WNEWS

ANALYSIS

Labor has a hard sell ahead of it for voters who expect their energy bills to fall

7.30 / By Laura Tingle

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Albanese outlines measures to drive down on energy prices

There has been more than just a touch of apprehension within the Albanese Government in recent weeks about whatever deal it was going to land on energy prices.

It's not just that working out what arms of federal and state government policy might actually deliver such a price cut in a non-inflationary and equitable way was complicated. It is the sense that, almost inevitably, public expectations of what relief might be delivered were not going to be met.

The longer things have gone on, the more difficult it has become. Voters have been hearing daily for weeks that the government is going to do something about their power bills.

Government ministers have been trying to temper expectations, consistently emphasising how complex the issues are.



No easy remedy for rising electricity bills

But it's hard to believe that the take out of all the talk about lower energy bills has not been the expectation that your energy bills might actually fall from their current levels when in fact, all the government can really hope for is that consumers prospectively get lower bills than they otherwise would have some time next year.

Remember that the October budget forecast that power bills would rise 20 per cent in the second half of 2022 (already history) and a further 30 per cent in 2023-24.

It may be hard to persuade people that their bills would have been even higher if the government had not intervened, no matter how effective or large the intervention proves to be.

For those who were around during the global financial crisis, it conjures memories of how difficult it is to prove the counter-factual: remember how Labor got no credit for the fact that the economy didn't go into recession, because it hadn't?

And this time around there is the added complexity of the arrangement — and credit — being shared with state governments.

With Treasurer Jim Chalmers having repeatedly said handing people rebate cheques would be inflationary, a mechanism which simply reduced the actual bottom line of consumers bills doesn't quite have that political razzamatazz.

Relief on bills takes priority over politics

Frankly, the energy price shocks along with the massive increases in mortgage payments so many households have already been confronting this year means politicians at both federal and state level are more concerned about doing whatever it is they can to provide some relief than worrying too much about the politics.

Landing a deal on energy prices would be a good way to end what has already been a good year for the federal government – whether or not the bottom line impact is appreciated by the voting public.

Affecting some cut in the prices we will pay for electricity and gas in the next 12 months is one of the few interventions the government can make that will clearly benefit most households.

It can't do much about mortgage rates, or food prices. It has reformed childcare subsidies but not everyone benefits from that.

It has also been moving on wages. But that process will take time to work through the system and, once again, won't necessarily significantly benefit everyone.

There's been so much work and busyness from the federal government, and it continued this week, even with the prime minister isolating with COVID.

There's been a major overhaul of environment approvals processes outlined; new work to address cyber security; and an agreement with state energy ministers on a capacity mechanism: essentially a payment to electricity generators to maintain the capacity to deliver energy to the system at periods of high risk.

Look, it doesn't sound sexy, does it? It's not likely to swing votes. But, particularly given its emphasis on energy from renewable sources, it might help make for a more stable electricity network.

Robodebt just one unattractive reminder of times past

By comparison, the thread of news that involves the former government has continued to be unattractive, and a reminder of times past.

There's the Robodebt Royal Commission, with its <u>steady stream of revelations of just how inept the whole process was</u> that let this scheme get up and running without, apparently, anyone stopping it, despite advice that it was illegal from the earliest days.

After his less than flattering appearance in the House of Representatives last week when he was being censured over the multiple ministries controversy, the former prime minister <u>Scott Morrison will appear to give evidence at the royal commission</u> next week over a scheme implemented during the time he was social services minister, treasurer and prime minister.



Former PM Morrison censured in parliament (Andrew Probyn)

There is also the increasingly poisonous brawl between the ACT Director of Public Prosecutions, Shane Drumgold, and the Australian Federal Police which goes to the Bruce Lehrmann case.

The Guardian this week revealed Drumgold had complained of a "very clear campaign to pressure" him not to prosecute the man who was alleged to have raped Brittany Higgins in Parliament House in 2019.

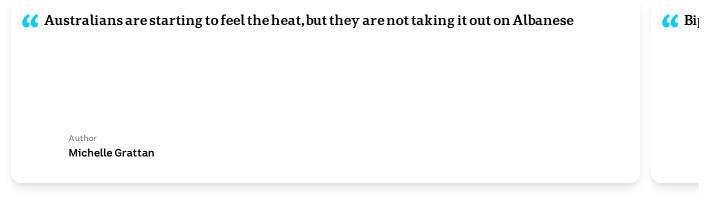
He alleged investigators had bullied Higgins, forcing her to insulate herself from further contact with them, and that police "clearly aligned with the successful defence of this matter" during the aborted trial, according to the Guardian.

Director of Public Prosecutions Shane Drumgold complained of a "very clear campaign to pressure" him not to prosecute Bruce Lehrmann. *(ABC News: Ian Cutmore)*

Drumgold called for a public inquiry to examine "both political and police conduct" relating to the case and the police union responded in kind, complaining of smears against investigators, and saying any inquiry should examine Drumgold's conduct.

On Friday ACT Attorney-General Shane Rattenbury confirmed he had referred a complaint about the matter to the Australian Commission for Law Enforcement Integrity.

Analysis from the ABC's experts



More Analysis

Focus on Morrison continues to benefit Labor

Stories that hark back to the Morrison era are just what the Coalition doesn't need right now.

Two reviews of the federal election campaign this week – one by the Australian National University and one by Labor – <u>both highlighted the overwhelming</u> nature of voter rejection of Scott Morrison as the biggest factor determining the result.

But it is interesting that Labor's did not shirk away from acknowledging that it had been unable to boost its primary vote, despite this.

It sheeted some of the blame for this to the Albanese strategy of making the campaign all about Morrison, and Labor a relatively small target.

The downside cost of this, the review said, was that a lot of voters didn't know what Labor's policies were, or who Albanese really was. The cost was votes spraying to minor parties and independents.

"The review's post-election research confirmed that one factor in Labor's low primary vote was limited awareness of Labor's agenda," the report read.

"It should be recognised that this is a corollary of the (successful) strategic judgement to focus on Scott Morrison's negatives and to present a more limited set of election policies following the experience of 2019."

Labor's successful first six months, reflected in buoyant opinion polls, suggests voters are now getting an idea of who the prime minister and what his agenda is, and liking it.

That bodes well for the government into the New Year. But the slowing economic outlook continuing price pressures on household budgets is another reason for some apprehension about what lies ahead.

Laura Tingle is 7.30's chief political correspondent.