It’s all about the economy

Labor’s biggest problem is the state of the economy. Many long-term Territorians say they’ve never seen things so bad

It’s easy to believe internal dysfunction, scandals and infighting cost the Giles CLP Government power in 2016. It’s true those things didn’t help.

But the factor often overlooked in the 2016 whitewash was how big a part the economy played in voters’ decision to turf out Adam Giles’s mob.

After the boom created by the hype of the Inpex project, things had already started to turn seriously south by 2016. Businesses were doing it tough, population growth had slowed and house prices had started to tumble.

These factors can’t be understated when examining why the CLP was left with just two seats. When your hip pocket is hurting, it can be easy to vent your frustration at the ballot box.

Conversely, voters can forgive the antics of government if they think it’s doing a good job with the economy.

Look at the Coalition’s federal election victory last year.

Despite three prime ministers in six years and a deputy PM who resigned over a sex scandal that led to a parliamentary banking ban, voters still returned the Morrison Government, largely because they trusted it, more than Labor, with the economy.

But when the economy is faltering, every scandal adds to a narrative of incompetence that can end in electoral disaster.

Today, the Gunner Government finds itself in a similar position to where the CLP was in 2016. It’s infighting — losing Ken Vowles, Scott McConnell and Jeff Collins from the caucus — has mirrored that of the previous administration.

And while its scandals have been less salacious — no-one’s been caught in a compromising position in a parliamentary bathroom — they’ve been damaging nonetheless.

At the top of this list has been the debacle around the $12 million grant handed to the Darwin Turf Club, of which we will no doubt hear more between now and August’s election.

But Labor’s biggest problem heading into that poll will be the state of the economy.

Many long-term Territorians say they’ve never seen things worse.

Businesses have had to let staff go or close down, population isn’t just slowing it’s now going backwards, and perhaps most worryingly, house prices have fallen off a cliff.

This has a knock-on effect to everything from discretionary spending to people’s attitudes to crime.

Right now there’s a common perception that crime rates are out of control, even though the official statistics show crime falling in many categories.

Some have even accused the Government of fudging the figures.

But a more logical explanation is that the crimes that are committed are felt more acutely — and the victims’ anger articulated more vocally — when the economy is in the toilet.

Having your kid’s bike stolen isn’t that big a deal if the equity in your home is rising steadily.

But that same theft can be a bigger blow if you’ve just watched $200,000 come off the value of your home.

Wiser heads within the Labor Party will know this.

They’ll be basing their re-election campaign around the narrative that the Government has negotiated its way through the tough times and that the wheel is beginning to turn.

And there are some signs that is the case.

Greg Thomson’s story in last week’s Sunday Territorian revealed the first real signs — and there have been plenty of false ones — that the property market is finally picking up.

It reported homes selling above list prices and dozens of people turning out to auctions and open for inspections — something that hasn’t happened for at least five years.

Yesterday’s announcement of a $1.1 billion investment at the RAAF Base Tindal is also a promising boost for the economy.

But selling its economic credentials will still be a tough ask for Labor.

There’s a strong argument this Government’s focus has often been on social reform rather than economic development.

Its legislative achievements include alcohol reforms, gender-neutral birth certificates, the decriminalisation of sex work and new rules meaning tenants have the right to keep pets.

Some worthy causes but none that will create a single job.

It spent much of this week talking up its environmental credentials.

It’s no doubt been spooked by the Greens’ (juvenile) decision to preference Labor last at next weekend’s Johnston by-election.

And while the environment might rate highly as an issue for voters in Johnston and neighbouring Nightcliff, it’s well down the list for the average swinging voter.

Labor’s short-term game here could cause them longer-term pain.

Labor should win the Johnston by-election. (CLP preferences will help)

The next six months will then be crucial.

If the economy picks up it may be rewarded with a second term.

If it doesn’t, voter backlash might be inevitable.

Chief Minister Michael Gunner’s Government has been focussed on social reform but unless it starts to really address economic reform, it will struggle to win the 2020 election.

Picture: CHE CHORLEY