

# The Big Picture

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“News to use & amuse”



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## Leadership needed

A national emergency communications system was agreed in 2004 but we didn't get one because the various governments couldn't agree on who'd pay for it, which is a patent nonsense.

The answer is always the same – we, the Australian taxpayers are going to pay for it. It's just a question of how our money is to be divvied up.

So the truth is that governments were prepared to leave the population at risk and so expose (for example) Victorians to massive fire losses simply because governments couldn't decide which amongst them should spend our money!

That's a massive failure of leadership at all levels representing a complete failure to stand up for the people who are paying their salaries and benefits – the taxpayers of Australia.

The Australian government system costs taxpayers about 60% of GDP (\$550bn/yr) when everything is considered. This is an absurd and unsustainable price to pay just for governance. Each week in the news, the need for national leadership in assuring that Australians get value for their taxes becomes increasingly more evident. This week was a corker.

In '[reinventing social democracy](#)' Dr Lindy Edwards (ANU) reports that the financial crisis could break the welfare state - in other words, there won't be enough money to distribute to Australians. From our figures it's pretty obvious that there's so much waste in our system that we could save up to \$200 billion every year without really missing any of it. Here's an example.

The Tasmanian [Examiner](#) reported on 1 May 2009 that...

THE STATE Government's recently established Social Inclusion Unit has been criticised for spending more than \$700,000 on itself this financial year, with only around \$120,000 spent on helping the disadvantaged.

Documents obtained by the Opposition under Freedom of Information have shown that this financial year, the unit had spent about \$800,000.

About \$700,000 was spent on advertising, wages, brochures and travel, food and office expenses - while only just over \$100,000 was spent on helping the disadvantaged.

This equates to over 85% of the budget spent on administration! Small wonder that our taxes are so high and that we get so little for our money.

To have a new department set up and deploy public monies in this way indicates a set of habits, a bureaucratic culture if you like, that Australia simply can no longer afford.

In fact, our governments often don't even bother to check whether their expenditures deliver any value at all. This week [The Age](#) reports that \$1.2 bn was spent in Victoria with no checks as to its effects or efficiency.

Is this limited to Victoria? No. A story in this week's [Australian](#) provides details of the financial and social disaster that is the

NSW government. Reading its content we can begin to understand why Australia's total taxation levels are so absurdly high yet delivering so little.

The hopelessly inadequate and malfunctioning rail network, particularly in the greater Sydney area with its population of more than 4.4 million, is another example of the failure of the system. The Government has used the taxpayers' money to put political expediency ahead of technical and engineering reality in its Alice in Wonderland approach to this commuter rail crisis.

The problem is one which most of us are familiar with and which is described in the article as...

At the core of this is a bloated and dysfunctional bureaucracy that appears to be more preoccupied with echoing the political spin of government ministers than focusing on the good administration of the state. The NSW Government racks up an annual wages bill of \$23 billion for its bureaucracy, which exceeds 370,000 people, with more than 60 per cent involved in the areas of health and education policy.

60% working in policy??!! Sounds just like the article in the [Examiner](#) doesn't it?

This week we also read that scientists [report](#) that climate change responses are totally inadequate leaving our kids a world with insufficient food and water. Where's the leadership and the commitment to Australia and Australians?

And the Australian [reports](#) that defence has failed to allow for maintenance and training costs when buying new equipment, thereby saddling taxpayers with tens of millions in 'unexpected' expenditures...this after we find that most of our ships, planes and helicopters are not fit for combat use in the front line!

[Meanwhile](#) federal politicians get an effective pay rise of \$4,700 per year framed as an electorate allowance.

Rewording the Australian article I get...

At the core of this is a bloated and dysfunctional government that appears to be more preoccupied with echoing the political spin of industry and political parties than focusing on the good administration of the country.

Hmmm. Seems to work quite nicely really. Any thoughts anyone?

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## In case you missed it

### Financial mess

A single global currency [MarketOracle](#)

Pledge of the abyss [Australian](#)

Sorry lot of economies [TheWest](#)

### Governance & spin

No checks on effects of \$1.2 bn funding [TheAge](#)

L word banned in Tas Parliament [Mercury](#)

Millions needed to plug predictable gaps in defence [Australian](#)

Inaction on needed infrastructure [TheAustralian](#)

Fed polities get \$4,700 pay rise [HeraldSun](#)

Bloody uphill battle to fix NSW [TheAustralian](#)

Top end tax cuts now a dilemma [TheAustralian](#)

Anger at Tas 'power grab' laws [Mercury](#)

Blow the whistle for a freer future [HeraldSun](#)

Reinventing social democracy vital for progress [TheAge](#)

### Forestry/Food

Tas food bowl a 'pipe dream' says Treasury [Mercury](#)

FEA sells land in Tas [Mercury](#)

Murray 'food bowl' on brink of collapse [AdelaideNow](#)

Meat industries monstrous power shown by swine flu [Guardian](#)

### Climate/water

Vic climate winners to get \$25 bn [TheAge](#)

What will we tell our kids? [TheAge](#)

Green energy a better bet [TheAustralian](#)

### Health/education revolution/communication/defence

Aged care war vet eaten alive by mice [TheAge](#)

Subsidised private health makes system sick [TheAge](#)

ACMA ignored need for 000 caller tracking for 10 yrs [Australian](#)

Ex Tas pollie alert against chemical sprays [Mercury](#)

### Economy/social/shelter/transport

Laws skewed to industry lead to Melbourne violence [TheAge](#)

Workers trapped in AWAs lose \$8,000 pa [TheAge](#)

Tassie poor doing it hard [Mercury](#)

Revenge of the boatpeople [NewMatilda](#)

New IR laws threaten young workers [TheAustralian](#)

The rotten elite [NewMatilda](#)

Ignorance about indigenous issues fail us all [TheAge](#)

## The Decade New Labour Wasted

By Shant Fabricatorian 28 Apr 2009 © [New Matilda](#)



The UK's grim Budget tells the story of 10 squandered years and the failure of the New Labour project. They've handed power to the Tories on a plate

"Were you up for Portillo?" The excited catch-cry of Labour's crushing victory in May 1997 — referring to Defence Secretary Michael Portillo's loss of his safe Tory seat live on television — reflected the overwhelming feeling of excitement, hope and renewal throughout the UK after nearly two decades of Conservative rule.

A dozen years later, and after the release of the bleakest budget since World War II, Labour MPs have been sent running for cover. There has been, one senses, a growing panic on the back benches for some time — a gradually dawning realisation that the last decade has been wasted. The events of last week, which have simply brought the now-inevitable defeat into much clearer focus, provide the opportunity to consider the question: What legacy does New Labour leave behind?

There are plenty of books waiting to be written on the numerous individual failures of the New Labour project. But there is a unifying thread running throughout, namely the essential timidity of the entire New Labour reformist project — assuming it could be called reformist at all. Having been elected on a tsunami of goodwill, what New Labour delivered was, as we now know, not much more than Tory-lite (although even Maggie [balked](#) at privatising the Royal Mail).

Some figured it out earlier than others. In a remarkably prescient article for *The Guardian* in January 1999 entitled "Designer Drivel", Mark Lawson savaged the so-called "third way" approach:

"The third way between Old Labour taxation policies (top rate of 90 per cent) and Tory revenue-raising (even the super-rich paying no more than 40 per cent) would logically be to ask the highest earners to pay around 60-65 per cent. Yet, on this defining issue, Blair proves oddly content with the second way established in the 1980s.

"Similarly, where his much-publicised creed asks him to steer a third course on defence policy between Tories (slavishly pro-nuclear and pro-American) and Old Labour (strongly opposed to both), Blair merely continues recent devotion to ICBMs and the White House. The Third Way turns out to be the second way with a few cosmetic echoes of the first."

This point is crucial. With nearly two decades of resentment built up towards Conservative rule, plus government scandals erupting from every pore of John Major's administration, Labour was presented with an overwhelming mandate — and opportunity — for change. Yet their lack of appetite for major

reform frittered away a once-in-a-generation chance to establish the party as the UK's pre-eminent political force. Its economic credentials in tatters, the New Labour project is now comprehensively dead, its social achievements [set to be shredded](#) in the drive for budget savings.

In truth, New Labour's policy timidity goes back to before Blair even set foot inside Number 10. Having witnessed the disaster of the 1992 campaign under Neil Kinnock, Blair resolved that he would eliminate any obstacles that could possibly get in his way. Apart from getting chummy with Rupert and business leaders, previous tenets of Old Labour policy framework regarded as articles of faith — such as socialised education, health and housing, active labour market intervention and unilateral disarmament — were completely abandoned.

According to the website [Labour Policy Watch](#), of the 194 policies assessed, 60 policies have been left unchanged from the Tories, while a further 54 have been extended in the direction the Tories were taking them, compared with only 69 policies having been wholly or partly carried out in accordance with pre-1994 Labour policy.

What, then, was New Labour really about? At its heart, it proposed a continuation of the neoliberal agenda, with the rough edges smoothed off. As Hamish McRae [observed](#) in the *Independent* last week, New Labour relied on two core economic beliefs: firstly "that a vigorous, enterprising economy would generate sufficient tax revenues for the government both to rebuild public services and make sizeable transfers to the disadvantaged", and secondly "that by prudent monetary and fiscal management, the government could avoid both the financial catastrophe of the 1970s Labour governments and the wild swings from boom to bust that had occurred under the Tories". Gordon Brown was eager to proclaim as much, [famously arguing](#) in 2000 (and subsequently) that New Labour policies meant "no return to short-termism ... no return to Tory boom and bust".

If you say so, Gordy.

Unfortunately, the dire state of the UK's public finances now presents the country with a thoroughly unappealing choice. The first option is batten-down-the-hatches austerity, in all likelihood for well over a decade, if the debt is to stand a hope of being repaid. This, indeed, is pretty much the assumption of every commentator — that it is nose-to-the-grindstone time to try to clear up the mess.

But the hidden story is the partly structural nature of the deficit. The numbers are so bad because, in addition to being battered by the bank bailouts and a collapse in revenues from the City, they reflect the effects of the crisis on a long-term [borrowing binge](#).

Over the last two decades, the overall trend has been inexorably upwards, but last week's Budget will push total Government debt well beyond £1 trillion. Indeed, on the Government's assumptions, further borrowing amounts to an additional £703 billion on the debt pile over the next five years, and even that's a scenario predicated on plenty of hockey-stick assumptions (a return to 1.25 per cent GDP growth in 2010 and 3.5 per cent in 2011, which no-one outside the Treasury believes).

Even on the wildly optimistic Budget forecasts, the UK is headed towards a peak national debt of around 80 per cent of GDP. Pessimists (or realists), such as those at the Institute for Fiscal Studies, reckon that figure could be closer to 90 per cent, and crucially, remain that way for decades — they place a date of 2032 on the UK being debt-free, a very sobering prospect

indeed.

Clearly, the UK's predicament is a signal, and a warning, of the dangers of excessive debt. But the shocking figures are also why Brits should be concerned at the softly-softly approach being adopted by David Cameron. As the Liberal Democrats' Treasury spokesman Vince Cable [pointed out](#), it's a bit rich for the Tories to be complaining about the debt bubble considering the consequences have been building for 30 years.

More to the point however, Cameron is clearly a devout fan of the Blair political playbook. His response to the Budget was, entirely understandably, to say nothing. With a chorus of consultants in his ear telling him to sit tight while Brown continually smacks the self-destruct button with a mallet, you can hardly blame him. The gift to Cameron in this mess is extraordinary — rarely in the field of political conflict has so much been handed to a challenger on the basis of so little effort.

Short of the proverbial being caught with a dead girl or a live boy, David Cameron will be prime minister in a couple of years' time. Like the country itself, he faces a stark choice. At the moment, his favoured tactic is an adaptation of the successful Kevin07 strategy — stressing the failures of the incumbent government and capitalising on a catalogue of gripes built up over a decade.

But tempting as this small-target approach may be, the Tories should resist it. With Labour standing absolutely no chance of winning in 2011, Cameron has more freedom than most leaders in opposition. In this respect, the success of the Obama campaign is instructive, for the way he took the lead on policy formation and in crafting a truly broad and ambitious agenda for change — the sort of sweeping changes anticipated from Blair — while emphasising just how bad things currently are.

Above all, it requires recognition that the permanently debt-driven growth model of the last three decades is unsustainable and has proved fatally flawed. Nothing less will suffice if he is to make any sort of impression on the UK's worst economic crisis in decades, one that is the culmination of decades of mistaken policy.

With the UK lacking compulsory voting and with an exceptional number of Labour supporters disillusioned by the current administration, adopting a position as the country's de facto government has many advantages for the Tories. As Labour and Brown flounder, it will win Cameron support as a leadership figure, grant him an overwhelming mandate for overarching change at the election, and, importantly, create plenty of policy flexibility in office for the Conservatives.

But it requires a willingness to be bold — and a refusal by Cameron to be overwhelmed by the same politics of timidity which hamstrung New Labour. Any future Tory administration is going to have to pull off a difficult triple juggling act of cutting spending, expanding borrowing (in the shorter term), and increasing taxes. He would be well advised to start preparing the ground now to ensure he has room to move in 2011.

## The Gift Of Right Wing Humour

By Irfan Yusuf © [New Matilda](#) 30 April 2008



Political satirist PJ O'Rourke was warmly welcomed by conservatives on his recent visit to Australia. That is, until he cracked that joke about how we should open our borders to asylum seekers

"The problem with the Right is not that it is at odds with progressives or Democrats. The problem with the Right is that it is at odds with reality. It is at odds with facts, with evidence, with science. And that's why it has been so dangerous. And that's why it has been so discredited."

That [assessment of the Right](#) by former Republican Party partner (and now new-media matriarch) Arianna Huffington before the last US presidential election might easily be applied to Australian conservatives, be they political parties, publications or even think-tanks.

But Australian conservatism has a different kind of parochialism to its American equivalent. Our conservatives aren't just pro-life and pro-war simultaneously, nor are they uniformly anti-science and obsessed with the teaching of "intelligent design" in schools. Our conservatives manifest their parochialism somewhat differently.

When they're not beating their chests about religious and cultural issues, some conservatives prefer to pretend they're radical by challenging what they see as the new orthodoxy of a nebulous group known as "the Left". The editorial writers for *The Australian*, that elite bastion of anti-elitism, heralded the arrival of American humorist PJ O'Rourke in an [editorial](#) published on 25 April. They claimed that "much of what [O'Rourke] said this week would have upset supporters of the accepted wisdom" in relation to the free market and the role of governments in helping us out of the recession. Unlike Kevin Rudd, and like New Zealand's PM John Key, O'Rourke understands that "economics is about the way the world is, not the way we want it to be".

Janet Albrechtsen, leaping at the opportunity to talk about how clever and witty the Right can be, gleefully [cajoled](#) "the hard left of politics" (as in one Margot Saville) to "laugh with us". PJ's visit is perhaps the first time she's had a good laugh since her "man of steel" lost the federal election and his own seat, and since US voters elected a man whom Janet's side of politics doesn't exactly like.

Still, why should I be surprised? I mean, who better than the employees of an American-owned newspaper to toast a visiting American? I myself am not an American, nor am I employed by Americans. Indeed, the only passport I've ever held is an Australian one, and I'm not about to give it up even for the

pleasure of owning a few US media assets. But as a long-time fan of PJ O'Rourke, I also wish to join in the chorus of those having a good chuckle at his gags.

However, my aim isn't to laugh with Janet Albrechtsen and her buddies. Rather, I want to laugh *at* them. Janet has been among those leading the charge against nasty Afghan, Iraqi and Sri Lankan asylum seekers jumping the invisible (and indeed fictitious) queue and paying people smugglers to transport them to our shores.

PJ happily challenged supporters of the accepted conservative wisdom on asylum seekers and miscellaneous dark-skinned riff-raff when he appeared on ABC TV's *Q&A* program last Thursday. In what was a very wise and very funny performance, O'Rourke's analysis on the show about how we should deal with asylum seekers outshone even David Marr's.

So what does PJ say about asylum seekers? What does he say about how conservatives in America deal with the issue? While fellow panellist Liberal deputy leader Julie Bishop was frothing at the mouth that "since last August there has been an increase in the number of people arriving by boat" and how "the people smugglers are back in business", PJ had this to say:

"You know, we in the States have much, much more experience with being all wrong about immigration than you do. I mean 36,000 you said in Italy? ... We laugh. That's a day in the United States. And we are so wrong about it. I mean, build a fence on the border with Mexico, give a huge boost to the Mexican ladder industry, you know [...] the thing is when somebody gets on an exploding boat to come over here - they're willing to do that to get to Australia - you're missing out on some really good Australians if you don't let that person in."

With righteous indignation, Julie Bishop made some indistinct noises about smugglers. To which PJ responded: "Whoa. Whoa. Whoa. You know, if you open your borders, you don't have people smugglers."

Then PJ did something that will probably put him in the bad books of many in Australia's conservative establishment. He actually suggested Indigenous people might have something to say about all this.

"I'm not seeing any Aborigines on the panel here. I am not a Comanche or a Sioux. You know, my people came over to the United States in a completely disorganised way. Doubtless by way of people smugglers... I really believe in immigration ... Let them in. Let them in. These people are assets. One or two of them might not be, but you can sort them out later ... Oh, I think conservatives are getting this wrong all over the world, I really do."

And when Bishop finally pleaded for an "orderly migration system", O'Rourke wondered whether such a system would have turned back his ancestors.

O'Rourke's commonsense approach may be the kind of feel-good pinko-lefty elitist inner-city nonsense one would expect of the Fairfax/ABC cabal. Still, I couldn't help but wonder why, when the *Australian* had so much else to say in support of PJ's take on the world, that paper didn't even canvass, let alone champion, PJ's views on asylum seekers. Weren't the jokes funny enough? Or is PJ just one of those [moralising elites](#)? Do Janet and her colleagues lack a sense of humour? Or (to use Huffington's analysis), are they simply at odds with facts, with evidence and with reality?

## Emissions Scheme a Fraud

Letter from Barnaby Drake

Carbon Cap-and-Trade is basically a fraud. It is virtually unworkable and will not save the atmosphere or the world from global warming. Here's why:-

For the sake of an illustration let us assume that the world contains 1,000 hectares of tropical forest and the world produces currently 100 tonnes of carbon dioxide.

The tropical forest has a capacity to annually absorb only 90 tonnes of Carbon Dioxide, hence the current imbalance and the rising volumes of this gas in the atmosphere. It is already inadequate for the task in hand by 10 tonnes per year, so just how is a cap-and-trade scheme going to work? The forest will not absorb any more carbon dioxide, no matter how much money is paid, so you cannot offset increased pollution against a finite resource. We are already overproducing carbon dioxide and the cap-and-trade method will allow us to increase the amount we are producing in line with the projected economic growth figures. Growth comes at a cost in terms of pollution and politicians are already talking in terms of high future growth to pay off the current debt they have incurred due to the recession. Trillions of dollars worth, in fact.

Apart from that, there is no guarantee that the carbon credits they are buying actually exist, or have not been over-sold or will be preserved into the future. Local economics and survival may dictate that these so-called carbon sinks, sink! We have a fine example of this where both Australian State and Federal governments are prepared to destroy native forests and replace them with plantations which are legally defined as a rotational crop, yet they maintain the fiction that these old forests are sustainable. If our own government cannot be honest with us, how can we expect greater probity from third world countries?

The carbon cap-and-trade scheme is driven by economists and corporate enterprise – the biggest polluters, and the scientists and environmentalists have little or no say in the equation. The significant word in all this is TRADE! Already the stock exchange is gearing up for this and many companies have sprung up to handle this new commodity. They have had international conferences and meetings of ministers, but none have stopped to look at the simple facts of the matter. We hear phrases like 'supporting third world economies', and 'quota systems', etc. Very shortly this will be just another futures commodity which will make a few stock brokers very rich and will probably actually increase the amount of pollution by making it easy to obtain extra quotas and permits. And in all this, the brokers will buy into third world forests, which will enrich many of the local dictators and increase the poverty of the natives when their assets are sold over their heads well into the future. No big polluting company is going to look for their own carbon credits – they will trade with the brokers, just as they did with the Treasury Bonds. This gives them open slather on the market. In the Western World, the cost of these schemes will be passed on in increased charges for services and higher taxes to the taxpayers, who, as it turns out, will be paying for their own demise. This will be glossed over by spin doctors and glib-tongued politicians.

But the one thing that will not change is the capacity of these forests to absorb any more carbon dioxide than they are currently doing – a job they are struggling with at present. The fact that they have already gone past their limit seems not to have struck anyone and because you are paying someone not to

cut them down does not increase their absorption capacity. They are currently being treated as though the current absorption rate does not exist, and when they appear in the cap-and-trade schedule, the traders are treating the forests as though this full absorption capacity is still available. There is actually nothing left to sell - they are already too busy trying to cope with the free pollution allowance currently given to these industrialists. This is remarkable like the current sub-prime problem – a way to make lots of money while exacerbating the problem. Sell worthless bits of real estate for high prices and let the public pick up the tab. Inevitably there will be a crash.

There is an old saying, 'you can't put a gallon into a one pint pot'. What we should be doing is cutting back our current emissions to a level that allows our natural resources to cope with the load. However, that does not fit in with economic policy and human greed.

On the other hand, the atmosphere is not at all concerned with the foibles of human economics and the machinations of politicians; it is only concerned with the volumes of these noxious gases being produced. It will remind us of this in rather dramatic ways in the not too distant future!