

# Life according to tabloid Tony

## Comment

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It's easy to see why Tony Abbott and Rupert Murdoch are drawn to each other. They both have tabloid newspaper instincts in their genes.

There has not been an Australian political leader so little in need of a script writer for his political lines as Abbott. He thinks in tabloid headlines.

Abbott's political message is peppered with short, sharp, clear and catchy sentences.

No issue, no matter how complex, is beyond Abbott's ability to be reduced to tabloid simplicity.

Take the Coalition's economic policies. The economy is an extremely complex beast, as every student of it knows. It is subject to all sorts of influences and factors, the most powerful of them largely beyond the control of any government.

So what does Abbott say to

reinforce his message that the Coalition is better than Labor to manage the economy? "The economy will always be stronger under a Coalition government," Abbott said when pressed to explain the Coalition's key line of the first few days of the election campaign – that voters should not give Labor any credit for lower interest rates.

And he fleshed this out, adding: "Taxes will always be lower under a Coalition government. Government spending will always be lower under a Coalition government."

It was vintage Tabloid Tony. But those who have followed Abbott-speak over the longer term would have noticed that this was an abridged version of the Coalition's economic policy sales pitch.

Missing were these words: "Interest rates will always be lower under a Coalition government."

That was from the Howard-era, simplified sales pitch for why the Coalition was better at managing the economy.

As is the way with economic management, the Howard-era one-liner failed to take account of the complicated bits. Throughout the years of the Rudd-Gillard governments, interest rates have always been lower than those they inherited from John Howard.

The obvious point about this is that interest rates are one of a range of economic instruments used to manage the economy. The appropriate rate depends on what else is happening in the economy. Ever lower is not always better.

Abbott has been caught out by the "tabloidisation" of the complicated business of rate-setting.

He is now trying to explain why this rate cut, so unfortunately timed from the Coalition's point of view, is a bad thing, not a good thing.

And he's trying to explain why, when he says it's a bad thing for the economy, it is still a good thing for people who will benefit from lower mortgage repayments.

Joe Hockey did his bit to try to

bridge the gap between the Howard-era interest rate mantra and the fact that rates are now at a record low, under a Labor government. He said that it was still true that interest rates were lower under the Coalition "over the cycle".

But this is a complicated story, very difficult to reduce to a catchy tabloid explanation. When Kevin Rudd was weighing up the best date for the election, the prospect of an interest rate cut this week was a major factor in going for September 7.

Rudd sees the rate cut as a big political plus as he attempts to overtake Abbott's lead on economic management.

He gambled that a rate cut would help restore the momentum he would lose from painful measures to reduce the deficit. His judgment is now to face a fateful test. That is why Abbott is trying to make sure that voters see a rate cut as bad news.

Just a few days into the election campaign, this may be the most important policy battle of all.

## From page 1 It's Rudd v Murdoch in NBN slugfest

why Mr Murdoch really doesn't want the NBN to be connected to everyone's home and small business premises. Does he sense it represents a major challenge to Foxtel, a major cash cow for his company, or not, but I'd rather hear from him on those questions.

"And on his determination to see Mr Abbott elected prime minister and his determination to see the end of myself."

A News Corp Australia spokesman returned fire in a statement.

"Any suggestion that the editorial position of our newspapers is based upon the commercial interests of Foxtel demonstrates a complete ignorance of both our business and of Foxtel," he said. "The general News business would benefit from faster national broadband speeds and Foxtel will benefit as it will be able to offer more choice and new services."

"Furthermore, Foxtel faces broadband competition with or without a national broadband network – of any type or speed. Our mastheads have, quite rightly, scrutinised a massive piece of government spending which is devoid of a cost-benefit analysis. But that does not equate to being against faster internet speeds."

Former Liberal prime minister **John Howard** suggested Mr Rudd "stop whingeing" about the treatment of Labor by News and said it was futile to fight the media.

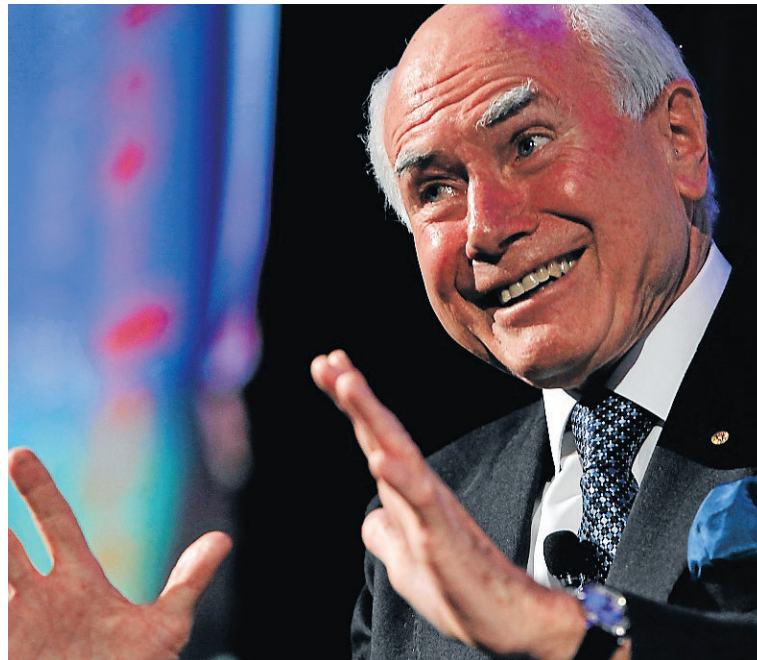
He recounted how when he was prime minister, *The Daily Telegraph* turned on him and treasurer Peter Costello before the 2001 election over petrol prices. The paper's front page portrayed the men as "Tax Sheikhs". Not long after, Mr Howard froze the indexation of petrol excise, a move which has since cost the budget billions in foregone revenue.

Labor's NBN plan will connect fibre cables to most homes. The Coalition will connect fibre to street corners and use existing copper wire for the last leg of the connection. It will be cheaper.

Because both parties are planning to fund their broadband networks off budget, the only price difference will be the interest paid on the borrowings, which is \$750 million over four years.

Despite Mr Murdoch's recent comments, Mr Rudd said he had no plans to revisit Labor's failed plan to impose additional regulation on the media, which was abandoned this year and caused great hostility between News Corp and the Labor government. The government has decided to take News Corp head on during the election campaign, reasoning it has nothing to lose.

It is understood Mr Rudd's public comments thus far are more tempered



John Howard said he liked *The Daily Telegraph*, even though it labelled him a 'Tax Sheikh' before the 2001 election. PHOTO: LOUISE KENNERLEY

than an original strategy that was discussed internally. Nonetheless, signs of tensions are evident. At a press conference in Canberra announcing \$450 million for extended out-of-school childcare hours, Mr Rudd refused to take a question from *The Australian's* political editor, Dennis Shanahan.

As he left, Mr Rudd said sneeringly to Mr Shanahan: "Bye, Dennis".

**Graham Richardson**, an ex-Labor minister and now a News Corp commentator, said Labor was on track to lose the election by 10 to 15 seats and Labor people had become carried away with Mr Rudd's poll bounce.

## CAMPAIGN TRAIL



### DATA WATCH

The chance of the Opposition winning the election has increased to 77 per cent.

**\$4.23** Labor  
**\$1.25** Coalition

Odds averaged from Betfair, Sportsbet and Sportingbet Australia.

### SOCIAL MEDIA

**"I hear Tony Abbott won't be part of a future minority Government. I wonder if he has told the National Party?"**

@OakeyMP (Rob Oakeshott)  
148 retweets

### WINNERS OF THE DAY

The 36 per cent of householders who have a mortgage.

**56** parties registered for election



### OFF MESSAGE

Former Australian Medical Association president and Liberal candidate **Dr Bill Glasson** broke ranks to say he was opposed to his party taking donations from tobacco companies and will lobby against the practice if he enters federal parliament.

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