

Bank-bashing archbishop mining an unprofitable vein



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There is a pattern to the media cycle that is as predictable as the seasons. Before Anzac Day the press will be looking for stories of sacrifice by those who have served in the defence forces. During Melbourne Cup week, the jockey – largely ignored for most of the year – finds he is king of the airwaves. And during the quiet news periods of Christmas and Easter, church leaders have the opportunity to make headlines with their sermons and pronouncements.

Of course, there are many churches and many leaders, so there

is a bit of competition. This year that competition was easily won by the Anglican Archbishop of Melbourne, Dr Philip Freier, who published an opinion piece that inspired headlines such as: “An Easter roasting for banks and miners.”

The archbishop began his Easter article with a mention of Christ and the obligatory mention of migrants and asylum seekers, but his real purpose was to call for a new social contract “about a sense of mutual obligation”. Mutual obligation has been a buzzword in politics for some time and usually means that just as the state looks after those down on their luck, those receiving assistance should put back into society.

The archbishop was not making that point. He wanted to make the point that the government and opposition are failing us. Apparently they focus too much on the news cycle. And other institutions and corporations “need a reality check” – that

is where the attack on the miners and banks came in.

The archbishop’s gripe with miners is they are “reluctant to share a fair proportion of the wealth” which belongs to all Australians. Really? Did the miners say that?

What the miners did say is that after they have paid state royalties, payroll taxes and 30 per cent company tax, that is a fair share and – what is more – a fairer share than miners are paying in other comparable parts of the world.

I have heard the government say it isn’t enough and they should pay an effective tax rate of 55 per cent. But it got its sums all wrong and had to back down on that proposal. It has now negotiated a more modest tax increase, which will affect junior miners but the big ones hardly at all.

Now, the archbishop might have strong views on the applicable mix of royalty rates and company taxes and, if so, he should argue them. But to

characterise the debate as simply being about whether one industry should pay a “fair” share or not is to avoid the question, not to answer it. What is that share?

The archbishop also complained the banks have not made a case for increasing interest rates. He is referring to the February rises in home

relative to the cash rate over the past six months.”

So the archbishop was wrong to attack them on this issue. Banks did have a case for increasing rates. He may have been trying to say they did not explain their case adequately. But, if so, what is he complaining about? Some kind of PR failure?

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mortgage rates of between 0.06 and 0.1 per cent.

The banks argue they increased lending rates because their funding costs have risen. I am not usually in the business of defending banks but on this occasion they were right. As the Reserve Bank’s February Statement of Monetary policy noted: “Bank funding costs have increased

The archbishop’s Good Friday article seemed to echo the argument of another person who has been railing against the banks and the miners: the Federal Treasurer, Wayne Swan. He attacks miners and banks as a way of shoring up Labor’s support base – a little bit of class warfare to get the faithful back into the fold. When your primary vote is about 30 per

cent, there is some method in that madness.

But I don’t think it is going to work for the archbishop. Are people going to flock to church to hear sermons against miners and banks? Bank-bashers are a dime a dozen. You don’t have to wait until Sunday to get an earful of that.

When the church speaks of its unique message – the life, death and resurrection of Christ – it draws on centuries of Christian thought and theology. I doubt Christendom has done nearly as much work on the taxation of mining profits and modern banking policies. If the clergy want to get into that area, they had better do some deeper thinking. Archbishop Freier’s Good Friday publication is not going to spark a new social contract any time soon. It might pay to work out the details before we decide to ditch the present one.

Peter Costello is a former Liberal federal treasurer.