of slightly tongue in cheek, because I reckon we will have at some point in the making.

Peter Lewis [00:23:09] About most things over the years, Katharine. But yes, I think so.

Katharine Murphy [00:23:12] I think so. But no, but that but that is that is a genuine equity dilemma that we have these sort of, you know, 2.

Peter Lewis [00:23:23] To.

Katharine Murphy [00:23:24] 2 speed grid we've got. And the more the more people who can self provision who can basically set up an electricity generation set up in their own homes, the more that the grid becomes the sort of province of people on lower incomes and people without access to being able to basically self provision for for power. So these are really vexed questions.

Peter Lewis [00:23:50] For.

Katharine Murphy [00:23:51] Policymakers. And of course, making this all even more horrendously complicated is is the fact the transition could have been driven by a far more of a far a far more efficient, better policy than where we've ended up. So where we've ended up is, is basically with government intervention at the heart of everything and, and, and a lack of uniformity between different sections of the economy anyway.

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Peter Lewis [00:24:20] So and you know, and it's the final and totally lost control of the agenda. Sorry, everyone. We have a whole debate as a consequence of privatisation of power as a commodity rather than power as an essential service. And so much of what I see is the government trying to time effectively an industry which exists to create profits for shareholders. It's got a legal responsibility to maximise profits for shareholders and it's always going to be that point of tension anyway. We can keep that going. Another time. Look, I. I'll run through a couple of other budget slides just because they're trend lines so that it's interesting in the context of what's come before interest down. But that's because it was probably not the it's not the main thing that everyone gets excited about although look at October 20 when there was the last time there was a mini budget after an event and that was 6337. It's 56 a lot or a little of attention, 44, not much more complicated. A little table here, but I'll talk you through it. We always ask who's the budget going to be good for? Fewer people think it's going to be good for the well-off. 42, as opposed to 56 is a high point. Older Australians down 6% from the last Liberal budget. In terms of is it going to be good for all Australians? 3125 I think power prices might have something to do with that 13% down from 3825, saying it's going to be good for the economy overall. Well, sorry guys. Now I've really said I should not be allowed to drive this thing and for people personally 9% down from 24 to 16. All those markets are saying this is not a budget that anyone is going to have much love for. It's more like a piece of medicine we feel we need to be taking, I suspect, Katharine. And then I'll buy more on the budget likelihood of the Federal Government delivering specific outcomes. 53% believe it's going to place an unnecessary burden on future generations. 47% say it will create long term problems that we need to be fixed in the future. Only 40% down 5% from 45. Six months ago. Reckon it will create jobs. 36 again down. Think it will help Australia recover from the impacts of the pandemic and a big drop also in relieving cost of business pressure. You know, I don't think we're the only poll that is sort of suggested. It's been a less than, you know, standing ovation. And I suspect, you know, the Treasurer went into it with open eyes that this was going to be a tough budget. But that's a pretty tough report card, isn't it, Katharine?

Katharine Murphy [00:27:09] Well, it is. And it's also it's sort of interesting and it's hard to sort of disentangle the two impulses. It's sort of like to what extent people's pessimism about the economic conditions then sort of infects their perception of the budget, I think is quite interesting because it's it's pretty obvious, as we said a few minutes ago, that people have got the message that that the economic outlook here is dicey courtesy of things that are happening globally, the sustained cost of living problems that people are facing every time they walk into a supermarket, every time their mortgage repayments are due. So it's sort of it's sort of interesting, ordinary to try and pull those things apart, whether whether people are sort of massively down on the budget per say or whether they're pessimism about their own situation and about the state of the economy at the moment, the sort of impacts how they receive budget measures. But but, I mean, but it's very, you know, it's a it's a pretty sort of you know, the thing that put this in my mind was that, you know, that that measure about whether or not the budget would be good for the economy. Right. Because there's a big drop there. Just be interesting to see whether, you know, you could tease out the differences there. But anyway, we can't. It's just a thought.

Peter Lewis [00:28:36] It's so nice to remember how they, Frydenberg and Morrison were very good at that first day marketing of the budget, everything from black to black to, you know, there was

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always something big and chunky. Whereas, you know, what Jim's come up with is kind of like doomsday.

Katharine Murphy [00:28:53] But it sort of was the marketing of doomsday, but deliberately so. I mean, and this is this is what I mean. And, you know, I said a little while ago that this budget is quite radical in its own way. It's radical in the sense that it does mark a jump off point, a transition point from the last budgets that we've had, basically an election budget in May which sprayed an enormous amount of money, that people threw fuel tax, fuel tax holidays, tax break for low to medium income earners. And there was still pandemic assistance, still sort of washing system. Right. So there was an election budget and then the ones, you know, the two before that were crises, Keynesian budgets. They were they reflected the circumstances of the time. Now, this is a new government that supply and demand is in the reverse. Right. It's like it's stopping. It's stopping that trajectory, right. Where like it when the pandemic hit, we needed stimulus. The economy needed stimulus to avoid sort of going into a protracted recession. People needed help because the government deliberately put the economy into hibernation. That was it. That was a decision of government. Therefore, they were morally obliged to assist people, businesses and workers because the economy had been put. You know, this was like being cryogenically frozen. It was like, you know, it was it was a Snow White or Sleeping Beauty. I can't remember where all the palace goes to sleep anyway.

Peter Lewis [00:30:30] Doesn't that was Sleeping Beauty, but Snow White was there. They all slept.

Katharine Murphy [00:30:35] Anyway. So. Right, so. But so this was the first budget in three, three budgets that has sort of applied the more conventional wisdom that, you know, this is, you know, some version of this reckless spending must stop. Right. And so, look, is anyone going to sort of. Fight the government in the square for that. Is anyone going to high five them at the pub given how tough a lot of people, you know, have it at the moment? Because obviously cost of living is a real pressing thing, as we all know. Right. Is anyone going to high five a government that says, oh, actually, this reckless spending must stop? Probably not. And that's what we've seen in the in this week's poll.

Peter Lewis [00:31:19] Thanks, Katharine. Look, we've got 530 in the room, so thank you all for joining us. As you know, this also gets loaded up as a pot on Katherine's Guardian political podcast, which is a massive honour. I've got a bunch of questions, but I do have some more slides to share first, so I don't know if that's right if we don't just get through those now. And again, apologies for my screen driving just for you, and I think that's great.

Katharine Murphy [00:31:51] Just quickly, again, just if you are listening on the pod, just a reminder, just to go to the essential website and pull up the slides as we go, because I think we I mean, we explain what we're saying, but it would be helpful to people listening to have the have the slides up as we go.

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Peter Lewis [00:32:08] As long as they're not driving. So we did the other way. We did talk about lifting lockdown restrictions just because it was something that we were musing on, weren't we, Katharine, that we were so obsessed with it for so long? Yeah. Do we think government's getting it about right at the moment? If there's been a wide, it's towards people saying things are moving too slowly here.

Katharine Murphy [00:32:31] Yeah. Yeah.

Peter Lewis [00:32:33] 63% say right. Spain, 22 to too slowly, 15% too quickly. And you can also say the June 20 time line when it was 67, about the right, 13 to slightly 22, quickly make anything of any of this. We've got two states break down here as well as that.

Katharine Murphy [00:32:52] It's interesting because there are obviously and I want to acknowledge those people, there are a lot of people out there in the community who are who are concerned, obviously, about the pandemic still being with us. But none of the supports or restrictions that were in place, in place in earlier stages. But it looks very much well, the behaviour of governments is perfectly comprehensible when you look at the trend in terms of public tolerance for public health measures. Clearly Australians at this point want to be mentally past the pandemic and that's the message governments are getting and that explains a lot of the policy making.

Peter Lewis [00:33:33] I can see Victoria in particular. Effectively 30% saying the Government's still going too slowly and opening up again. And obviously there's been a specific set of circumstances in Vic South Australia, a pretty small sample, so I wouldn't read too much into that, although it is refreshing again to see the way where anything the McGowan Government does tends to get something close to 90% support. Extraordinary. It's just unbelievable. Anyway, and it's Melbourne Cup day. So we always traditionally, because it was the biggest story, Iran would ask people how much interest they had in the Melbourne Cup. They're still 15% saying high interest that is off traditional highs. I've got to say I reckon it's probably been a decade since the not to the cup started to become a thing. Here's a question regular activity, not interest in the Melbourne Cup and will not place a bet. A third of people rarely bet but will watch the Melbourne Cup and place a bet. 2919 They're going to watch it. So there's actually more people betting than say they're interested, which might be a product of the the genius world of sports betting. And finally a couple of statements around the Melbourne Cup unique part of Australia's national identity. There's still 72% up a little bit. It promotes unhealthy gambling behaviour 45% and it normalises animal cruelty, political particular shout outs for high agreement amongst green voters and females, and particularly female green voters, which I'm sure there are a few of those in this lovely crowd today. Look, it is interesting to say how something that was so locked in as a cultural staple changes. I reckon this is the first year where before the lockdown my office, like many other offices, would go and put on a silly hat and go and drink ourselves silly and put our bet on for the year. I've got some very fond memories. I think I'd tip five winners in a row, including Makybe Diva three times. So I thought I was pretty smart. And then the horses, our backing started to break down and never left. That nevertheless left the course.

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And you know, I just feel that I've moved on, like many Australians, from thinking this was a really, you know, an expression of my national identity to something that's a little bit icky and not just the animal cruelty. I think more so the just the way that the sports betting industry has ended up colonising every little bit of sport and recreation in this country. And, you know, it just doesn't feel quite the same anymore. But you got any hot takes on that, Katharine, or.

Katharine Murphy [00:36:24] Oh, no, massively. But although I agree with your overall assessment, it used to be used to be a really big focal point, even if you had no interest in betting or the horses or anything else. But just in that social sense, used to be a really big deal in workplaces. Certainly know for much of my working life, but the last couple of years not so much. And certainly we don't we're not doing anything special in our office today. I don't know if we'll watch the race or not. We'd be more likely to watch the Reserve Bank in the aftermath.

Peter Lewis [00:36:54] So you have a sweep on how much your interest rates are going to go up rather than seem like.

Katharine Murphy [00:36:58] This, this, this today. This is we've got no sweep in the office. We've got and we've got nothing happening today. And it's not a I mean, look, I'm not a fan of the Melbourne Cup and I'm quite discomforted by. Animals, you know, suffering in any respect. But I'm not a crusader on it by any means, but it's just yeah, it's just sort of like there's just been a natural adjustment. I think that it's that it's no longer the sort of social focal point that it said it used to be. I'm sure it is in many parts of the country. But just as a workplace thing, like I said, used to be a big deal along this card and for most of my working life. And it's it's not anymore.

Peter Lewis [00:37:46] Let's go to questions. Ruth Abby is asked, Do we have any evidence about the elections response to repatriation of Australian citizens from Syria? Not yet but good thought, but I thought I'd try to you Katharine just on eye on the issue but they on the way that the opposition played this which I thought was very revealing about the way they're playing most things at the moment. Hmm.

Katharine Murphy [00:38:11] Well, it's sort of like, you know, on the economic front and the post budget front, I think if you read the polling closely, you can see what that you can say very clearly what's in Peter Dutton's mind in terms of the politics of all of this. So, you know, if that has seemed mysterious, I think read the poll closely this fortnight and you will see exactly where the Opposition Leader is coming from in terms of his rebuttals and critiques. In terms of the Syria question. Well, yes, it's sort of like Peter Dutton is not doing what Anthony Albanese did in the first 12 months of his leadership in particular, which was sort of avoiding conflict. He avoided conflict really for the first 12 months. The conditions were different. Obviously, when we were in the middle of a pandemic was politically dangerous, really to punch on about every little thing. But nonetheless. Anthony Albanese the instinct in that first 12 months in particular was dog pick fights. This is this is a moment we all need to rise to dynamic basically. Well, Peter Dutton has none of those instincts. He's got the siren

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on. Yep. Although that's that's slightly unfair to him because he's position on a couple of issues. He's actually quite nuanced. But in terms of this sort of headline politics, look, I don't know what is it? Is it is it a function that Peter Dutton is Peter Dutton and he can't be anything else? Possibly. Anthony Albanese is a sort of more mercurial figure in terms of how he presents. Peter Dutton is a sort of, you know, he's a tractor in low gear, isn't he. I mean so maybe he's playing to his own strengths, maybe he's looked at himself in the mirror, woke up one day, Peter woke up one day, looked at himself in the mirror and thought, Hmm, can you do light and shade? Probably not. So better just be me. So possibly that. Possibly we've moved on from the pandemic. So the opportunity cost of being negative is not as high as it was. But he's just very, very focussed on, you know, on I'll just call it materialism. He's very focussed on, you know, on cost of living, economy, national security issues that they've always prosecuted. At this point he seems to be writing off territory entirely, which is sort of fascinating and he's coming for Labour, Tony Abbott style. I would say the sort of concept, the concepts are very similar. So where this all ends up in three years time is entirely moot at this point.

Peter Lewis [00:41:02] But I think.

Katharine Murphy [00:41:03] That's the opening sort of sorties of it. And Syria is just getting back to the question, you know, Syria is just sort of like very. And Dutton's response to it is entirely on brand, both for the coalition and for him as a national security conservative. That's what he is. So he's definitely playing the I'm a national security conservative card. I don't think the government would be surprised by that. I don't know to what extent this has really resonated or registered in the community because people are very, very focussed on the other form of materialism at the moment, which is can I afford to pay my mortgage?

Peter Lewis [00:41:47] Yeah, national security doesn't seem to be the thing it was, particularly after a couple of years of shutting down our borders, right? Yeah.

Katharine Murphy [00:41:53] Yep, yep, exactly. It's not as salient as it once was, but nonetheless, Peter Dutton is working this on, you know, on high frequency.

Peter Lewis [00:42:03] It is one of the toughest gigs in the business being a first term Opposition leader. There's did have to be a study and I'm just thinking back. So Beazley basically acted like a government in exile and how it gave him an opening by saying he'd put the GST to the election and he got close. So that that was his close I think is a one term. Opposition Leader's been Brendan Nelson just flat around between being a nice guy and trying to land a few punches and never really stood a chance because St Kevin was in ascendance in that first couple of years and then Bill Shorten was given that as well. Rabbit was wasn't the first term opposition leader, though. He came in after he was a very good opposition, but he was better opposition just about anything else. And Shorten had the austerity budget for purchase. So I guess the question is if you think about it. Beazley had the GST, Nelson got hit with the GFC and had to, you know, sit there while live was splashing money everywhere, which is, you know, pretty politically popular. Shorten had austerity. What's the

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purchase? Dutton's looking for it. His cost of living like you can't blame him for going it because that's all that is in front of you. But history will say that first term opposition leaders. I don't become prime minister and they become second term opposition leaders.

Katharine Murphy [00:43:30] It's just interesting, that sort of call, because I mean, this is a gross generalisation. And I'm just saying that up front, this is a gross generalise.

Peter Lewis [00:43:38] What we do.

Katharine Murphy [00:43:39] But if if we sort of look at Dutton's kind of problems at this point as the Liberal leader and a first term Opposition Leader after a very significant election defeat for his own party, he's sort of got post material, Liberal voters roasting off, peeling off a and and so he sort of he hasn't for whatever reason attempted to communicate with those folks as yet just has not set up any line of communication there at all. He's very, very focussed on the sort of major party, old school, you know, supermarket trolley petrol in the car contest that is made, which is so it's kind of retro in a way and sort of really fascinating. I mean, I don't know how the story ends, but like I said, I'm just you know, I think it is it is very useful to people this fortnight to look closely at this polling information. It tells you a lot about where the Opposition Leader's head's at, about how he thinks he can start to come, tapes of what you know, what's happened post election.

Peter Lewis [00:44:55] So it's very interesting so on just following on from that Angelica hearing has asked you in particular, Kathryn, your thoughts on the laundry coalition women stunt and what it did and didn't achieve. My Good Night. Tom Read described the photo as a third class tale tribute band. Look.

Katharine Murphy [00:45:22] Let me let me sort of break this down slightly, because Ed and I had one caveat that I was not in the chamber for that Question Time. And I'm not saying that is some apology or I'm just saying that factually, in order to make a really clinical call on set up versus genuine upfront, you actually have to be physically present. You have to actually see what happens in the chamber. And I, like the rest of the country, only saw what the television cutaways told me, which is that Michelle Landry laughed initially and then 5 minutes later left. That left the chamber in tears. Right. I would feel a lot more comfortable about diagnosing that had I been in the room and I wasn't on this occasion. In terms of though, what what are the what are they trying to do? What are these what are the liberal women trying to do? I think that's pretty obvious. And Susan Lay is kind of been sort of at the pointy end of that spear. I think they want to that they understand that Labour in the last election cycle did a hell of a lot better than they did at communicating with women on a range of fronts. We start to turn that around. And what what they what they sort of zero ing in on is sort of trying to muddy up Anthony Albanese, who has modelled a different style of leadership, a sort of a more racist style of leadership which which cut through which a number of voters looked at that and thought, Oh, that's actually quite interesting. So when, you know, I don't think and wrote in a column, in fact, last weekend, I don't think the government like not the substance of the budget,

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which I thought was actually very well handled just at the political level. I don't know that the government had a really great week last week. I think in the Parliament some of the exhaustion showed. I think they were more inclined, the government to hector and to belittle than to explain their position, which I never think is a strong suit when you're dealing with really complicated issues. I think there was quite a bit of wobbling along the line between delegitimizing their opponents and looking looking arrogant, frankly. Yeah.

Peter Lewis [00:47:58] Yeah.

Katharine Murphy [00:47:58] I wobbled well and truly along that line last week, and it was the first time I'd seen it since the election. And so I think Susan Lay perhaps saw an opportunity where Anthony Albanese was less of the thinking, feeling, empathising later and more cock of the walk, which is brand lost, right, in order to make a point. And by that, I'm not I'm not suggesting anything improper. I'm just saying it's just the cut and thrust of politics. Right. They saw weakness. They saw the prime minister, you know, sort of fully extended in kind of, you know, I'll bring you down mode.

Peter Lewis [00:48:38] It was pretty good in that Dutton had actually misplaced a case in Queensland and CQ as well.

Katharine Murphy [00:48:45] I mean and it was sort of like an yeah. And obviously, you know, it's quite funny that Peter Dutton couldn't pronounce it wasn't Yeppoon, it was the other one.

Peter Lewis [00:48:54] Yeah. Yeah. Right.

Katharine Murphy [00:48:55] So but there was, there was all this kind of overcompensating going on. Right. I think Susan looked at him across the chamber, thought, you know, you look awfully extended. You look as though you're trying to get a rise out of us. Well, we'll get a rise out of you. I think that's what happened last week. Just with that caveat and I mean, that was not in the room. I didn't see exactly how it played out. So I hope everybody heard the caveat because it's actually quite important.

Peter Lewis [00:49:23] And is Greg's got a question that I've had as well around our table. It's been a discussion point. What's going on with this UN ban on nuclear weapons and labour refraining from voting on that? And should we be connecting any dots towards the discussion about more US military hardware on our shores?

Katharine Murphy [00:49:45] Oh goodness. Well, there's a whole extrapolation.

Peter Lewis [00:49:48] And I did not start with the first bit like what's going on there? Because casual rate is like my family thought, well, that's weird.

Katharine Murphy [00:49:57] Well, yes, at this point I need to call on the expertise of my colleague Daniel Hirst, who sadly is not walking amongst us in the office today.

Peter Lewis [00:50:06] I mean, I can take it on notice if you like.

Katharine Murphy [00:50:08] Can I take that one on notice? Because actually, it's it's a really good question, actually. And I mean, obviously, I know what's happened, but I don't normally like to take off unless I've got my head fully around all the bits and pieces of it. So I know what's happened. There's a lot of moving parts on the foreign affairs front at the moment that, as I'm sure everybody on this, you know, in this conversation today will say, but let me take that on notice. We'll do that next fortnight, I promise.

Peter Lewis [00:50:35] Great. And what should we do that as a package deal with the the American military. I think that was the Four Corners last night.

Katharine Murphy [00:50:44] Yeah.

Peter Lewis [00:50:45] Alright. Greg Olsen When will media and economic commentators begin to acknowledge the Reserve Bank of Australia and Treasury already know what? They already know that the Australian Government can never run out of money it issues and can always afford to buy what ever it is to sell in the currency it issues. Spending is always a political decision, not a financial one.

Katharine Murphy [00:51:06] Up, up. Up until a point. Up until a point. Spending. Yes, of course. It's not a question of running out or running out of money. It's not that's not the question. The question is to what extent? Well, to what extent your your earnings power as a government can fund recurrent spending, to what extent there's a gap between what you're raising in revenue terms and what is going out the door in terms of structural.

Peter Lewis [00:51:38] This goes into that discussion around mandatory.

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Katharine Murphy [00:51:42] Pricing, MMT for you know, a lot of people are into it. That's fine. Absolutely fine to have that conversation. I think that conversation had a bit more saliency, you know, prior to the return of inflation than it does now. But anyway, putting that to one side. Look, yes, what the questioner is saying is true. Obviously, governments don't, quote, unquote, run out of money. And, yes, of course, governments make political decisions about what expenditures they choose to allocate resources to. Absolutely. No, no question. No argument. You know, debt is not a dirty word. If debt, you know, if the acquisition of debt is sort of in the in the service of a higher purpose. But at this point in time, you know, I completely understand why the elected government is looking at our our trends in terms of how much spending is baked into the budget and how much revenue is coming in the door. I think that's entirely sensible position for a new government to adopt something without sort of going to the particulars, debt and deficit, emergency hysteria that we all remember from the early Abbott Opposition Leader period. Obviously it's a balance, but I think, you know, I think a whole lot of recurrent borrowing to fund expenditures over the long term is not a great trend. And dare we say the words Liz Truss in in this conversation and that's that's a whole other conversation about financial markets and all kinds of things. But basically Liz Truss ended up being the British Prime Minister for 45 days because she promised a whole lot of unfunded expenditures and tax breaks and refused to get her initiatives costed by the independent mechanism for getting them costed. So the market sort of went up. No thanks. And I mean, obviously the British debt situation is different to ours. But anyway, that's a whole other conversation.

Peter Lewis [00:53:57] We're almost done. I just thought I'd try one more in, which is when we get together again in a fortnight, God willing, they will have been the midterm elections in the States. How closely do you think Australia is watching those results and what do you see it being a high consequence election for Australia's economic and geopolitical interests? I If the Never Trumpers take the House. What's that gonna do?

Katharine Murphy [00:54:32] Well, it's it. What it does is hang the lantern over the problem that our most important post-war security partner. Is not always a partner of choice anymore because.

Peter Lewis [00:54:48] It sort.

Katharine Murphy [00:54:49] Of ramp well, the sort of combination of economic downturn in that country, rampant polarisation, rampant misinformation, including by one of the parties of government, is basically. I don't want to say destroying democracy in the US because that's an overstatement. But democracy in the United States is imperilled and I think anybody with even a passing interest in politics in Australia understands that and understands that the US is in a very vulnerable position at this point in history and that is not good for Australia. So, you know, obviously it will there be a lot of focus on the midterms. I imagine there'll be a fair bit of focus on the midterms because people here are generally interested in US politics. But it's just part of a trend. It's part of the it's part of what we've seen play out in that country over the last ten years or so.

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Peter Lewis [00:55:50] And if you want to feel really depressed, go and have a look at Nate Silver's FiveThirtyEight. At the moment, it's not making for great writing whatsoever, maybe given the national security things we're discussing about earlier, plus the midterms, maybe that can be a bit of a theme for the next fortnight as we look forward getting through to the end of the year, we're almost at the end of it, I might call time a couple of minutes early just because I reckon we've talked you out, Katharine. And I think I've stretched myself to the limits of my ability in every chair. But thanks, everyone, for joining us. As you know, this is an institute, this is an initiative of the Australia Institute and we thank them for their supports. And then the partnership between Guardian and Essential, which is a match made in progressive heaven. The pod will be up tomorrow. The essential report you can find at www.essentialreport.com a year and yeah we'll see you in a fortnight.

Katharine Murphy [00:56:47] IT Well soon.

Peter Lewis [00:56:48] EB Yeah me too. I say that to say you guys. Run out of questions.