

View from The Hill: Joyce could be facing waves at a judicial inquiry after the election

Written by Michelle Grattan, Professorial Fellow, University of Canberra

It's hard to believe Barnaby Joyce really wants to lead the Nationals again. Of course everyone knows he does, desperately, but his unhinged [ABC interview](#) with Patricia Karvelas on Monday showed a breathtaking absence of political judgement or personal restraint.

Joyce went on the program to defend his conduct in the 2017 A\$79 million water buyback from two Queensland properties owned by Eastern Australia Agriculture (EAA).

Regardless of how his approval of this deal will ultimately be judged, his shouting, interruptions and at times absurd language drowned out any chance of his getting his points across.

Joyce loyalists will see it as Barnaby-being-Barnaby. But it was further reason for Nationals to despair about the parlous state of their party, as they watch an ineffective leader and an out-of-control aspirant.

The Joyce interview made it harder for the government to manage this big distraction in a messy second campaign week.

The controversy over the water purchase is based on old story; the election has enabled it to be resurrected for a powerful fresh spin around the political circuit.

Water expert Quentin Grafton, professor of economics at the Crawford School at the Australian National University, lays out the issues.

Grafton estimates the Commonwealth paid about \$40 million too much for this water. He identifies three areas of concern: the government's failure to get value for money (remembering this was floodwater, which is unreliable); the lack of transparency in the deal, and the nature of the process – a negotiated sale rather than an open tender.

View from The Hill: Joyce could be facing waves at a judicial inquiry after the election

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Much has been made of EAA being a subsidiary of Eastern Australian Irrigation (EAI), which is based in the Cayman Islands, a tax haven. This does, however, seem an irrelevance in the context of the value for money issue.

Also, it is one thing to say tax avoidance structures should be cracked down on, quite another to suggest the government should decline to deal with a company with a structure that accords with the law.

There has also been talk about Energy Minister Angus Taylor. As a business consultant Taylor helped set up the two companies and was a director of each.

But according to Taylor's office he ended all links before entering parliament, never had a direct or indirect financial interest in EAA or any associated company, had no knowledge of the water buyback until after it happened, and received no benefit from this transaction.

So the questions in this affair centre on the conduct of the Agriculture Department and its then minister.

Grafton says: "Either the public servants were incompetent in relation to understanding value for money – or there's an alternative explanation."

The department is sensitive, taking the unusual step during Easter (and in the "caretaker" period) of issuing a [statement](#) defending its actions. It said it had done "due diligence". The water purchase had been consistent with Commonwealth Procurement Rules "and paid at a fair market rate, as informed by independent market valuation," the statement said.

Read more: [Australia's 'watergate': here's what taxpayers need to know about water buybacks](#)

View from The Hill: Joyce could be facing waves at a judicial inquiry after the election

Written by Michelle Grattan, Professorial Fellow, University of Canberra

Joyce is known in general to have been a meddling minister.

In this case, he insists he followed departmental advice in approving the purchase, and had been at arms length from the deal.

“My role was never to actually select a purchaser or to determine a price,” he told a Tuesday news conference. But he approved the authority to negotiate without tender, and imposed conditions, including having the department report back to him before finalising the deal.

The current Minister for Agriculture and Water Resources, David Littleproud, tried to stem the damage on Tuesday by asking the Auditor-General to inquire into the matter. Littleproud added a political twist, requesting the audit to look back as far as 2008, to encompass Labor’s period.

But this wasn’t going to satisfy Labor in an election campaign.

The opposition had demanded documents by the end of Tuesday; predictably, it didn’t get what it wanted.

Bill Shorten had already flagged the need for a judicial inquiry.

Late Tuesday, environment spokesman Tony Burke [accused](#) Scott Morrison of “trying to cover up his government’s incompetence, chaos and potential misconduct”.

“It is now clear that there needs to be an independent inquiry into the Eastern Australia Agriculture scandal, with coercive powers so that Australians can get the truth,” Burke said. (That inquiry, however, wouldn’t be probing Labor deals.)

If Labor wins on May 18, yet again we will see a government launch an investigation into the

View from The Hill: Joyce could be facing waves at a judicial inquiry after the election

Written by Michelle Grattan, Professorial Fellow, University of Canberra

conduct of its predecessor. If this comes to pass, Joyce will find himself in the witness box, a prospect he seems to relish - at least now.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

Authors: Michelle Grattan, Professorial Fellow, University of Canberra

Read more <http://theconversation.com/view-from-the-hill-joyce-could-be-facing-waves-at-a-judicial-inquiry-after-the-election-115866>